

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 4, 1995

**The Chairperson:** — I would like to bring the attention to the committee to begin. And we will first of all open the committee with a discussion about a motion that the committee asked Mr. Putz to get for us, with the consultation of the Speaker, and that is regarding the attendance at the annual Public Accounts Committee meeting in Ontario on September 10 to 12. And our concern was, what happens if we have an election, and then the motion accommodates that. And I guess we could read it out and then we can discuss it and then we'll go from there.

**Ms. Stanger:** — Mr. Chairman, I'll make that motion. The motion is:

That this committee authorize the attendance of the Chair, the Vice-Chair, or their designates, together with the committee Clerk, at the annual meeting of the Canadian Council of Public Accounts Committees to be held in Ottawa, Ontario, September 10 to 12, 1995.

And further, that in the event that the twenty-second legislature is dissolved and the Legislative Assembly is not convened in time to re-establish the Standing Committee on Public Accounts before September 10, 1995, this committee authorizes the government caucus and the opposition caucus to each designate one of its members to attend the said annual meeting in Ottawa.

I so move.

**The Chairperson:** — Is there any discussion? Well I'll ask for the question then. How many in favour of doing this? That's carried. Thank you.

There's another issue that probably needs to be raised, and that's one of a theme for the public accounts meetings in Ottawa, the theme being "Can they make a difference," and would we like to have a topic that we would like to raise with the committee at that time?

I was thinking about the role that this committee has had in two things: one in dealing with private sector accountants and public sector accounting, and the other issue is this committee has had quite extensive involvement with the health boards and how

they developed their audit system together with our auditor.

Those two items I believe, would be of some significance to talk about when the committee convenes in Ottawa. And those are two items that I thought would be of some significance to the committee, but also because of the work we've already done with that.

**Mr. Cline:** — I think that's a very good observation, Mr. Chairman. What we might do is, like the theme being, "Can they make a difference," well we've done some things that I think have made a difference. And maybe what we should be doing is offering to make some kind of report on, say our activities since this committee was formed; what we've recommended and what's come of it. You know, where the government has acted and where it hasn't acted.

And I suspect if we did that kind of analysis we'd probably find that we have made an impact. And maybe we should offer to do for the conference a presentation on things we've done — the things you've mentioned, plus the special report that the auditor did at the request of this committee, plus our reaction to the report that the auditor did when The Crown Corporations Act was proposed.

So things that we've done that have made a difference in terms of procedures and in terms of legislation, because legislation has been changed, I think, as a result of some of our recommendations. Plus, just in terms of the government's procedures, recommendations we've made that have been adopted. And of course there would be some that haven't been, but I think the Department of Finance tries to do an analysis of our reports and make a report of what they've done and what they haven't done.

And I think we could put that together — we meaning the Clerk of course — fairly easily. So why don't we make that offer to them and see if they want a report on all the good things going on.

**The Chairperson:** — I think it said by the 7th it has to be in there, by April 7. So we could put down these items that you've mentioned and I've mentioned, and then we could have them

... you know, we could give them the ones we think we would like to talk about first, second, and third, and then see whether they fit into their schedule in any way, and then take it from there.

They'll probably get back to us about what we think the ... what they think that the topic should be that we should discuss with them.

**Mr. Cline:** — We could leave it a wide-open offering to do an analysis of a particular topic such as some of the things that we mentioned, or a general analysis of everything that has gone on and been recommended and to what degree we've been successful.

**The Chairperson:** — Okay. Is that good, Greg? Okay.

**Public Hearing:  
Saskatchewan Gaming Commission**

**The Chairperson:** — Good morning, ladies and gentlemen. Would you introduce your officials and then we will proceed.

**Mr. Nystuen:** — Good morning, my name is Gordon Nystuen; I'm the president and chief executive officer of the Saskatchewan Liquor and Gaming Authority. Today I understand we're discussing the Saskatchewan Gaming Commission, the public account audit for '92-93.

The officials that I have with me today are Dave Innes, on my immediate right; he is our vice-president of licensing. To my far right is Dick Bailey; he is our vice-president of corporate services. On my left is Colleen Laing; she is our manager of finance.

**The Chairperson:** — Okay, this is the statement I read in front of every meeting that we have with new people.

Witnesses should be aware that when appearing before a legislative committee, your testimony's entitled to have the protection of parliamentary privilege. The evidence you provide to this committee cannot be used against you as the subject of a civil action. In addition, I wish to advise you that you are protected by section 13 of the Canadian Charter of Rights and Freedoms which provides that:

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

A witness must answer all questions put by the committee. Where a member of the committee requests written information of your department, I ask that 20 copies be submitted to the Clerk of the committee who will then distribute them and record it as a tabled document.

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

And with that, we will ask the auditor's office, with Fred Wendel, to give an overview of the Gaming Commission; and then we will ask the members to address themselves to questions they may have.

**Mr. Wendel:** — Thank you, Mr. Chairman. I'll have Mobashar Ahmad from our office give you an overview of chapter 25.

**Mr. Ahmad:** — Mr. Chairman, members of the committee, our report on Saskatchewan Gaming Commission is contained in chapter 25 of our report, beginning on page 233. I'll go through the highlights of this chapter.

The commission does not have an appropriate plan to audit licensees and therefore cannot be certain it receives all the money due from licensees or if the licensees use gaming proceeds only for authorized purposes.

Subsequently, Mr. Chairman, the commission was disestablished and its activities are now being carried on by Saskatchewan Liquor and Gaming Authority. This concludes our summary of the audit. If there are any questions?

**Mr. Cline:** — Mr. Chairman, can I suggest that ... I don't know if there are any, but if members of the committee have any questions, that they could precede other members.

**The Chairperson:** — I'm not sure that the committee has ever precluded anyone who's a member of the legislature from speaking.

**Mr. Cline:** — No, I'm not suggesting that anybody should be precluded from speaking. I'm simply suggesting that members of the committee might have some questions and perhaps it would be appropriate for them to precede members who are not members of the committee.

**Mr. Neudorf:** — Thank you, Mr. Chairman, for allowing me the opportunity to respond to this attempt at an end run. I think it's . . . I sat on this committee for five years and I don't believe that I ever heard something like that mentioned or attempted at any given time. And I think as members of this Legislative Assembly, we all have a responsibility to hold the government accountable and its various agencies and Crown corporations and so on.

And I think all members take that duty and obligation very seriously, and that is particularly why I am here. As the official opposition's critic to the Gaming Authority, I think it behoves me to be here to ask questions and hold the Gaming Authority accountable.

However if I seem to have caused some distraught in members opposite, I will show my cooperation and accede to the member's request. And I'm sure then that all of the opposition members are just brimming with questions that they wanted to ask the officials that are here. And I will accede to his request, not out of obligation but out of cooperation, and to make sure that the tenor of this committee will continue on in as high a level as possible.

And so therefore, Mr. Chairman, I would recommend to you that you recognize the member from Regina here so that she can ask her questions. And then the opposition members may even follow suit following that.

**The Chairperson:** — Mrs. Bergman is not a member either. So do you have questions that you would like to ask? . . . (inaudible interjection) . . .

**Mr. Cline:** — It's hardly a question of stifling anybody. The order of reference for this committee says, while membership substitution remains the prerogative of the Assembly, MLAs (Member of the Legislative Assembly) who are not members of the committee are allowed to participate in the

committee's deliberations at the committee's discretion, but such members may not vote, move motions, or be part of any quorum.

And my observation, Mr. Chairman, is that obviously you're the Chair of this committee, so you're responsible to decide who should speak first. But I'm simply suggesting that, as a matter of common sense, it would make sense for the procedure in the committee to ask, as is done in every meeting, whether members of the committee have any questions.

And I appreciate Mr. Neudorf's cooperation in that regard. I think it's just basic common sense.

**Mr. D'Autremont:** — Well thank you, Mr. Chairman. Well not having been here perhaps quite as long as Mr. Neudorf or Mr. Koenker, in the three and a half-so years that I have been here, it's never been a contention as to whether or not you were part of a committee to have the opportunity to ask questions and to address that committee. It's always been, in my experience, that the speaking order has been made up of whomever puts their hand forward and asks to be represented . . . recognized, I mean.

So the only other time that I have seen this happen is on the Board of Internal Economy when the members of the board did not wish to allow any other member of the Legislative Assembly to speak, other than those that were duly appointed to that position.

I think, Mr. Chairman, if you were to make a ruling that members of the committee were those to be recognized first, you would be setting a very dangerous precedent for the whole committee structure of this legislature.

**The Chairperson:** — Any other observations? Okay. I'll call the meeting open then for anyone that wants to raise a question with the Gaming Commission.

**Ms. Stanger:** — Just in reference to .06, I was wondering. The recommendation was that the commission is responsible for ensuring that licensees use gaming proceeds for authorized purposes. Being new on this committee, could you give me an overview what authorized purposes would be?

**Mr. Nystuen:** — Okay. Within the confines of

the Criminal Code, there are a number of sections that speak to gaming: who can be given a gaming licence; and then further within that, the types of activities that may occur with the use of those proceeds. Largely — and I won't quote chapter and verse from the code — it speaks to the charitable gaming side. It says charitable organizations and religious organizations have the ability to carry on gaming within the sanction of the code.

It goes on further to say that they must use those funds for charitable or religious purposes. That is as defined as the Criminal Code goes with regards to charitable or religious purpose. Following from that, we have a number of provincial Queen's Bench court rulings that go on to articulate and define what charitable purpose is. We use those findings as the basis for licensing decisions and policy parameters under which we grant licences.

To give you a quick overview of what would fit within that category — and this certainly isn't exhaustive — but it would be in the range of . . . for the relief of poverty would be a recognized purpose by the courts, for the education and training of youth or individuals in society under the age of 18, for I guess the protection and help for the disadvantaged, whether they be physically challenged through blindness or lack of use of limbs or those sorts of things.

And the courts have also spoken specifically with regards to categories that do not qualify. Probably one of the more notable is adult sports groups, whether they be a hockey team or whatever where they use charitable funds for the benefit of adults. It also has a category that speaks to broader community benefit which allows more latitude, but it certainly takes it beyond the capacity just to speak to an organization that is more narrow or adult focused. But also maybe some . . . there's been a long-standing practice in Saskatchewan where the Saskatchewan Roughriders are seen to be a significant community benefit, and they run a lottery for that, for their development and training plan.

**Ms. Stanger:** — So it would seem that it wouldn't be so difficult to really get an accountability from the lessees, would it, to follow this recommendation?

**Mr. Nystuen:** — Well I think probably one of the challenges that exists in the interpretation of the use of proceeds always comes in the grey area.

For example, a significant challenge that we have gone through in the last couple of years is the issue of high school students travelling. The policies that we have embarked on in Saskatchewan recognize that there are benefits to high school students to travel and to see cultural and educational events, and sometimes to visit foreign countries. What we have done with our policy is to try to frame that in a context such that the maximum number of students can benefit and so that potentially Saskatchewan businesses may also benefit.

An example of that is we certainly encourage very strongly for high school groups that are travelling to purchase their travel packages or whatever from Saskatchewan businesses, rather than going to Ontario or the United States and saying, well we want to travel with a foreign carrier. In that light, the benefits that do accrue flow back into the Saskatchewan economy.

We also do limit the number of dollars that can be spent per individual who is travelling. I'm not certain of the precise dollar amount, but I think we do contain that to something like a thousand dollars per student. Because certainly in previous times we had organizations that might try to raise 30 or \$40,000 from gaming and then take three or four students somewhere.

And we think that in trying to match these goals, the purpose, whether it falls within the guide of the code and the court interpretations, but we also try to have some balance and accessibility to members of the province, or citizens.

**Ms. Stanger:** — So that it's really . . . you have to think of quite a few . . . this just isn't cut and dried, I guess is what I'm trying to say, is it?

**Mr. Nystuen:** — Most certainly it is not cut and dried. And we have had, probably dating back two years now, extensive discussions with the groups involved, trying to work within their parameter of needs. Because certainly we do have some very active high schools that do have travel programs, and not wanting to stifle that kind of educational context but also

saying, look, there are some broader issues that society as a whole has said, well you know, gaming isn't designed . . . or charitable gaming isn't designed so that 20 kids from a Saskatoon high school can go to Europe. What about the kids that are involved in band programs or swimming or whatever? They need to have access to some of those funds too, and there has to be some distribution as well.

**Ms. Stanger:** — Thank you. That explains that quite well.

**Mrs. Bergman:** — Thank you, Mr. Chair. Just in follow-up on that question, I believe the question is, how do you make sure that these organizations are accountable for what they say they're doing with the funds?

**Mr. Nystuen:** — The process that is used in granting a licence with regards to a charitable organization sort of would follow this logic track. An organization would apply to, during this period, the Gaming Commission. They would need to provide some indication that they are a legitimate organization.

For example, the Riffel High School students union or something of that nature, provide us with the names of their signing officers; that they do have a bank account that will be allocated and has been set up specifically for the gaming endeavour that they're going to go into.

They have to make known to ourselves as well the type of gaming activity that they want to have a licence for, whether it be a small raffle that the prizes are . . . or a bingo; what their desired use of the funds is, whether it be a sports trip or to use as expenses incurred in competition or a cultural event that they're carrying on at their school. And largely fill out that sort of information with regards to, does this qualify for a licence.

Probably the most obvious thing that happens is that there will be a list of items that they're planning to do within their budget, some of which will qualify within the Act and some that will not. The first step always is having the licensing reviewer again contact the applicant and go through and say, you know, we've got your application, your organization qualifies and this seems like an activity that certainly is within the context of the policies and so on.

However they will flag with them areas that maybe fall outside of that. To give you an example, I believe in previous years, a number of groups would carry on gaming activity and then buy high school jackets or hockey team jackets, which are a personal expense, or something for the individual rather than for the group. The applicant, not knowing whether or not that qualifies or doesn't qualify, would fill it out and say, you know, 25 jackets at \$100 each. So they get the feedback and say, look we're not saying you can't have a licence and that you're not going along the right route; however there are things that you have outlined that are not appropriate and you can still raise that funds but you can't use them for those purposes. So the first check is to identify things that they are planning to do that may not fall within the guide of the Criminal Code, the terms and conditions, and Superior Court rulings that we have had within this province.

Past that, we grant the licence; the organization will go out and raise the funds. Once they raise the funds, it is incumbent upon them to deposit those monies within their bank account that they have set up for this purpose. Then once those funds are captured within that bank account, then it is incumbent upon them to use cheques or bank drafts to transfer money from that account to the appropriate purposes that have been outlined and authorized within their licence.

The question that you ask — and it's a long way to get there — is there is a process then after to verify, to make sure, that those organizations have indeed raised the funds that they said they would through the process under which they had applied.

So for example, if they said they were going to raffle off a rug at a dollar a ticket, that indeed they did raffle off a rug and not a Mercedes, and that indeed they were a dollar a ticket and not a hundred dollars a ticket, and then file the report with us.

And then we'll go back and verify they did that. As well, we'll go back and verify: were the monies drawn from the account; were they used to pay for ice time or music lessons or the appropriate purposes; are there receipts to balance that off.

**Mrs. Bergman:** — So you're saying, in reference to .04 here, that you do have an

audit plan and you do audit each of these.

**Mr. Nystuen:** — No. What I described is the process. In 1992-93, at the end of that year, the auditor correctly observed that there was not an audit plan and that the systems that were in place at that time did not measure to the satisfaction of the auditor.

Since that point in time, we have indeed taken on, I believe at the time that this went we said we will . . . or that the commission would hire an auditor. Previous to that it did not even have an auditor. So we took on an auditor.

On the July 1, 1993 the Gaming Commission amalgamated with the Saskatchewan Liquor Board which had a significant audit staff already for the audit of liquor licences, the liquor stores, and all of the inventory involved in that system.

So in the year following this, there were a number of steps that were taken to bring the experience required with regards to audit into the organization, as well as to begin the process of saying, look we grant these licences; we tell everyone up front what their responsibilities are, but as observed here, we aren't appropriately, in the auditor's interpretation, following up to make sure that people are living up to the covenants under which they sign and apply for the licence.

So that the process began in '93-4. We designed the audit plan and I believe we are only now finishing with the auditor.

There are observations that exist with regards to the year following this, with regards to the fact was there not a plan and so on. And you would have to refer directly to the auditor for this. But our understanding is that we will not be cited in our '93-94 audit for a lack of audit plan and follow-up procedures. So indeed this was something that was observed and we have taken action to correct that and indeed to do as you say.

One of the other questions that exists is that you mentioned about each and every licence. Indeed that is something that I guess is not practical in any audit sense, is to audit every transaction that would occur in the licensing authority or in a business or wherever.

You sample the amount of transactions that

you do and have that based as part of your plan, and then see from the sampling and the observations that you find within that sample whether or not the rules are being adhered to and you make an inference on the whole from the sample. So indeed we won't be auditing every licence.

**Mrs. Bergman:** — Thank you . . . (inaudible) . . . I can refer to the auditor later. I have some more questions to ask.

With all the changes that the government has implemented in gaming, but we still have substantial amounts of money circulating through bingo halls and various charitable operations with some serious gaps in accountability, I'd like to review one of the issues that we've raised in previous years.

The largest amount of revenue being raised by charitable organizations is of course bingo. And I note that the licence fees collected by the government have been very large until they were recently rolled back; largely unfair to the charitable organizations. Despite all the money that was taken in, there does not seem to be much greater accountability where it matters — at the source of supply.

In 1992 the Hon. Mr. Mitchell was asked about the issue of accountability in bingo halls with respect to the bingo paper sold and whether there was an accurate system to track or audit the sales. He stated: the system is a reporting system, the reports being made by the charities as a condition of their licence, and we accept them at their word and we accept that the figures are correct and that the numbers that we report . . . that we have and the revenues that we accept are on the basis that these reports are accurate. That's how we've been working up to now.

And we asked that same question in '92 and '93 and again in '94, and each time we got a lengthy reply about the changes to the way bingo halls operate. And after those three years of admitting there's no audit system to specifically determine how much bingo paper is introduced into a licensee's bingo program or event, has the Gaming Commission introduced such a system?

**Mr. Nystuen:** — I'm afraid that I'm going to have to give you another lengthy answer with regards to this.

When bingo began its growth, there were a number of issues that were associated with bingo that resulted. Prize boards grew; opportunities existed for individuals to maybe take advantage of the system to their own advantage. The result of that, in the mid-'80s the former administration introduced a licence fee beyond the nominal fee for a licence which was 2 per cent of gross revenues; those funds to be taken in and to provide some inspection and compliance services so that the game that occurred in a bingo hall was indeed fair to patrons.

There are many aspects to the bingo industry that make it extremely challenging with regards to monitoring — are the games fair, and so on. And certainly the former administration was appropriate in saying there is a direct cost to monitor this to make it fair. And indeed so doing, the industry should shoulder some of those costs.

The question that we get to in the audit is, when the government took that decision, now they have a financial interest in the industry saying, do we know that we are getting all of our 2 per cent? And because that 2 per cent is a calculation of the amount that is wagered through bingo paper, that the auditor observed, well without a control system how do you know for sure, for ever and ever, that you're getting what is owed to you? So that began nearly 10 years ago.

The system went on in its format, indeed largely relying upon the integrity of the charitable organizations to appropriately account for the amount that was wagered. But understand it in this context: that the charitable organization needed to report its interest and the government's interest simultaneously because in order to calculate the government's fee, or the 2 per cent, it also had to calculate the other 98 per cent which were its fees.

In so doing, I expect that this was Mr. Mitchell's intention, and I shouldn't speak for him . . . but that we have a very small interest in this compared to the charity. We're interested in 2 per cent of it; they're interested in 98 per cent of it.

Was there a mechanism that allowed the absolute, complete monitoring so that the precise amount was known? The auditor's opinion is that that was not there. But the

government's opinion at that time when it was brought in, was that we have a very small interest; they have a significant interest. And the money that they receive still has to go into a bank account and be accounted for and be expended within the terms of the Act.

In I believe it was the fall of '92, the fee was changed from 2 per cent to 4 per cent, which certainly became a significant issue for the auditor because the government fee now had changed by two percentage points. So we have a different relationship. Now we have 4 per cent; they have 96 per cent of the interest.

The question that has been asked in the past is what were you doing or where was your plan in order to monitor this? Indeed this issue today, although it was observed in the '92-93 audit, we largely believe is resolved because of a decision taken in December where now the government has no financial interest by having no percentage fees in the operation of bingo halls or break-open tickets or raffle fees.

So indeed if the charities . . . the charities, their responsibility is to monitor their own enterprise, what's happening within the halls. And certainly today we have a very different management structure within the bingo halls than we had previously, where they are the operating mind. And indeed that is the check that exists today.

And again you can refer to the auditor in the audit that was just completed and the papers that they will be filing, I understand, shortly. They do not cite that as an issue either, or any longer.

**Mrs. Bergman:** — So you're saying you don't need an audit system because you don't get any money from this.

**Mr. Nystuen:** — What I'm saying is that the government's interest in the bingo industry now is a licence fee. A charitable organization says, I want to operate a bingo. I believe the nominal fee is \$50. If they qualify, they pay us \$50; we grant them a licence. The licence has covenance that says, when you raise your money you must use it for these purposes. But it is now that organization's interest on raising those funds.

**Mrs. Bergman:** — So it's totally up to the organization now to keep track of the bingo

paper; to make sure that all money that is collected is accounted for.

**Mr. Nystuen:** — This would be very similar to someone who owns a grocery store to keep track of their inventory, and when inventory is sold, to account for it and go straight to their bottom line, yes.

**Mrs. Bergman:** — So at this point you license but you don't inspect bingo halls?

**Mr. Nystuen:** — No, we still inspect. Our role is to ensure that the game is fair; that indeed players all have an equal possibility of winning, so that there is not coercion potentially between a player and a caller, or matters of that course. But whether or not the charitable association is, let's say, maximizing or optimizing their return in that bingo hall, that is a matter for them.

**Mrs. Bergman:** — So could you outline for me what the basic job description of your inspectors, what would be the things that they need to . . .

**Mr. Nystuen:** — We can provide a job description of the inspectors to you.

**Mrs. Bergman:** — Yes, and could you outline it in general . . . you gave me a couple of general statements, but . . .

**Mr. Nystuen:** — I guess what I would not want to do is to miss something and therefore mislead you. But an inspector's task today, if he was to go to a bingo hall, would be to make sure that indeed the balls are being called as they're brought out of the cage.

So indeed if the three came out first, that the three is called first. That indeed if there is someone who says yes, I have a bingo, then indeed the person who is checking that card, indeed that the numbers on that card match the numbers that have been called, not to the disadvantage of anyone else within that facility. That once that player is declared a winner, that indeed the player gets paid.

And there are a number of issues that go beyond this with regards to competitiveness between halls where there aren't undue incentives or unauthorized incentives offered to players and so on. But largely an inspector's — in the facility — responsibility is with

regards to the fairness of the game; that players play and they all have the same possibility of winning.

**Mrs. Bergman:** — An inspector has no particular responsibility for checking the accountability of the bingo paper?

**Mr. Nystuen:** — Indeed the paper that is sold to the players is the responsibility of the charitable association, to make sure that when they sell to a player that the monies that they receive from the player indeed go back to the charitable association.

**Mrs. Bergman:** — And what about in terms of checking the amount of bingo paper in terms of theft or sales outside the context of that charity?

**Mr. Nystuen:** — Well as I have described before, that would be to the disadvantage of the charity if one of their volunteers was taking paper and selling it and keeping the money.

**Mrs. Bergman:** — You obviously aren't concerned that one of your former inspectors was convicted of fraud for taking bingo paper from stock, paper that was not accounted for, and selling it at a bingo event and stashing the money in her clothing. And you continue to sit and say that you don't have any control over the bingo paper, and you can't vouch for how much paper inventory the charities begin with unless someone stands there and counts for it, and now it's the charities responsibility to do that.

For all the millions of dollars involved it's hard to imagine that in the regulatory nature of the Gaming Commission that you're just willing to take people at their word. Perhaps you have a reply to that.

**Mr. Nystuen:** — Well I think that there are a number of issues that you have raised. One is the employee that you refer to was unauthorized and working in a bingo hall. And certainly . . . Go back — the individual that you were speaking about was an employee of the Gaming Commission, correct. She was not an inspector. Her task at the Gaming Commission was not to go and oversee facilities. Secondly, she was not there working as a Gaming Commission employee when she was at the facility; she was there as a volunteer.



We now have conflict of interest rules that preclude employees of the Gaming Commission from partaking in these kinds of events. Because I do not have the accurate delineation of precisely what happened with regards to this employee, I'll be very cautious about how I describe this. But largely she was caught largely removing money from a bingo. I believe she was charged. She was . . . and I don't remember whether or not she voluntarily resigned from the Gaming Commission because of the actions that she had taken. And as I said, today we have conflict of interest rules that preclude this kind of activity.

I guess the point that you raise is interesting in the fact that indeed she was caught. And she was not caught by the Gaming Commission; she was caught by the charity. And as in any or all private business, one of the issues that always exists for management is to properly monitor and control the activities that go on within their business. And sometimes employees and sometimes customers try to take advantage of that business. And in the case of the bingo industry, that responsibility lies with the charitable association to protect their interest so that they're not taken advantage of by individuals.

**Mrs. Bergman:** — Could you point out for me why we are different from B.C. (British Columbia) where they do have an audit control system, and they've had for years. Why doesn't Saskatchewan audit the bingo paper?

**Mr. Nystuen:** — Well I cannot speak directly to the circumstances in B.C. other than to say that they still may have a financial interest in the gaming that goes on, which no longer is the case in Saskatchewan. Charitable gaming, the government does not participate in the return from the industry. Our only interest is a licence fee upon application. And the question that needs to be asked is do we collect our \$50 fee when we advance someone a licence? And I think that that will be the question that the auditor will have to render decisions on or opinions on in the future.

**Mrs. Bergman:** — Thank you, Mr. Nystuen. Could you comment on any of this, if there has been a change since the . . .

**Mr. Wendel:** — Mr. Chair, I understand that the commission has established an audit plan and we've looked at the plan. We've had no

comments on it for this year, for this 1993-94 year, and we'll see how it's implemented in the following year. And we will be working through it to see how it does work.

**Mrs. Bergman:** — Thank you, Mr. Chair.

**Mr. Neudorf:** — Picking up on some of the discussion that has preceded my entry into the discussion. This plan that you're talking about, obviously the auditor has had some concerns as he has expressed, basically from .01 to .10, and he asked you to do something about it. In .10, on chapter 25, page 234, the auditor's recommendation was that:

The Commission should establish an audit plan that ensures the accuracy of licensees' returns and appropriate use of gaming proceeds.

The auditor has just indicated that there is a plan in place now and that he's reserving judgement as to the validity and effectiveness of that plan until the next year's assessment of the Gaming Authority.

I was listening with interest as you were describing the plan, and it seemed to me that while I was listening, that there seemed a lack of continuity or a lack of direction or a lack of preciseness in your answer. Because it seemed to me that you were kind of jumping from this one to this one, and as one thought came to mind it was added to the mix.

So perhaps in fairness to you and fairness to the commission, it would be appropriate for you to table this plan that you have so we could take a look at the preciseness of it and study the details of it so we would know exactly what this plan is. And obviously there must be this plan in place because the auditor has just referred to it, and I would like a copy of that, if you would please do that. Then we can discuss it from a precision point of view.

**Mr. Cline:** — I'd like to say, Mr. Chairman, I would like to see that plan too. I think it's a very good suggestion.

**Mr. Nystuen:** — With regards to the audit plan, indeed the audit plan deals with the '93-94 audit and not the '92-93 audit. Is that the plan that you are requesting?

**Mr. Neudorf:** — Well perhaps to be all

inclusive, I would like to see a copy of the '92-93 plan which was inadequate in so far as the auditor was concerned, so that I could compare that inadequacy with the current plan that you have adopted to facilitate the controls that were lacking in the previous plan.

**Mr. Nystuen:** — The question that you ask is interesting in so far as . . . I see one of the members of the auditor shaking his head about the audit plan and so on. And we will provide a memo to you that details the audit that was undertaken in '92-93 and '93-94, and the details of the plan in that. Whether or not we can release the audit plan, I don't know whether or not that is appropriate, and I would look to the auditor to comment on that.

**Mr. Wendel:** — I'm not sure I understood the question. Are you talking about our audit plan or the commission's audit plan?

**Mr. Neudorf:** — My question, Mr. Wendel, was that there was apparently some kind of plan in place in '92-93. And your report suggested that it was somewhat inadequate and that a new plan was supposed to be put into place. The president of the Gaming Commission has indicated that there was such a plan, and I think I listened for about 10 minutes while he was describing his '93-94 plan. And because I couldn't follow some of the machinations that were being described to us, I am suggesting that to facilitate some of the concerns that members of this committee might have, that we get a copy of the '92-93 plan of the commission's that in your estimation was inadequate.

And now I also want a '93-94 plan, the plan that was described in some detail by Gord here so that we could have a comparison of the two. And it seemed to me that the committee was led to believe that the '93-94 plan was a good plan, that the auditors report in '93-94 did not have any negatives to say about that.

And those are the two plans that this committee would like to have a look at. I'm sure as the member from Saskatoon, Mr. Cline, has already indicated, he thought it would be a good idea for us to have a look at those plans.

**Mr. Wendel:** — Well I don't think I could comment as to whether the commission should

release its plan to the committee or not. I just wanted to be sure it wasn't our plan you were talking about, and I may want to comment on that. So that will be the commission's decision as to whether they could bring forward the plans.

**Mr. Neudorf:** — Well now you've raised . . . Did you want to participate?

**Mr. Kraus:** — If I could, Mr. Chairman . . . I've given some thought to this too because we conduct audits, and I feel uncomfortable that we might have to provide details about our audits. But I think under the freedom of information Act we're probably required to provide a lot of information that the Provincial Auditor wouldn't have to provide because of protection he has under his Act. But I wouldn't think that there's anything that would preclude us from providing that information.

**Mr. Nystuen:** — If I might comment again. I don't want to leave the impression that there is something that we're concerned about the plan in releasing it to the committee. The question that we've been discussing is in an audit plan we are concerned about the auditees understanding too much about the fact that they may get audited. And if they understand and know too much about the plan, then they may take precautions to hide or take certain circumstances to protect themselves from the audit. And if I recall, I think that may be some of the issues that Mr. Kraus is speaking towards.

**Mr. Kraus:** — Yes, and if I could just interject, again I mean I've struggled with this myself because we're talking here in our case, in the Department of Finance. And under freedom of information as I understand it, if someone asked under that Act, they could not only get our audit plan, but they could receive a copy of our detailed audit findings which makes us uncomfortable because sometimes there's things in there if you don't put the right context on it can, you know, unnecessarily harm someone.

And now I just want to point out that I believe in the Provincial Auditor's case he has legislation that says that they do not have to provide that, and there are good reasons for it. But in our case, to the best of my knowledge at this time — and we have to talk to the solicitors about that, this matter — that if we were asked

for any information relating to an audit we might conduct, which could be just as sensitive as what the Provincial Auditor might do or what the Gaming Commission might conduct, we would at this point have to release it.

I would think you might be . . . and I understand why you're concerned about providing your audit plan too because that's our concern. Well now if the auditee can see what you're going to do and is fully aware, they may be able to guard against . . . better position themselves so that you can't find something. But you may be able to couch this in some terms that still provides an idea.

**Mr. Cline:** — I'd like to make a comment with respect to this matter which you may find helpful, Mr. Neudorf. I think you know there are layers of detail when you're dealing with this kind of issue, Mr. Chairman, since it . . . What Mr. Neudorf is saying I think is that, look, a problem was identified in the auditor's report that there was a lack of an audit plan or an inadequate audit plan. And he's saying well, as we all are saying, okay how has that been dealt with by the commission or the authority? And we want it to have been dealt with.

So we want to get a description of what the authority has planned. But I think, you know, that differs from a description of exactly how such a plan would be executed. In other words, as a member of the Law Society, I know that they have an audit plan for our trust accounts. You know, and that is in general that they have some kind of spot audit system. And that of course is described to the membership so that you know there's a spot audit system.

But the method by which they determine who they're going to audit and when of course isn't released because the members of the Law Society would then know when they were going to be audited. And I can't imagine that that kind of information would ever be released by any organization that was responsible to do an audit.

However I think that what Mr. Neudorf is asking for, which I think we all should ask for, is a description of a plan such that we know that the problem has been rectified, but the description at the same time not being such as would, you know, unduly interfere with the ability of the commission to properly do its audit.

So I think that the concerns of Mr. Neudorf and the commission in the comments of the Provincial Comptroller could all be accommodated by an appropriate response. And I'm sure that all the members of the committee and members of the legislature would want to cooperate with the commission in that regard because obviously it would be in the public interest that we get an appropriate answer, but at an appropriate level of detail as well.

**Mr. Neudorf:** — Thank you, Mr. Chairman. I did think I had the floor. I'm not usually used to having other people speak for me or putting words in my mouth or making interpretations of what I was intending to say.

**A Member:** — I was just trying to be cooperative.

**Mr. Neudorf:** — And helpful, yes, Mr. Cline, I recognize that. The concerns that we would have is simply that this government has embarked upon a new direction in this province with its gambling proliferation. And it seems to us, looking from the outside in, that there are a tremendous number of possibilities and concerns of mismanagement that are becoming apparent as the scenario unfolds.

We are concerned about keeping proper controls. The auditor was concerned about keeping proper controls because he said those proper controls are not there. Now we are being told that proper controls have been put into place. Well I understand that I am a layman and do not understand totally the intricacies of financial statements and financial controls. So we have to assume that what experts tell us is accurate. But I don't like necessarily having assumptions. I want a certain comfort level that, representing the constituents, my constituents and these people of the province . . . that there are indeed adequate controls.

And that is what I want to have a look at. I want to be secure in the knowledge that in fact from my layman's point of view, these controls are in place and that these controls are adequate. Far be it from me to jeopardize any audit controls that the commission has implemented, and aiding and abetting someone who is perhaps considering doing something untoward.

Would it not perhaps at the same time be beneficial for certain audit controls to be released and your audit plan to be released, simply as a . . . not a precautionary measure, but a measure to dissuade anyone who may be contemplating doing this because they will recognize that there is a firm plan in place, and woe be to anybody who tried to circumvent that?

And perhaps by releasing a document like that — and again recognizing that there may be some key elements that you would like to omit to make it that much more difficult — but release that to us, release that to this committee and to the public because this committee is public. And I think then a measure of comfort would be arrived at as far as this committee is concerned.

So I guess what I would want now is for you to give us your intention as to the extent of the knowledge that you would be willing to share with this committee without us having to go to the FOI (freedom of information).

**Mr. Nystuen:** — Mr. Chairman, I guess what I would like to say is that we will commit to the committee to provide as much detail about our audit plan and the actions that we have taken in devising that plan to satisfy the interest of the Provincial Auditor, in other words, the steps we've taken to show them that we do have an audit plan and how it's working.

The only rider that I would put to that is that we will be cautious so as not to create circumstances that would compromise the ability of that audit to be carried out.

**Mr. Neudorf:** — Would that determination then as to what is going to be released and what is not going to be released done in conjunction with Mr. Kraus and his office?

**Mr. Nystuen:** — I think what we would like to do is to speak with Mr. Kraus and also with the Provincial Auditor as we prepare this document because indeed our interest in this is so that this committee is as, I guess, fully briefed about our audit plan and what we intend to do so that you all understand indeed I guess the strategy that we have with regards to the audit without compromising the efficacy of that audit.

**Mr. Neudorf:** — Thank you. One further

comment that you made was in regards to the \$50 licence fees, as my colleague was questioning you. And you seemed to indicate that basically as long as you had the \$50 licence fee, because you had no vested interest in the outcome of the amounts of monies, that that was the extent of your interest in that issue. And that kind of surprised me.

Then you went on to describe the job description — lacking in detail, I thought — about the inspectors and their job description. Could you at the same time then commit to present to the committee the job description of the inspectors in these bingo halls so that we know precisely what the responsibilities and what their duties are.

**Mr. Nystuen:** — We will endeavour to do that as well.

**Mr. Neudorf:** — Thank you. The next question that I would have is the comments made in regard to the lady that was caught cheating in bingo, and she was not doing that during the time that she was under the employ of the commission, I think is how I understood that.

She was caught, not by an inspector, but rather by the charity itself. And it seemed to me . . . I got the impression that it was a self-policing mechanism that this seems to be operating under, rather than a grand plan that is part and parcel of your mandate to control and to make sure that bingos and other forms of gaming are run on the up and up. And again, I was somewhat surprised to hear that.

Is there no mechanism that the Gaming Authority is pursuing to ensure a complete level playing-field throughout the gaming industry, be it bingos, be it lotteries, be it whatever. And would you want to comment on that? Maybe I'm misinterpreting something here, but certainly the self-policing concept does not appeal to me.

**Mr. Nystuen:** — With regards to the comment about the individual who was caught, in the information that I was just given, I may not have given the fullness of the answer that was required.

Indeed, the individual was caught through an investigation that involved the charity association, the Regina city police, and

inspectors from the Gaming Commission. And although she was not caught by an inspector, all of those three parties were cooperating in the investigation that led to her arrest.

**Mr. Neudorf:** — Would the results, or would the circumstances that led to her arrest be something that is . . . well let's put it this way — was it a fluke or was it part of the system, and the system designed to do precisely what that resulted in?

**Mr. Nystuen:** — Again, I am cautious about this because one of the things that . . . well, for example, the paper room in a bingo hall may or may not be video monitored. And the reason why I say may or may not be is because I don't want to say that they are or they aren't in so far as the cameras may be there; are they on, not on. That is something that management often does to entice or to create the circumstances that it's being looked after; but at times, if individuals think it's off, they may do something that they may not ordinarily do.

So we have a circumstance where there is video monitoring of the paper room and the supply. If there are suspicious circumstances under how individuals may act within that room, that may lead to other circumstances with regards to monitoring those individuals — investigations and so on.

I guess what I'm saying is that there are security checks within facilities. And I guess what I don't want to get into is a discussion of what all of those security checks may be, for similar reasons to the audit.

**Mr. Neudorf:** — Right. No, I can appreciate that, and that's not my intent here. My intent is, again, just to give me a satisfaction of knowing that there is a good system in place.

And I'm not convinced of that completely because there's a number of questions that come to mind. For example, whether or not . . . if you have monitoring cameras in a paper room, why would they not be on? You indicate they may be on, they may not be on. Is that a decision of management or is that a decision of the charity that may be operating at that particular time?

And the bigger picture of what I want to get at now is the paper trail, or the audit trail of the paper. And maybe that will answer part of my

concern here.

That audit trail of the bingo paper from the time it leaves the printer — how is that monitored? How would we be making sure that all of the paper that is actually printed is well accounted for through all the different steps? And if something happens somewhere along that line, can it be picked up? Where is the responsibility of the charity for example, as opposed to management, as opposed to the Gaming Commission?

**Mr. Nystuen:** — Going back to your first question about the investigation that led to the arrest, I would hold out that it wasn't a fluke, because indeed there was video surveillance involved there. That surveillance equipment was used appropriately, that led to an investigation that led to an arrest; so for that issue.

With regards to when and where is the bingo paper versus the management looked after, the organization of the bingo facilities today has the management indeed being a charitable organization that would have an executive director, so an employee, or have a contract with a private firm to provide professional services. Those are the two models that we have.

So as an example, Highway East Bingo Association is a charitable association that's made up of maybe 20 charities that are members. Those charities manage that facility. They would procure the paper from a manufacturer. There are a number of manufacturers that exist in Canada and across North American for the paper that they may purchase it from.

When it comes into their facility, they would log the inventory. And when an individual charity comes in to run a bingo event on a specific session, there would be an allotment of paper that would be taken out of that inventory and passed on to that charity in return for the value of the money for that paper.

There's a close-out sheet that would log the amount of paper that was passed on to the charity, how much was sold in the evening, what the prizes were from the different games during that evening. At the end of it there will be a gaming proceeds that will be achieved by that charitable association. That charitable

association then would take those funds, deposit it into their bank account.

Once in that bank account, then those funds must be expended within the guidelines of their licence or, in other words, what they were authorized to spend it on. Receipts are required for the expenditure of funds from that account. Then our audit would take over to see indeed if the monies were spent on the items authorized, whether or not the monies deposited to the account match to the close-out, and whether or not, well, the prizes that were achieved fit within the terms and conditions for a bingo event.

**Mr. Neudorf:** — Thank you. According to what you are saying now, that the commission does not purchase the paper itself and then distribute it to the charities.

**Mr. Nystuen:** — No, it does not.

**Mr. Neudorf:** — The charities can choose from . . . how many did you say, from how many different printers as such?

**Mr. Nystuen:** — I don't know the exact number of printers, but I know that there are a number of different suppliers.

**Mr. Neudorf:** — Are there any such things as recognized printers, printers who are eligible to provide the product, or can anybody set up a printing shop and start printing paper to give these charities some access?

**Mr. Nystuen:** — They are registered as gaming suppliers in order to manufacture or to sell the paper. My understanding is that there are at least three, if not four, registered suppliers of paper in Saskatchewan, and the charities must purchase from one of those suppliers.

**Mr. Neudorf:** — Mr. Chairman, if I could just switch gears a little bit here and initiate some of the questions that I will be asking about in future times. I want to refer to the Saskatchewan Gaming Commission supplementary financial information, and that is the fiscal year ending March 31, '93, which I understand is the year under review. It says on this particular document that it is unaudited. Did you want to comment on that?

**Mr. Nystuen:** — I'm told that the auditor would

not look at this level of detail for a publicly released document.

**Mr. Neudorf:** — Since we're concerned about public monies then, perhaps I should turn my attention to the auditor and ask the auditor what he thinks about a sheet of paper like we have been handed here for the '92-93 year from the Saskatchewan Gaming Commission. This is supplementary financial information and it has been handed to the committee as unaudited. And we were just told now that this is too much detail for your office. Do you want to comment on that?

**Mr. Wendel:** — Mr. Chairman, and Mr. Neudorf, I'm not sure what document you have in front of you. I don't have a copy of it. Is it a list of payees? Would that be what it is?

**Mr. Neudorf:** — Correct, for personal services.

**Mr. Wendel:** — Okay. My understanding of what's happening with the list of payees that are being provided, organizations are providing a list of payees to comply with this committee's recommendation to tell people who got money from your organization. And that's what that document is. And I understand what they're doing is attaching this document to their annual report when it's tabled in the Assembly; that's how that's working.

Now that information that you have, that additional supplemental information would be similar to what's in volume II of the *Public Accounts*, the payees for government departments. We also don't audit the detail that's in volume II of the *Public Accounts*. So in that respect, it would be consistent, like we wouldn't audit that, and we don't audit volume II of the *Public Accounts*.

**Mr. Neudorf:** — Thank you. But before we get carried away about saying that these are details that for whatever reason we're not going to investigate, the '92-93 account is a sum of \$892,664. Then I also have the supplementary financial information for '93-94, and the amount that we're looking at for that particular year is \$5,860,755. I'll repeat that for the benefit of those who found that . . . \$5,860,755. That's a fair chunk of detail, in my estimation.

So where would the controls then be, or where would the comfort level be for us to know that

that money was indeed well spent, if you're not going to be doing an audit on it? And I recognize the financial constraints, Mr. Auditor, that your office is working under.

**Mr. Wendel:** — Mr. Chairman, and Mr. Neudorf, when we audit an organization like the Gaming Commission, we have three objectives when we go out there. We want to find out whether the financial statements are reliable, and we make comment on that. And those are provided in the *Public Accounts*.

We want to make sure that they have adequate rules and procedures to safeguard and control the money that's under their auspices. And we comment on that in the annual report. As you note, in the annual report we said they needed to improve their audit plan.

The other thing we do is we want to make sure they've complied with all the relevant legislative authorities. So we also comment on that if we find they haven't complied with the authorities that govern how they generate revenue or spend their money and those kind of things.

What we haven't done is audited to the level to say that each individual supplier got this much money. But you can take some comfort that they have good systems and practices — other than where we indicate otherwise — that comply with the law and these financial statements that are in here are reliable.

That document you have should tie in to these financial statements. I don't have it in front of me to see if it does, but it should agree with these financial statements in total. You should be able to find numbers and read them, and that should give you some comfort. But we haven't audited to say that . . . we haven't put our opinion on this. Not to say we couldn't, but we haven't.

**Mr. Nystuen:** — Mr. Chairman, I'm trying to remember the numbers that the member read off, but I think what he is comparing is the '92-93 Saskatchewan Gaming Commission with the '93-94 Saskatchewan Liquor and Gaming Authority.

**Mr. Neudorf:** — That's right.

**Mr. Nystuen:** — And during '93-94, the Liquor

and Gaming Authority combined the Saskatchewan Liquor Board and the Liquor and Gaming Commission, so in those payments we have also the staff that were employed by the Saskatchewan Liquor Board that wouldn't have been included in '92-93.

**Mr. Neudorf:** — In the Gaming Commission?

**Mr. Nystuen:** — Right. And that's the reason for the numbers. I was just looking through some of the names, and I know that there are employees who were employed at the Liquor Board in '92-93 that show up in the combined statement that you see that's \$5 million that don't show up in the '92-93 for the Gaming Commission.

**Mr. Neudorf:** — Well thank you for that preliminary explanation. Mr. Chairman. I have a number of questions that I would like to address in a little bit more detail than the auditor had time or money for, and maybe the next meeting might be the time then to do that.

**The Chairperson:** — Normally we close at 10 here. I'm on speaker number three, and I have seven in total. So if you keep your notes, I'll keep my list. You keep your questions, and we will begin next Tuesday again at 8:30. And if the Gaming Commission is available . . . we will assume that you perhaps are. You'll be in contact with our Clerk if you are not.

We will be back here next week.

**Mr. Neudorf:** — Mr. Chairman, I had some difficulty getting the floor today it seems . . . as long as it's understood that the meeting was adjourned with the speaker on the floor.

**The Chairperson:** — I will make sure that the notes are in my book.

**Ms. Stanger:** — Mr. Chairman, seeing as I'm a member of the committee and I asked one small question and I didn't really get my questions asked, I can't see how Mr. Neudorf can complain about getting on the order. Because if you don't believe me I guess we'll have to look at *Hansard* and see who had more time at this committee, a member of the committee or a member of the Legislative Assembly? So I don't think that was a fair comment to make, Mr. Neudorf, seeing as you had a heck of a lot more time than I did to ask your questions.

**Mr. Neudorf:** — I have a lot of questions to ask, Mr. Chairman.

**The Chairperson:** — I have indicated that there are seven all told, and we're on number three, and I will keep the list available . . .

**Ms. Stanger:** — And I will be here.

**The Chairperson:** — For each of you to have a time with the committee. I will thank the witnesses here from the commission and appreciate your attendance.

**Mr. Neudorf:** — Are we in time restraints here?

**The Chairperson:** — I will ask for an adjournment.

**Mr. Cline:** — But just as a point of order, Mr. Chairman, my point simply was that I think in the future . . . and I'm not referring to next week because Mr. Neudorf has the floor, and that's fine, and we're all anxious to hear his questions.

But I think it's a matter of procedure. It would be proper to ask the members of the committee if they have questions and, as matter of courtesy, to give them the opportunity to ask questions. And all members of the legislature, whether they're members of the committee or not, should also have that opportunity. But I think we have to be mindful of the rights of the members of the committee.

The other thing is, in today's procedure, we did not ask the Gaming Commission the usual introductory question we ask them which is whether they have any general observations to make with respect to the recommendations of the auditor.

And I think that they did have an opportunity to say what they might say, but they were never asked to do that or given an opportunity to make an opening statement before you opened questions to the floor. And I think we just have to be mindful of procedures to make sure that we deal with our business in an orderly and proper fashion.

**The Chairperson:** — I will ask for an adjournment motion.

**Mr. Neudorf:** — Since there was no

adjournment motion being made, then I will continue the discussion. Maybe I'm missing something. I thought we were members of the legislature with free speech, that we could ask questions unimpeded. If we want to start talking about *Hansard*, then let's take a look at the *Hansards* of this committee and see how many questions were asked by members opposite from the government in previous meetings. And I think here you will find that that there are not that many.

Now I am not in here to blow my horn; I'm in here to ask legitimate questions on behalf of the people of Saskatchewan. You will notice that the regular member from our party that is sitting right beside me now has not opened his mouth. It's not because he doesn't have questions. I am the critic. I am the Gaming critic, and I'm here on behalf of the opposition as Gaming critic which I think is a very legitimate role for me to play.

And I have constantly from the outset of this meeting been made to feel as if I have no business being here, that somehow I'm an interloper that is being allowed by the good graces of the committee to speak. And that's not how this committee operates. I have every legitimate authority to be here and to ask my questions, and I intend to do that. And I intend to do that with no intimidation from members opposite as if I am doing something that is not legitimate. I just want to make that point, Mr. Chairman.

And I will begin asking my questions then at the beginning of the next session. And if it takes the whole session . . . I don't know if there's a time restraint or constraint to this committee that this committee is operating under that we feel that we must be limited in the numbers of questions that we ask. Now if I'm wrong, I would want to be advised it's so.

**Mr. Cline:** — Well far be it from us to try to intimidate Mr. Neudorf, Mr. Chairman. It's been tried before, and we know it doesn't work, so I'll move adjournment.

**The Chairperson:** — Thank you. All in favour? Agreed. Thank you.

The committee adjourned at 10:07 a.m.



## STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 4, 1995

### MINUTE NO. 35

8:30 a.m. — Room 10

1. **PRESENT:** Mr. Martens in the Chair and Members Cline, D'Autremont, Koenker, Serby, Sonntag, and Stanger

#### **Other Members**

Bill Neudorf  
Anita Bergman

#### **Provincial Auditor's Office**

Fred Wendel, Assistant Provincial Auditor  
John Hunt, Executive Director  
Mobashar Ahmad, Audit Principal

#### **Provincial Comptroller's Office**

Gerry Kraus, Provincial Comptroller

2. With respect to the 1995 conference of the Canadian Council of Public Accounts Committees to be held in Ottawa from September 10 through 12, Committee members suggested a number of discussion topics for the consideration of the host. In regard to the committee's delegation to it was moved by Ms. Stanger:

That this Committee authorize the attendance of the Chair, the Vice-Chair or their designates together with the Committee Clerk at the Annual Meeting of the Canadian Council of Public Accounts Committees to be held in Ottawa, Ontario, September 10 to September 12, 1995, and further, that in the event the Twenty-second Legislature is dissolved and the Legislative Assembly is not convened in time to re-establish the Standing Committee on Public Accounts before September 10, 1995, this Committee authorizes the Government caucus and the Opposition caucus to each designate one of its Members to attend the said Annual Meeting in Ottawa.

The question being put, the motion was agreed to.

3. The Committee proceeded to review Chapter 25 (Saskatchewan Gaming Commission) of the Provincial Auditor's Report for the year ended March 31, 1993.

#### **Witnesses**

Gord Nystuen, President/Chief Executive Officer  
Dave Innes, Vice-President, Licensing  
Dick Bailey, Vice-President, Corporate Services  
Colleen Laing, Manager, Financial Services Branch

Mr. Ahmad of the Provincial Auditor's Office presented an overview of Chapter 25.

4. The witnesses answered questions put by Members.
5. The Committee adjourned its consideration of the Saskatchewan Gaming Commission and Chapter 25 of the Provincial Auditor's Report for the year ended March 31, 1993.
6. It was moved by Mr. Cline:

That this Committee do now adjourn.

The question being put, the motion was agreed to.

7. The Committee adjourned at 10:07 a.m. until April 11, 1995.

April 4, 1995

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Gregory A. Putz  
Committee Clerk

Harold Martens  
Chair