

SIXTH REPORT

June 1, 1984

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

1. Your Committee has now completed its investigations of the following departments, boards, commissions and agencies for the fiscal year ended March 31, 1983:
 - 1 Department of Finance
 - 2 Department of Highways and Transportation
 - 3 Executive Council
 - 4 Department of Industry and Commerce
 - 5 Crown Investments Corporation
 - 6 Saskatchewan Computer Utility Corporation
 - 7 Saskatchewan Housing Corporation
 - 8 Department of Agriculture
 - 9 Department of Urban Affairs
 - 10 Westside Community College
 - 11 Department of Social Services
 - 12 Department of Supply and Services
 - 13 Department of Revenue and Financial Services
 - 14 Saskatchewan Hog Marketing Commission
 - 15 Provincial Auditor

The Committee wishes to bring to the attention of the Assembly the following matters:

2. The Committee noted the Provincial Auditor's recommendation that virements be reported to the Legislature in the same manner as special warrants.

The Committee heard comments from the Department of Finance to the effect that the benefit to be derived from such a reporting mechanism was out of proportion to the expense involved.

The Committee urges the Department of Finance to seek an appropriate way of reporting such transfers to the Legislative Assembly and report back to the Committee before any action is taken.

3. The Committee discussed the merits of Comprehensive Auditing. It was the view of the Committee they would not recommend implementation of Comprehensive Auditing at this time. It was however, the view of this Committee that there may be merit in the introduction of Comprehensive Auditing at some future time.
4. The Committee noted the Provincial Auditor's comments in his annual report that grants made by the Arts Board were being made without statutory authority. In the view of the Committee there is substance to this statement. Appropriate legislation should be amended to properly reflect the policy of the boards and government.
5. The Committee noted the Provincial Auditor's comments with respect to the Western Development Museum and the Saskatchewan Economic Development Corporation where loans totalling \$2,495,787.00 and \$1,000,000.00, respectively, were incurred without the appropriate orders-in-council being obtained. The Committee was assured that this would not be a recurring problem.

The Committee would caution all agencies of the Crown that strict compliance with borrowing limitations are of the utmost importance.

6. Your Committee noted that once again the Medical Care Insurance Corporation overdrew their bank account by \$322,665.00 at year end and that the appropriate legislation makes no provision for the incurrence of debt.

Your Committee does not believe it is realistic to expect the Medical Care Insurance Commission to estimate, precisely, their requirements in view of their statutory responsibilities.

Your Committee therefore recommends, as it has in the past, that *The Medical Care Insurance Commission Act* be amended to recognize the Commission's inability to estimate its needs with any greater precision that they now achieve.

7. The Provincial Auditor recommended in his annual report that additional financial documents be provided to the Legislative Assembly for the Crown Investments Corporation that will provide to the Legislative Assembly the financial position, the results of operations and changes in financial position regarding the Corporation's property, per se.

The Committee agreed that this would be information useful to the Members of the Legislative Assembly.

8. Concern had been noted that a dividend had been paid by the Crown Investments Corporation at a time when the Corporation was in a deficit position. The Committee noted with approval the change in the appropriate Treasury Board order prohibiting payment of dividends when the Corporation is realizing a deficit.

9. The Committee noted that there are a large number of grants being given to a wide range of organizations. Most of the grants are earmarked for special purposes. Your Committee expressed concern that there might not be adequate follow-up to ensure that the grants are expended for the purposes for which they are given.

Your Committee urges the Department of Finance to establish uniform procedures that grants given out to non-government organizations are used in an appropriate way.

10. The Committee noted the Provincial Auditor's concerns respecting the control of expenditures under the Child Care Program. On listening to the witnesses appearing before the Committee it seemed that the problem had been corrected when it was brought to their attention.

The Committee noted with approval the prompt remedial action taken.

11. Your Committee extends its appreciation to the Clerk Assistant of the Legislative Assembly and his staff; the Provincial Auditor and his staff; the Comptroller and his staff; and to the officials who represented their departments during an investigation.

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

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

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