

STANDING COMMITTEE ON PUBLIC ACCOUNTS
September 10, 1987

MINUTE NO. 3
September 10, 1987 at 9 a.m.

1. PRESENT: Members Tchorzewski, Martin, Muller, Neudorf, Rolfes, Saxinger, Van Mulligen

Provincial Auditor's Office

W.G. Lutz, Provincial Auditor

G.F. Wendel, Assistant Provincial Auditor

Comptroller's Office

G. Kraus, Comptroller

C. Bayda, Financial Analyst

2. Mr. Muller was elected as Vice-Chairman
3. Resolved, That the Committee authorizes the Chairman pursuant to Rule 90 (2) to hold meetings to conduct hearings and receive evidence when a quorum is not present provided that a full quorum shall be required whenever a vote, resolution or other decision is taken by the Committee.
4. From PAC #4 of 1986-87, the Committee identified the following departments to be called on items listed in the Provincial Auditor's 1984-85 Report that were not completed in the 1986 committee.

Department of Advanced Education and Manpower (2.3) (Martin)

- (1) Organizations incurring liabilities
- (4) Inventory values misstated
- (6) Surplus funds to be returned to the fund set-up therein

(Miscellaneous) Advice and instruction Community colleges receive respecting legislative control over spending and the use of independent auditors.

Indian and Native Affairs Secretariat (2.9) (Martin)

Payments not properly vouchered.

Department of Justice (2.10) (Van Mulligen)

(1a) Land Titles — non compliance with prescribed procedures for the collection recording and deposit of money for services provided

Inmate Trust Account — that money could be misappropriated

(1b) Royal Canadian Mounted Police Services — verifying of annual statement of expenditures and revenue

(3) Provincial Correctional Centres; Pine Grove Correctional Centre — payments charged to 1984-85 appropriation

Saskatchewan Forest Products Corporation (2.23) (Saxinger)

(1) Policy and procedure manuals were incomplete

(2) Rules and procedures applied were not adequate to prevent or detect unauthorized data from being entered into the accounting records of the Corporation.

Department of Tourism and Small Business (2.14) (Saxinger)

(1) Northern Forest Operations Ltd. (NorFor), Saskatchewan Forest Products Corporation.

Treasury Board policies contravened by the processing of Revolving Fund receipts and payments through Norfor's bank account rather than through the Consolidated Fund

5. The Committee discussed the list of outstanding reports requested by the 1986 Public Accounts Committee

as listed on page 4 of PAC #4 of 1986-87:

(a) Re: Minutes of May 15, 1986, Item 5 request for a Department of Finance report on general purpose summary financial statements — the Committee agreed to alert the Department to be prepared to report on this matter along with other matters to be identified later and to call the Department of Finance to appear early in the Committee's hearings.

Re: Minutes of May 15, 1986, Item 6 request, the Committee renewed the request and the Comptroller indicated the report would be forthcoming shortly.

Re: Minutes of May 22, 1986, Item 5 request for certain financial statements, the Committee renewed the request and the Comptroller indicated the requested documents would be tabled shortly.

6. By leave of the Committee, Mr. Rolfes dropped his motion moved on September 3 regarding dispensing with items arising from the 1984-85 Provincial Auditor's Report.
7. The Committee began consideration of the Provincial Auditor's Report for 1985-86 and flagged the following items for review at hearings:

1.00-1 06 Crown Corporation Accountability.

The Committee agreed to call the Department of Finance to discuss the status of changes to crown corporation auditing and the role of the Provincial Auditor therein and to investigate the cost effectiveness of such changes.

The Committee further requested the Department to provide the Committee with a preliminary report dealing with:

- (1) the cost-effectiveness of using more private sector auditors for crown corporations;
- (2) the department's view on the effects of the proposed changes on accountability to the Legislative Assembly and completeness of reporting to the Assembly including the effects of changing the Provincial Auditor's supervisory role over outside auditors;

such report to be received by the Committee prior to the Committee's hearing on the Department of Finance.

8. The Committee requested the Provincial Auditor to provide a list of crown corporation audits intended to be done by outside auditors and a list of the crown corporation acts which must be amended in order to allow outside auditors to conduct the audit.
9. The Committee requested the Comptroller to survey other provinces and report to the Committee on the practices followed with respect to:
 - (1) when the Public Accounts and the Provincial Auditor's report are tabled or made available to Members, and
 - (2) the way they were released, and
 - (3) whether they are released when the Legislature is not sitting.

10. It was moved by Mr. Van Mulligen:

That the Department of Finance in consultation with the Provincial Auditor submit a report to the Committee on the advisability and feasibility of setting a target date for the completion and releasing of the Public Accounts and a means of enforcing that such date be met.

A debate arising, it was adjourned to the next meeting.

11. It was moved by Mr. Van Mulligen:

That the Committee Clerk report to the Committee on what changes to the rules and practices of

the Legislative Assembly would be necessary to provide for the "tabling" or releasing of such reports at a time when the House is not sitting.

A debate arising, it was adjourned to the next meeting.

12. The Committee adjourned at 10:35 a.m. until Tuesday, September 15, 1987 at 8 a.m. in Room 10.

Agenda:

Continue consideration of 1985-86 Auditor's Report including resumption of debate on adjourned motions from September 10 meeting.