

FIFTH REPORT

December 7, 1983

Mr. Shillington, from the Standing Committee on Public Accounts, presented the Fifth Report of the said Committee which is as follows:

1. Your Committee has now completed its investigations for the fiscal year ended March 31, 1982 and wishes to bring to the attention of the Assembly the following matters:
2. Your Committee noted that the Saskatchewan Research Council has, at times, been forced to borrow money to temporarily finance its activities.

In view of the fact that the Saskatchewan Research Council has no statutory authority to borrow funds by means of an overdraft condition, your Committee recommends that the Council pay closer attention to its borrowing authority.

3. Your Committee noted that the Saskatchewan Medical Care Insurance Commission has also had similar problems in the area of borrowing authority.

Your Committee recommends that the Saskatchewan Medical Care Insurance Act be amended to recognize the Commission's inability to estimate its needs with sufficient precision to avoid borrowing money at the end of the fiscal year.

4. Your Committee wishes to thank the officials of the Department of Industry and Commerce for the efficient and co-operative manner in which they responded to the Committee's concerns.
5. Your Committee noted several problems in the Department of Northern Saskatchewan, including: (1) administration of the Northern housing program; (2) the administration of Economic Development loans, (including the accuracy of the size of the uncollectable debts) and, (3) poor project management in the construction program.

Your Committee notes that these areas of responsibility have now been transferred to other government agencies and departments. It is the hope of the Committee that these problems will not now re-occur.

6. Your Committee noted that the sheer size of the unfunded liability of the Teachers' Superannuation Commission continues to be of concern.

Your Committee notes that the first step in meeting this problem, an actuarial study, is currently being conducted. Your Committee looks forward to receiving the results of this study.

7. Your Committee noted the problems of cash management and computer security systems, in the Saskatchewan Computer Utility Corporation, reported in the Provincial Auditor's Report.

Your Committee notes that these areas of responsibility have now been transferred to the Saskatchewan Telecommunications Corporation. It is the hope of the Committee that these problems will not now re-occur.

8. Your Committee is concerned about the general lack of follow up and accountability for government third-party grants.
9. Your Committee notes that the Saskatchewan Housing Corporation is making progress in improving its financial controls and administrative procedures.
10. Your Committee noted that land had been purchased at Prince Albert by the Department of Government Services for construction of an office building, but that the land had not been used for that purpose.

Members of the Committee noted the explanation of officials of the department that a provincial office building was being considered and the land was purchased early in the planning process before the price of land became exorbitant. The Committee feels that better planning might have prevented the unnecessary expenditure.

11. Your Committee noted problems with the land assembly program of the Saskatchewan Housing Corporation, particularly with respect to the purchase of land for expansion of various communities.

The Committee noted the explanation of officials of the corporation that a particular parcel of land was desirable and higher prices were paid to obtain these preferred parcels but urges Saskatchewan Housing Corporation to consider more acceptable alternatives.

12. Your Committee noted extreme cost over-runs in the Saskatchewan Housing Corporation's non-profit housing programs.

Your Committee urges the Saskatchewan Housing Corporation to exercise better financial control over these programs.

13. Your Committee noted, with respect to the Saskatchewan Computer Utility Corporation, inadequate borrowing procedures from the Crown Investments Corporation for capital purchases. Your Committee was also concerned about the declaration of dividends when in a deficit position.

Your Committee urges the Department of Finance, in conjunction with the Crown Management Board, to develop a policy with respect to the declaration of dividends in a year in which there is a deficit.

14. Your Committee noted a number of problems with respect to the delivery of Legal Aid Programs by Saskatchewan Community Legal Services, including: (1) the inadequate monitoring and determination of client eligibility; (2) the lack of control over clinic solicitors; (3) the apparent extravagant decor and appointment of legal offices; and (4) the practice of not asking for costs which would offset legal aid expenditures.

Your Committee received assurances that these problems are being addressed. Your Committee intends to review these problems again.

15. Your Committee noted the comments contained in the Report of the Provincial Auditor with respect to the Department of Revenue, Supply and Services which suggested that the audits of remissions of the Education and Health tax were deficient.

Your Committee noted that some progress is being made in obtaining additional staff to conduct these audits. The Committee will be inviting officials to appear before the Committee again to consider whether the measures taken have been adequate.

16. Your Committee noted and wishes to commend the actuarial surplus position of the Municipal Employees' Superannuation Commission.

17. Your Committee noted that the high error rate in the Saskatchewan Assistance Plan of the Department of Social Services was due in part to a failure to move in a timely fashion from manual to computer based system.

Your Committee received assurance from the Comptroller that actions are being taken to rectify this unacceptable error rate. Your Committee intends to review this problem again.

18. Your Committee extends its appreciation to all departments and agencies that appeared before the Committee, to the Provincial Auditor and his staff, to the Comptroller and his staff, and to the Clerks of the Committee and their staff.

Moved by Mr. Shillington, seconded by Mr. Engel:

That the Fifth Report of the Standing Committee on Public Accounts be now concurred in.

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