

STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 25, 2001

MINUTE NO. 13

9:00 a.m. - Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Gantefer, Harper, Higgins, Jones, Junor, Kwiatkowski, McCall*, Stewart and Wakefield.

Substituting Members

Mr. McCall for Mr. Wartman

Provincial Auditor's Office

Fred Wendel, Acting Provincial Auditor

Brian Atkinson, Acting Assistant Provincial Auditor

Rodd Jersak, Manager

Deann Dickin, Executive Assistant

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

Lori Taylor, Manager, Financial Management Branch

Lisa Healy, Senior Analyst, Financial Management Branch

Legislative Counsel and Law Clerk's Office

Ken Ring, Legislative Counsel and Law Clerk

2. The Chair of the Committee advised that the position of Vice-Chair was vacant due to the appointment of Ms. Lorjé to cabinet and her subsequent replacement as a member of the Committee. Mr. Krawetz then presided over the election of a Vice-Chair. Mr. Gantefer nominated Mr. Harper for the position. There being no further nominations, it was moved by Mr. Gantefer:

That Mr. Ron Harper be elected to preside as Vice-Chair of the Standing Committee on Public Accounts.

The question being put, the motion was agreed to.

3. The Chair tabled the following document:

PAC 13/24 – Standing Committee on Public Accounts: Draft First Report of the 2nd Session, 24th Legislature.

4. The Committee proceeded to consider the *April 2001 Special Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan Regarding Changes to The Provincial Auditor Act, Bill 14*. The Acting Provincial Auditor provided an overview of the *Special Report*.

It was moved by Mr. Harper:

That the Committee accept the *April 2001 Special Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan Regarding Changes to The Provincial Auditor Act, Bill 14*.

The question being put, the motion was agreed to.

5. The Committee next proceeded to consider the remarks of the Legislative Counsel and Law Clerk in which he commented upon whether the Committee's 23 recommendations were reflected in Bill No. 14 and to what extent the proposed provisions in Bill No. 14 implement or respond to the Committee's recommendations respecting changes to *The Provincial Auditor's Act*.

The following document was tabled:

PAC 14/24 – Legislative Counsel and Law Clerk: Correspondence from Mr. Ken Ring, Legislative Counsel & Law Clerk, to Mr. Ken Krawetz, Chair, Standing Committee on Public Accounts, dated April 12, 2001, re: Remarks with respect to Bill No. 14, *The Provincial Auditor Amendment Act, 2001*.

6. The Committee noted that, in the opinion of the Law Clerk, recommendations 3, 5, 6, 8, 10, 11, 13 – 18, 20 - 23 were reflected in Bill No.14 and accordingly, that no further discussion was necessary.
7. The Committee noted the Law Clerk's drafting concern regarding recommendation 1 that clause 3.1(2)(b) of Bill No. 14 should read normal "age" of retirement as opposed to normal "date" of retirement. The Committee accepted the clarification of the Provincial Comptroller that the wording of the Bill was consistent with existing legislation.
8. The Committee noted the Law Clerk's suggestion regarding clause 3.2 of Bill No. 14 that the hierarchy of officials to whom the Provincial Auditor should submit his resignation might also include the Deputy Speaker, elected Members or a senior legislative official to reinforce the independence of the Legislative branch of government. The Committee noted the clarification of the Provincial Comptroller that this provision outlines a process for receiving a resignation of a Provincial Auditor and further, that the Deputy Speaker is authorized in certain circumstances to act in place of an absent Speaker. The Committee agreed that as this issue had not been raised previously, it would be taken under advisement for possible future amendments to *The Provincial Auditor Act*.
9. The Committee noted the Law Clerk's comments regarding recommendation 2 that Bill No. 14 does not contain specific provisions for the appointment of a selection committee nor for the designation of positions from certain offices. The Committee accepted the clarification of the Acting Provincial Auditor and the Provincial Controller that the intent of the provision was to grant the Public Accounts Committee the discretion in these matters.
10. The Committee noted the Law Clerk's comments regarding recommendation 4 that Bill No. 14 permitted a provincial auditor to apply for a second "or subsequent term". The Committee noted that the intent of the drafting was to permit an individual to be eligible for a second term and that it may not be consecutive.
11. The Committee noted the Law Clerk's comments regarding recommendation 7, that Bill No. 14 contained an additional provision to address the situation where there is no Public Accounts Committee. The Committee noted that both the Acting Provincial Auditor and the Provincial Controller were in agreement with the additional provision.

12. The Committee noted the Law Clerk's drafting concerns regarding recommendation 9 that Bill No. 14 does not expressly provide for "expenditure recovery" to be retained by the Provincial Auditor's Office. The Committee accepted the clarification of the Acting Provincial Auditor and the Provincial Controller that the intent of the provision was to enable the Office of the Provincial Auditor to retain revenues from secondments while ensuring that fees and revenues charged by the Auditor's office would be deposited in the General Revenue Fund.
13. The Committee noted the Law Clerk's comments regarding recommendation 12 and the advice from the Acting Provincial Auditor that the draft report incorrectly reflects the earlier decision of the Committee. The Committee agreed that Bill No. 14 is consistent with existing departmental acts dealing with auditor of accounts and further, that the recommendations of the Committee were not intended to be incorporated into legislation but rather to serve as a guide.
14. The Committee noted the Law Clerk's drafting concerns regarding recommendation 19 that clause 13 of the Bill No. 14 was drafted in permissive, rather than a mandatory, language. The Committee accepted the clarification of the Provincial Controller that the intent of the provision was to authorize the Public Accounts Committee to request information and for the audit committee to simply have the cooperation of other offices but no additional powers over them.
15. The Committee next proceeded to consider its First Report of the 24th Legislature. Mr. Wendel of the Office of the Provincial Auditor provided an overview of his suggested concerns.
16. The Committee noted the Acting Provincial Auditor's concern regarding the use of the word "administration" in line 6 on page 5 of the draft report. The Committee requested the clerk to seek clarification whether this wording was consistent with that used in orders-in-council and legislation that assigns ministerial responsibility for the administration of an Act as opposed to responsibility for the administration of the organization itself.
17. The Committee concurred in the Acting Provincial Auditor's concern regarding the working of Special Report Recommendation 3 on page 5 of the draft report. The Committee requested the clerk to seek clarification of what the Provincial Auditor's Special Report proposed and to amend the draft report accordingly.
18. The Committee took note of the Acting Provincial Auditor's concern regarding the interpretation the Committee took on section 16 of the present *Provincial Auditor's Act* in the discussion on Special Report Recommendation 4(4). The Committee agreed to amend the wording to more clearly reflect that matters concerning transfer payments can be dealt with by way of the present section 16 of the Act, which permits PAC to request the Provincial Auditor to undertake special assignments, even though that section does not authorize the Provincial Auditor to access these accounts.
19. The Committee concurred in the Acting Provincial Auditor's concern regarding recommendation 12 that the intent of the Special Advisory Committee's recommendation was to encourage PAC to prepare engagement letters but not that this issue would be enacted in legislation.
20. The Committee concurred in the Acting Provincial Auditor's suggestion that the year be corrected to "2001" on line 6 of page 12 of the draft report.
21. The Committee concurred in the Acting Provincial Auditor's suggestion that the following words "... *The Provincial Auditor's Act* should include provisions that ..." be added after the phrase "Your Committee disagrees that ..." in the Special Report Recommendation 10(2) on page 8.

22. It was moved by Mr. Gantefer:

That the Committee adopt the draft report with the changes agreed to today as the First Report of the Second Session of the 24th Legislature.

The question being put, the motion was agreed to.

23. The Committee then discussed the arrangements for hosting the 22nd Annual Conference of Canadian Council of Public Accounts Committees, to be held in Regina from September 16th to 18th, 2001.

24. The Committee adjourned at 10:36 a.m. to the call of the Chair.

Margaret A. Woods
Committee Clerk

Ken Krawetz
Committee Chair