

STANDING COMMITTEE ON PUBLIC ACCOUNTS

October 8th, 1996

MINUTE NO. 13

9:30 a.m. — Room 10

1. **PRESENT:** Mr. Gantefoer in the Chair and Members Flavel, Haverstock, Koenker, Pringle, Sonntag, Stanger, Thomson and Toth

Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor

Fred Wendel, Assistant Provincial Auditor

Robert Black, Director-Value for Money

Ed Montgomery, Director (for Department of Finance review)

Brian R. Atkinson, Executive Director (for Crown Investments Corporation review)

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Financial Management Branch

2. The Committee considered dates for its next series of meetings. It was moved by Mr. Sonntag:

That the next series of meetings for the Standing Committee on Public Accounts be held the week of December 9th through December 13th, 1996.

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

3. The Committee proceeded to deliberate on Section N of the *Schedule of Provincial Audit Recommendations (Department of Finance)*. Officials of the Department of Finance and the Provincial Auditor responded to questions put by members.

The following Department of Finance officials appeared before the Committee:

W. Davern Jones, Deputy Minister

Terry Paton, Provincial Comptroller

Brian Smith, Executive Director, PEBA

Bill Van Sickle, Executive Director, Administration.

4. The Committee considered recommendation N.1 of the *Schedule of Provincial Audit Recommendations*, concerning Superannuation Funds. The Committee agreed to adopt the recommendation that the government should give timely financial statements for Superannuation Funds to the Legislative Assembly.

5. The Committee considered recommendation N.2 of the *Schedule of Provincial Audit Recommendations*, concerning the Saskatchewan Pension Plan. The Committee agreed to adopt the recommendation that the government should issue regulations providing direction for the handling of profits or losses from annuity underwriting with respect to the Saskatchewan Pension Plan.
6. The Committee considered recommendation N.3 of the *Schedule of Provincial Audit Recommendations*, concerning whether the Provincial Auditor should audit the accounts of SaskPen Properties and SP Two Properties Ltd. It was agreed to postpone further deliberation on this item until a time when the appropriate officials could appear before the Committee.
7. The Committee considered recommendation N.4 of the *Schedule of Provincial Audit Recommendations*, concerning the tabling of SaskPen Properties and SP Two Properties Ltd. financial statements in the Legislative Assembly. It was agreed to postpone further deliberation on this item until a time when the appropriate officials could appear before the Committee.
8. The Committee recessed at 10:35 a.m. until 1:30 p.m.
9. The Committee proceeded to deliberate on Section K of the *Schedule of Provincial Audit Recommendations (Crown Investments Corporation)*. Officials of the Crown Investments Corporation (CIC) and the Provincial Auditor responded to questions put by members.

The following CIC officials appeared before the Committee:

John Wright, President and Chief Executive Officer
Patti Beatch, Vice President, Finance.

10. The Committee considered recommendation K.1 of the *Schedule of Provincial Audit Recommendations*, concerning the definition and disclosure of public policy objectives for the Crown Investment Corporation and Part II Crown corporations. The following motion was moved by Mr. Sonntag:

With respect to recommendation K.1, the Standing Committee on Public Accounts recommends to the Legislative Assembly that this is an issue for the Crown Corporations Committee.

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

11. The Committee considered recommendation K.2 of the *Schedule of Provincial Audit Recommendations*, concerning the development of guidelines for financial plans for the investments, commitments and corporations which CIC oversees. The Committee noted that CIC has complied with the recommendation.

12. The Committee considered recommendation K.3 of the *Schedule of Provincial Audit Recommendations*, concerning the referral of Crown corporation financial plans through the Legislative Assembly to the Standing Committee on Crown Corporations. The Committee agreed to recommend to the Legislative Assembly that this issue should be dealt with by the Standing Committee on Crown Corporations.
13. The Committee considered recommendation K.4 of the *Schedule of Provincial Audit Recommendations*, concerning the publication in Crown corporation annual reports a comparison of planned activities to actual results. The following motion was moved by Mr. Sonntag:

With respect to recommendation K.4, the Committee recommends to the Legislative Assembly that this is an issue to be dealt with by the Crown Corporations Committee.

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

14. The Committee considered recommendation K.5 of the *Schedule of Provincial Audit Recommendations*, concerning the provision to the Legislative Assembly of financial statements for all the CIC subsidiaries and its supperannuation plans. The Committee noted that it concurs with the recommendation of the Provincial Auditor, except where confidentiality clauses prohibit the release of such information and with the exception of this qualification CIC is complying with the recommendation.
15. The Committee concurred with recommendation K.6 of the *Schedule of Provincial Audit Recommendations*, concerning the reporting in the financial plans of CIC and Part II Crowns the source of funding for public policy expenditures. The Committee noted that CIC has complied with the recommendation.
16. The Committee considered recommendation K.7 of the *Schedule of Provincial Audit Recommendations*, concerning Board approval of a budget and business plan for CIC on a consolidated basis (including its subsidiaries) and for the activities CIC plans to carry out through CIC III. The Committee concurred with the recommendation as it pertained to budgets but agreed to recommend to the Legislative Assembly that the matter of business plans be referred to the Standing Committee on Crown Corporations.
17. The Committee concurred with recommendation K.8 of the *Schedule of Provincial Audit Recommendations*, concerning the need for CIC to report interim financial statements for its activities on a consolidated basis to its Board, and to report the activities carried out through CIC III, including a comparison of planned and actual results. The Committee noted that CIC has complied with the recommendation.

18. The Committee concurred with recommendation K.9 of the *Schedule of Provincial Audit Recommendations*, concerning the need for CIC to use government approved estimates for computing pension liabilities. The Committee noted that CIC is in the process of complying with the recommendation.

19. The Committee considered recommendation K.10 of the *Schedule of Provincial Audit Recommendations*, concerning Lieutenant Governor in Council approval for all share purchases by CIC. The following motion was moved by Ms. Haverstock:

With respect to recommendation K.10, the Committee recommends that where legally required CIC should obtain Lieutenant Governor in Council approval for all share purchases.

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

20. The Committee considered recommendation K.11 of the *Schedule of Provincial Audit Recommendations*, concerning the need for investment analysis. The following motion was moved by Mr. Sonntag:

With respect to recommendation K.11, the Committee recommends that this is an issue that should be dealt with by the Crown Corporations Committee.

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

21. The Committee agreed that a review of its role with respect to the Crown Investments Corporation, vis-à-vis that of the Standing Committee of Crown Corporations, should be included on the agenda for a subsequent meeting to be held after the commencement of the next Legislative session. The Chair was asked to communicate this undertaking to the Chair of the Standing Committee on Crown Corporations.

22. It was moved by Mr. Pringle:

That this committee do now adjourn.

The question being put, the motion was agreed to.

23. The Committee adjourned at 3:51 p.m. until 9:30 a.m. on Wednesday October 9, 1996.

Gregory A. Putz
Committee Clerk

Rod Gantefer
Committee Chair

