

STANDING COMMITTEE ON PUBLIC ACCOUNTS

March 23, 1992

MINUTE NO. 9

1. **PRESENT:** Mr. Swenson in the Chair and Members Anguish, Harper, Haverstock, Johnson, Muirhead, Murray, Serby, Sonntag and Van Mulligen

Officials

Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor
Fred Wendel, Assistant Provincial Auditor
John Hunt, Deputy Provincial Auditor

Comptroller's Office

Gerry Kraus, Provincial Comptroller
Terry Paton, Director, Financial Management Branch

Others in Attendance

Robert Cosman, Legislative Counsel and Law Clerk

2. The Committee proceeded to the consideration of its Draft Report to the Assembly.
3. It was agreed, That the Committee not include in its Report, recommendations contained in the Report of the Saskatchewan Financial Review Commission.
4. Paragraphs 1 to 3 severally carried.
5. Paragraph 4 was allowed to stand.
6. At 11:50 a.m. the sitting was suspended.
At 1:40 p.m. the sitting was resumed.
7. Paragraph 5 to 48 severally carried.
8. On Paragraph 49:

It was agreed, That the following words be added immediately after Paragraph 49:

The Provincial Auditor responded that the shareholders of ICS are government pension funds and Crown agencies and the Department of Finance was responsible for the pension funds. Therefore, if the department or the Minister of Finance thought it appropriate for the Provincial Auditor's office to examine ICS, it could do that through the shareholders.

Paragraph 49, as amended, carried.

9. Paragraphs 50 to 81 severally carried.

10. On Paragraph 82:

The Legislative Counsel and Law Clerk made a presentation to the Committee.

It was agreed, That Paragraph 82 be deleted and the following be substituted therefor:

82) The Legislative Counsel and Law Clerk reported that the Court of Queen's Bench decision directed that the Ernst & Young draft report be released to the Provincial Auditor to be utilized by him only in accordance with The Provincial Auditor Act. However, the Provincial Auditor may at his discretion, pursuant to The Provincial Auditor Act, release the document to the Public Accounts Committee, should the Public Accounts Committee request the draft report. It is noted that the document is a draft and as such, for the purposes of Section 26 of The Provincial Auditor Act, is considered a "working paper" which the Provincial Auditor is not required to lay before the Public Accounts Committee.

Paragraph 82, as amended, carried.

11. Paragraphs 83 to 91 severally carried.

12. New Paragraph 91.1:

It was agreed, That the following new Paragraph 91.1 be added immediately after Paragraph 91:

91.1) Your Committee recommends that the Legislature clarify the authority, if any, provided to Saskatchewan Power Corporation (SPC) to sell the natural gas business. If clarifying legislation confirms the continued operation of SaskEnergy as a separate operation, your Committee recommends the accountability of SaskEnergy to the Legislative Assembly should be similar to that of SPC.

13. Paragraph 92 carried.

14. New Paragraph 92.1:

It was agreed, That the following new Paragraph 92.1 be added immediately after Paragraph 92:

92.1) Recommendation

Your Committee recommends that the Legislature clarify the authority provided, if any, to Saskatchewan Power Corporation to consent to the supply and sale of natural gas to individual consumers, by independent natural gas producers.

15. Paragraphs 93 and 94 severally carried.

16. New Paragraph 94.1:

It was agreed, That the following new Paragraph 94.1 be added immediately after Paragraph 94:

94.1) Recommendation

Your Committee recommends that Saskatchewan Power Corporation resolve this matter.

17. Paragraphs 95 to 104 severally carried.

18. The Committee resumed consideration of Paragraph 4.

It was moved by Mr. Van Mulligen:

That Paragraph 4) be renumbered as Paragraph 4a), and further that Paragraph 4b), be added to the report immediately after Paragraph 4a) as follows:

4b) This report is presented in two sections. The first section, Paragraphs 6-35 is an account of the Committee which existed during the Twenty-First Legislature. There are items reported to which the current Committee has significant disagreement, with the previous Committee. The second section, Paragraph 36 to the end, are items the Committee of the Twenty-Second Legislature have examined and subsequently agreed to.

Paragraph 4c) is added to the report as follows:

4c) The Committee of the Twenty-Second Legislature acknowledged disagreement with the following items, arising in Section I of this report.

1. Paragraph 7)
2. Paragraphs 13.9) and 13.11)
3. Paragraph 18.

After debate, the question being put on the motion, it was agreed to.

Paragraph 4, as amended, carried.

19. On motion of Mr. Van Mulligen, it was agreed:

That the Draft Report of the Committee, as amended, be concurred in as the Committee's First Report to the Assembly.

20. On motion of Mr. Van Mulligen, it was agreed:

That, in consultation with the Chair and the Vice-Chair, the Clerk of the Committee be authorized to make editorial, grammatical and typographical changes as long as the substantive nature of the report, as adopted, remains unchanged.

21. The Committee proceeded to a discussion of its mandate and to review the documents entitled *Guidelines for Public Accounts Committees in Canada* and *Comparative Jurisdictional Implementation Survey*.

22. The following documents were tabled:

PAC 10/92 - By the Department of Economic Diversification and Trade: response to issues raised at the PAC meeting on January 8, 1992.

PAC 11/92 - By Saskatchewan Property Management Corporation: response to issues raised at the PAC meeting on January 7, 1992.

PAC 12/92 - By the Department of Parks and Renewable Resources: response to issues raised at the PAC meeting on January 10, 1992.

PAC 13/92 - By Saskatchewan Energy and Mines: response to issues raised at the PAC meeting on January 9, 1992.

PAC 14/92 - By the Department of Economic Diversification and Trade: response to issues raised at the PAC meeting on January 8, 1992.

PAC 15/92 - By the Saskatchewan Liquor Board: response to issues raised at the PAC meeting on January 8, 1992.

PAC 16/92 - By the Provincial Comptroller: draft recommendation, dated March 12, 1992, on the Public Accounts Committee's draft report to the Assembly.

PAC 17/92 - By the Legislative Counsel and Law Clerk: report on the Ernst & Young report referred to in the Provincial Auditor's Report for the year ended March 31, 1990, dated March 18, 1992.

PAC 18/92 - By the Provincial Auditor: draft recommendations, dated March 18, 1992, on the Public Accounts Committee's draft report to the Assembly.

PAC 19/92 - Documents entitled: *Guidelines for Public Accounts Committees in Canada; Comparative Jurisdictional Implementation Survey*; and explanatory notes on Saskatchewan's responses with respect to its implementation of the Guidelines.

PAC 20/92 - Chairman's Statement, dated March 23, 1992, regarding the Mandate of the Public Accounts Committee.

23. The Committee proceeded to a discussion of its mandate and to review the documents entitled *Guidelines for Public Accounts Committees in Canada* and *Comparative Jurisdictional Implementation Survey*.

24. At 4:55 p.m. the Committee adjourned until Tuesday, March 24, 1992 at 9:00 a.m.

COMMITTEE CLERK
Robert Vaive

CHAIRMAN
R. Swenson