

STANDING COMMITTEE ON PUBLIC ACCOUNTS

February 7, 1989

MINUTE NO. 7

February 7, 1989 at 9:00 a.m.

1. PRESENT: Mr. Van Mulligen in the Chair and Members Anguish, Hopfner, Lingenfelter, Martens, Martin, Muller, Neudorf and Prebble

Officials:

Provincial Auditor's Office

W. Lutz, Provincial Auditor

F. Wendel, Assistant Provincial Auditor

M. Heffernan, Deputy Provincial Auditor

Comptroller's Office

G. Kraus, Provincial Comptroller

T. Paton, A/Director, Financial Management Branch

2. The following documents were tabled:

PAC 29/88-89 — Statement by the Provincial Auditor respecting January 1989 press reports

PAC 30/88-89 — Report from the Provincial Auditor respecting the process used to downsize his office

3. The Committee resumed consideration of the Provincial Auditor's report and PAC 30/88-89.
4. It was moved by Mr. Prebble:

That this Committee shares the concern of the Provincial Auditor that recently established companies to carry out public policy objectives such as Saskatchewan Property Management Corporation are not providing full public accountability and urges the Assembly to require that these companies be made accountable and be required to provide the Assembly with a list of persons who received money in the same manner required of the government departments where these services used to be delivered.

Further that newly created companies like Westbridge, where large amounts of public money are being placed, and which do not report to the Assembly, be required to provide an annual report to the Assembly.

A debate arising and the question being put, it was negatived.

5. It was moved by Mr. Martens:

That the Provincial Auditor apologize to the Public Accounts Committee and the Legislative Assembly for the partisan political comments he made as quoted in the newspaper. (Particularly the Leader Post of Monday, January 23, 1989.)

The Chairman ruled the motion out of order on the grounds that a committee has no power to censure and can only refer such matters to the House for its action.

6. It was moved by Mr. Martens:

That the Committee report to the Legislative Assembly that the remarks made by the Provincial Auditor to the Press (Leader Post, January 23, 1989) be addressed to determine whether the

Provincial Auditor in his remarks made comments of a partisan political nature.

A debate arising, a point of order was raised by Mr. Neudorf that the remarks of Mr. Prebble were in the nature of partisan debate and were therefore out of order. Mr. Chairman ruled the point not well taken.

A point of order was raised by Mr. Martens that the remarks of Mr. Prebble were not relevant to the motion and were therefore out of order.

Mr. Chairman ruled that the remarks were relevant and the point was not well taken.

The debate continuing, and the question being put, it was negatived.

7. The Committee resumed consideration of the introductory section of the Auditor's report.

8. It was moved by Mr. Anguish:

That this Committee instruct the Provincial Auditor to seek a legal solution, with the intent of obtaining a court order instructing Crown Investments Corporation and Crown Management Board to make available meeting minutes, so that the Auditor may properly undertake his audits.

A debate arising and the question being put, it was negatived.

9. Resolved, That the Committee schedule be amended to meet from 9:00a.m. — 1:00 p.m. on Friday, February 10, 1989. (*Mr. Muller*)

10. The Chairman called a recess at 2:25 p.m.

11. The Committee reconvened at 3:04 p.m.

12. The Chairman made the following statement:

1. The Provincial Auditor's Act, Section 12, provides that:

—At the end of each fiscal year, the Auditor shall prepare a report to the Legislative Assembly, identifying any cases that are deemed to be "of a nature that should be brought to the attention of the Legislative Assembly."

—The Auditor may report on the work of his office and on whether he received all the information, reports, and explanations he required from government agencies.

—The Auditor may comment on the financial statements of any department or agency of the government.

2. The Legislative Assembly has assigned to the Public Accounts Committee the responsibility to review the Public Accounts of the Province and the Provincial Auditor's Report, in order that the Legislature may hold the executive government accountable for its administration and financial management.

3. The Legislative Assembly has referred to this Committee the Public Accounts and the Auditor's Report.

4. The executive government manages and spends public money. It must be, and is, accountable to the Legislature for its financial administration. The Provincial Auditor is the servant of the Legislature, to assist it in holding the executive government accountable for financial management.

5. It is *therefore clear* that this Committee can and must be free to question the Auditor about matters which he has included in his Report even if his references are to something other than the year under review.

6. And that is my ruling on this issue.

13. It was moved by Mr. Neudorf:

That the Clerk of the Committee:

- 1) Prepare a Chronology of Events relating to the evolution and development of the Public Accounts Committee, with particular emphasis on changes in rules and principles of procedure, including a brief explanation of such changes and the dates they became effective.
- 2) Obtain copies and/or summaries of the rules under which other Public Accounts Committees operate in Canada, both recorded rules and “unwritten” rules, with particular emphasis on the role of the auditor.
- 3) Report on the presence or absence of a duty on the part of members of the Committee to seek to abide by the rules of the committee in their own right as members of the committee and irrespective of any other consideration.
- 4) Report on all identifiable references by members of the committee, past and present, regarding an intent to circumvent the rules.

The Chairman ruled the motion out of order on the grounds that it was not relevant to the Auditor’s Report.

14. It was moved by Mr. Hopfner:

That the Committee set aside its agenda — the Provincial Auditor’s Report — to deal with the preceding motion.

A debate arising and the question being put, it was agreed to.

15. It was moved by Mr. Neudorf:

That the Clerk of the Committee:

- 1) Prepare a Chronology of Events relating to the evolution and development of the Public Accounts Committee, with particular emphasis on changes in rules and principles of procedure, including a brief explanation of such changes and the dates they became effective.
- 2) Obtain copies and/or summaries of the rules under which other Public Accounts Committees operate in Canada, both recorded rules and “unwritten” rules, with particular emphasis on the role of the auditor.
- 3) Report on the presence or absence of a duty on the part of members of the Committee to seek to abide by the rules of the committee in their own right as members of the committee and irrespective of any other consideration.
- 4) Report on all identifiable references by members of the committee, past and present, regarding an intent to circumvent the rules.

A debate arising and the question being put, it was agreed to.

16. The Committee resumed consideration of the introductory sections of the Provincial Auditor’s Report.

17. It was moved by Mr. Prebble:

That the Committee recommend to Members of the Legislative Assembly that funding for the Office of the Provincial Auditor be reviewed by the Standing Committee on Public Accounts.

A debate arising, the motion was withdrawn.

18. It was moved by Mr. Prebble:

That this Committee recommend to Members of the Legislative Assembly that the funding for the Office of the Provincial Auditor be reviewed by a Special Committee of the Legislature, the membership of which shall include the Chairman and Vice Chairman of Public Accounts with representation on the Special Committee reflecting the distribution of seats in the Assembly.

The question being put, it was negatived.

19. It was moved by Mr. Lingenfelter:

That this Committee indicate to the Legislative Assembly that it shares the concern of the Provincial Auditor that the Public Accounts and the Report of the Provincial Auditor are not being received in a timely way; and

That this Committee recommend to the Legislative Assembly appropriate amendments to the Department of Finance (1983) and the Provincial Auditor Act to ensure future tabling of the Public Accounts and the Report of the Provincial Auditor in a timely way.

A debate arising and the question being put, it was negatived.

20. It was moved by Mr. Anguish:

That the Committee recommend to the Legislative Assembly that the Public Accounts documents continue to include Supplemental Information which provides a report by payee on an aggregate basis in addition to the payee information presently included in Vol. 3 of the Public Accounts, which is on a department by department basis.

A debate arising and the question being put, it was negatived.

21. The Committee agreed to cancel the hearings for Meadow Lake Sawmill Ltd. and Northern Forests Operations Ltd.

22. The Committee adjourned at 5:00 o'clock p.m. until February 8, 1989 at 9:00 a.m.

AGENDA: As agreed to in Monday's meeting.

Gwenn Ronyk
Committee Clerk

H.H. Van Mulligen
Chairman