

REPORTS

FIRST REPORT (*Presented November 3, 1987*)

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

Your Committee met for organization and elected Mr. Tchorzewski as Chairman and Mr. Muller as Vice-Chairman

Your Committee held an Orientation Seminar on September 8, 1987 with presentations on the following:

1. The Role and Purpose of the Public Accounts Committee and How it Works.
2. Parliamentary Control and Accounting for Public Monies.
3. The Role of the Provincial Auditor.

Your Committee has held 16 meetings and examined the Provincial Auditor's Report and the Public Accounts for 1984-85 and 1985-86. The Committee was assisted by the Provincial Auditor, W. Lutz, and his officials, and the Comptroller, G. Kraus and his officials.

During the course of its deliberations your Committee held hearings to examine departments, boards, commissions and agencies as follows:

- Crown Management Board
- Education (1985-86) including Advanced Education and Manpower (1984-85) and (1985-86)
- Finance (1984-85 and 1985-86) including Revenue and Financial Services (1985-86) and Municipal Employees' Superannuation Commission (1985-86)
- Indian and Native Affairs Secretariat (1984-85 and 1985-86)
- Saskatchewan Forest Products (1984-85)
- Saskatchewan Housing Corporation (1985-86)
- Tourism and Small Business (1984-85)

During the coming months your Committee will be receiving further information from various departments and will be completing its investigation into items relating to the following agencies:

- Justice (1984-85 and 1985-86) including Consumer and Commercial Affairs (1985-86)
- Agricultural Credit Corporation (1985-86)
- Agriculture (1985-86)
- Health (1985-86)
- Social Services (1985-86)
- Supply and Services (Saskatchewan Property Management Corporation) (1985-86)
- Westank Industries — SEDCO (1985-86)
- Saskatchewan Power Corporation (1985-86)
- Economic Development and Trade (1985-86)
- Saskatchewan Crop Insurance (1985-86)

As a result of its investigations to date, your Committee has agreed to the following recommendations:

1. The Committee shared the concern of the Provincial Auditor that the Financial Statements for the Consolidated Fund and Saskatchewan Heritage Fund for the year ended March 31, 1986 were not yet completed at March 31, 1987, a full year after the year end.

The Committee emphasized the importance of Financial Statements being completed in a timely way in order that the value of information provided is not diminished.

2. The Committee notes the Auditor's recommendation in section 3.11 of his report as follows:

While officials of departments and agencies have taken actions to strengthen controls over computer systems since my 1983 annual report, I am of the opinion that controls over computer systems require further strengthening to more adequately safeguard critical information and to ensure essential records are maintained.

The Committee supports this recommendation that there is a need for further strengthening of computer security and control systems and the Committee urges departments to examine these systems and take the necessary steps to adequately secure electronic data and that a report be provided to the Public Accounts Committee on steps that have been taken.

3. Your Committee agreed to recommend that the Provincial Auditor submit a special report or reports to the Legislative Assembly dealing with his concerns regarding: a) the lack of consultation on amendments to The Provincial Auditor Act; b) problems concerning his inability to get certain information; and c) the Auditor's probable inability to make his annual report on time due to lack of resources.

The Provincial Auditor subsequently tabled a special report in the Assembly on September 30, 1987.

4. That the Committee recommend that the Government consider preparing legislation to ensure that the duly audited financial statements for Crown agencies established pursuant to The Business Corporations Act are tabled in the Legislative Assembly, providing that the competitive position of the Crown Corporation is not prejudiced.

The Committee agreed to report the following items:

- (1) The Committee considered the need for obtaining the Hopkins Report on Summary Financial Statements. The Committee was informed that the document was a policy paper. The Committee agreed to discuss further the recommendations in the Provincial Auditor's Report regarding Summary Financial Statements.
- (2) Resolved, That the Public Accounts Committee recognizes the necessity for the Auditor to be accountable to the Legislative Assembly;

The Public Accounts Committee recognizes the necessity for the independence of the Auditor in relation to the Executive Branch of Government;

The Public Accounts Committee recognizes the importance of the Auditor to freely express his opinion on the financial records of the Executive Branch of Government;

We therefore move that we acknowledge the opinions rendered and proceed to the itemized agenda as presented by the Chairman or as reviewed and amended by the Committee.

Accordingly the Committee acknowledged the opinions rendered and proceeded to other business.

Your Committee wishes to express its appreciation to those officials who have appeared before the Committee from the various departments and agencies and a special thanks to the Provincial Auditor and his staff and the Comptroller and his staff for their assistance in the Committee's deliberations.

CONCURRENCE

Ordered, That the First Report of the Standing Committee on Public Accounts be now concurred in.
(Mr. Tchorzewski/Mr. Muller — November 3, 1987)