

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**May 26, 1992**

**MINUTE NO. 1**

1. **PRESENT:** Mr. Swenson in the Chair and Members Anguish, Kujawa, Lautermilch, Muirhead, Serby, Sonntag and Van Mulligen

**Officials**

**Provincial Auditor's Office**

Wayne Strelloff, Provincial Auditor  
Fred Wendel, Assistant Provincial Auditor

**Comptroller's Office**

G. Kraus, Comptroller  
T. Paton, Director, Financial Management Branch

2. Documents tabled related to the Public Accounts Committee, first session of twenty-second Legislature:

**PAC 21/92** - By Crown Management Board of Saskatchewan: response to issues raised at the PAC meeting on January 7, 1992.

**PAC 22/92** - By the Department of Social Services: response to issues raised at the PAC meeting on January 8, 1992.

**PAC 23/92** - By the Provincial Auditor: Special Report dated April 21, 1992.

3. It was moved by Mr. Anguish:

That this Committee authorize the attendance of two Members of the Committee and the Committee Clerk at the Annual Meeting of the Canadian Council of Public Accounts Committees to be held in Fredericton, New Brunswick, July 5-8, 1992.

And debate arising, Mr. Van Mulligen moved in amendment thereto:

That the motion be amended by striking out the words "two Members of the" and substituting the following therefor:

"the Chairman of the Standing Committee on Crown Corporations and one Member of this"

The question being put on the amendment, it was agreed to.

And the question being put on the motion as amended, it was agreed to.

4. The Committee proceeded to the consideration of its future business.
5. The Committee agreed to hold meetings from 9:00 a.m. to 11:00 a.m. Tuesday mornings and at other times as the Committee deems necessary in accordance with the rules and practices of the Assembly.

6. The Committee resumed consideration of the *Special Report by the Provincial Auditor Saskatchewan*, April 21, 1992.

It was agreed, That, in preparation for the Committee's next meeting on the Special Report, Members prepare written questions to be forwarded to the Provincial Auditor and the Comptroller, prior to the meeting.

7. The Committee considered a draft of the *Mandate of the Public Accounts Committee* which is as follows:

The Committee's mandate is derived from the Legislative Assembly. The Committee can consider only those matters which have been committed to it by the Assembly and is not at liberty to depart from its Order of Reference, i.e., it is limited to examine issues within the context of the *Public Accounts* of the Province and issues identified in the reports of the Provincial Auditor.

#### **THE ORDER OF REFERENCE**

The Legislative Assembly has appointed the Standing Committee on Public Accounts to:

1. Examine and inquire into all such matters and things as may be referred to it by the Assembly, and to report from time to time its observations thereon with the power to send for persons, papers and records, and to examine witnesses under oath;
2. Review the *Public Accounts of the Province of Saskatchewan* and the issues raised in the annual report of the Provincial Auditor which have been referred to the Committee.

This enables the PAC to proceed without delay with its examination of the subject-matter of these documents. With the current Order of Reference, the PAC can initiate, **but is limited to**, an examination of any subject contained in these reports.

The PAC is not fundamentally concerned with matters of policy. The Committee does not call into question the rationale of government programs, but rather the economy and efficiency of their administration. Although the PAC hopes to have a continuing influence on the quality of provincial administrative processes, its prime orientation is after-the-fact, or post-audit, to understand, assess and correct (through recommendations in its reports to the Assembly) inadequacies, and issues that the Committee and the Provincial Auditor have raised. The resulting "non-policy" orientation of the Committee should enable the development of a non-artisan spirit within the Committee in order to get at problems and seek solutions to them.

#### **The Mandate**

The PAC's mandate is to assist the Legislative Assembly, **within the framework of its Order of Reference from the Legislative Assembly**, (the *Public Accounts* of the Province and the Provincial Auditor's report), to hold the government accountable for its spending of taxpayers' money and for its stewardship over public assets.

To fulfil its function, the Committee shall, **within the framework of its Order of Reference**:

- examine the reliability and appropriateness of information in the *Public Accounts* on an on-going basis;

- examine matters reported in the Provincial Auditor's reports referred to the Committee;
- scrutinize the activities of all Crown agencies and corporations in which taxpayers' funds have been invested;
- scrutinize the value for money obtained through divestiture of any such bodies;
- review systems and practices to determine whether transfer payments are used for purposes intended;
- review probity and value for money in tax expenditures;
- examine efficiency, economy, effectiveness and value for money in implementation of government programs and in the achievement of their stated goals, in operation and in the acquisition of goods and services;
- not be concerned with matters of government policy;
- scrutinize financial management reforms in government to determine whether due regard is given to maintaining legislative accountability;
- in examining the year under review, examine past and committed expenditures in so far as they relate directly to and have an impact on matters falling within the year under review to assist the Committee in understanding the context;
- have access to all financial information and other documents the Committee determines necessary for its work, except for those which are privileged in the narrowest sense of the law, such as Cabinet documents;
- review the audit report on the Office of the Provincial Auditor;
- report at least annually to the Legislature;
- examine the collection of and accounting for revenues;
- examine whether expenditures are within the limits and for the purposes authorized by the Legislature;
- examine the adequacy of safeguards to protect assets from loss, waste and misappropriation;
- examine whether appropriate financial management controls are in existence;
- examine whether there is compliance with legislative authority;
- examine and report on any other matters the Legislature specifically refers to it;
- work together with the Provincial Auditor and Comptroller to achieve maximum accountability to the Legislature.

After debate, the document was agreed to.

8. The Committee considered a draft of the *Operating Principles/Practices* of the Public Accounts Committee which is as follows:

#### **Chair**

1. The Chair plays a leading role in all aspects of Committee work. The Chair participates in the questioning of witnesses and in other Committee deliberations, presides at all meetings, decides questions of order and procedure and maintains order and decorum and is the spokesperson for the Committee.
2. The Chair shall be a Member of the Official Opposition and shall be elected at the beginning of the first session of the Legislature.
3. The Vice-Chair shall be a Member of the government party and be elected at the beginning of the first session of the Legislature.

#### **Membership**

4. While membership substitution remains a prerogative of the Assembly, MLAs 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.

### Meetings

5. Meetings are called by the Chair in consultation with all parties represented on the Committee.
6. The Committee will schedule sufficient meetings to discharge its responsibilities. These are usually scheduled regularly during the Session and as necessary inter-sessionally.
7. The Committee may not hold meetings during hours when the Assembly is sitting.
8. The Chair may hold meetings to receive evidence (votes shall not be taken) when a quorum is not present, if so authorized by the Committee pursuant to Rule 93(2), so long as both sides of the Assembly are represented.
9. The Committee may decide to meet outside the Legislative Building, subject to the approval of the Assembly.
10. Except where the Committee feels the circumstances do not require his presence, the Provincial Auditor should be in attendance at all Committee meetings to provide advice and opinions on accounting and administration matters and/or on issues in his report.
11. Except when the Committee feels the circumstances do not require his presence, the Provincial Comptroller should be in attendance at all Committee meetings to assist in briefing the Committee on various issues and to provide follow-up on the Committee's recommendations.
12. Members of the Committee should strive to develop a consensus approach in researching issues as a means to maintaining a non-partisan spirit.
13. The Chair will not entertain motions to permit photography, recording or broadcasting of the Committee's proceedings as this authority lies with the Assembly.

### *In-Camera Meetings*

14. All Committee hearings are open to the public, except *in camera* hearings which shall be allowed at the discretion of the Committee.
15. *In camera* hearings should be held only in instances when evidence of a particularly sensitive nature is given or when the Committee deems it necessary, for example:
  - when dealing with matters under police investigation;
  - where public hearings would constitute an unreasonable intrusion into the privacy of individuals;
  - when the evidence could impact upon the competitive position of a company, and
  - when dealing with matters that could affect national security.
16. Discussion of the Committee's draft reports to the Assembly will be *in camera* but final approval thereof will be in public.
17. Briefings by the Provincial Auditor and the Comptroller on subjects the Committee will review will be *in camera*.

### **Briefing Process and Operation**

18. The Committee should spend time identifying issues raised in the Provincial Auditor's reports prior to deciding on the witnesses to be invited to the hearings.
19. The Committee will play a significant role in setting the Committee's agenda when considering proposals made by the Steering Committee.
20. In preparing for the meeting, the Committee should have an update, if available, on the audited department's response to issues raised in the Provincial Auditor's Report.
21. The Committee may ensure that it is briefed on the background and substance of the issues to be raised at the hearing and that relevant public documents be made available.
22. The Committee may establish a series of standard questions to ask of the witnesses.
23. The Committee should assign a lead questioner on each issue.
24. The witnesses should be apprised of the standard questions they will be asked and of issues that will be raised when they do appear before the Committee so that they will be well prepared to be able to put together an opening statement which should address the known concerns and interests of the Committee.
25. In examining the year under review, the Committee should also review past and committed expenditures in so far as they relate directly to and have an impact on matters falling within the year under review, to assist the Committee in understanding the context of those matters.
26. The Committee should concentrate its attention on significant issues of management and financial administration rather than on isolated, unimportant, individual transactions.
27. When considered cost effective to assist in its investigation of a matter, the Committee may request the Provincial Auditor to perform specific reviews.
28. Motions for major items should be deferred to the next meeting to allow Members time to prepare for debate.
29. The Committee may from time to time request the Assembly to refer to the Committee legislation dealing with The Provincial Auditor Act or other legislative initiatives relevant to the Committee's mandate.

### **Witnesses**

30. The Chair will explain to witnesses their legal position in regard to future action that might arise from their testimony.
31. Deputy ministers and senior officials are called before the Committee with respect to their administrative duties and implementation of activities.
32. Ministers should only be invited to the Committee when public servants cannot provide answers and/or when ministers have been personally involved with the decisions under examination.

33. All witnesses should be treated fairly when they appear before the Committee, and they should be given the opportunity to explain their position; their resources and expertise should be utilized as fully and as effectively as possible.

#### **Reports to the Assembly**

34. The Committee shall report at least annually to the Legislature and shall include in its report a request for the government to table a comprehensive response within 120 days.
35. The Committee's report should be detailed and comprehensive and able to stand on its own.
36. The Committee will not include minority reports, dissenting opinions or reservations in its reports to the Assembly.
37. Names of individuals shall not be included in the Committee's report unless the Committee agrees that circumstances warrant it.
38. The Committee may refer to any reviews of confidential evidence which it has conducted but shall not include the content of such evidence in its report.
39. The Chair will table all Committee reports in the Assembly.

#### **Follow-up**

40. There shall be a systematic review by the Committee of government action and formal responses to the Committee's recommendations in order to complete the accountability cycle; this could be done partly through a reporting mechanism by the Comptroller or through other means. Such follow-up should be performed in the spirit of maintaining a constructive relationship with the government.

#### **Verbatims and Minutes of Proceedings**

41. Verbatim transcripts and minutes of proceedings are to be prepared for all committee meetings. For *in camera* meetings, the Committee will decide on the advisability of having confidential and unpublished verbatim transcripts and minutes.

Minutes for *in camera* meetings should record only attendance, subject-matter discussed and decisions reached but no details of discussions or testimony or a record of how Members voted.

#### **Media Relations**

42. The Committee will ensure that good working relations with the media are maintained.

#### **Resources**

43. The Committee will endeavour to obtain all necessary resources, including research support, to efficiently fulfil its role and responsibilities in an effective manner.
44. The Committee will have space suitable for public hearings.

**Professional Development**

45. Meetings of the Committee shall be held from time to time for professional development purposes.

**Steering Committee**

46. The Steering Committee will be composed of the Chair and Vice-Chair and other Members as the Committee deems necessary. The Steering Committee will meet *in camera* at the call of the Chair, prepare proposal for the Committee about agencies and witnesses to be called, to assist in finalizing reports, to review sensitive documents and to monitor the progress of the Committee work and to undertake other responsibilities.

After debate, it was agreed that paragraphs 30 to 33 be deleted and tabled for consideration at a future date.

After further debate, the document was agreed to, as amended.

9. The Committee adjourned at 11:15 a.m. until Tuesday, June 2, 1992 at 9:00 a.m. in Room 10.

**Agenda:**

Consideration of *Special Report by the Provincial Auditor*, April 21, 1992.

COMMITTEE CLERK  
Robert Vaive

CHAIRMAN  
R.J. Swenson