

SECOND REPORT – Presented March 3, 1993, S.P. 21

Mr. Swenson, Chairman of the Standing Committee on Public Accounts, presents the Committee's Report as follows:

- 1) On January 10, 1992, your Committee adopted a motion requesting the Provincial Auditor to review certain reported practices of government organizations for the fiscal years ended March 31, 1990 and 1991 and report all observed instances where organizations:

- * made payments to employees not working for them;
- * made payments to advertising agencies for services not received;
- * provided goods and/or services to ministers of the Crown without charge; and
- * provided goods and/or services to other government organizations without charge, counter to their stated mandates.

- 2) The motion, moved by Mr. Harry Van Mulligen on January 10, 1992 reads as follows:

That the Standing Committee on Public Accounts requests the Provincial Auditor to review:

- a) the reported practice of government organizations (departments and corporations) requiring their employees to perform services solely for the benefit of other government organizations and other organizations or individuals. (This review would not include arrangements commonly called "secondment". These are arrangements whereby government organizations require their employees to perform services solely for the benefit of other government organizations and the employer organization is reimbursed for the remuneration expenses related to the "seconded" employees.); and
- b) the reported practice of government organizations making payments to Dome Advertising, Roberts & Poole Communications and other advertising agencies for which no specific services were provided; and
- c) the reported practice of government organizations providing goods and/or services without charge to Ministers of the Crown; and
- d) the reported practice of government organizations providing goods and/or services without charge to other government organizations, counter to their stated mandates; and

to report all instances where these practices are observed for the fiscal years ending March 31, 1990 and March 31, 1991 and whether, in his opinion:

- a) an officer or employee of the government has wilfully or negligently omitted to collect or receive money belonging to the Crown;
- b) public money was applied to a purpose or in a manner not authorized by the Legislature;
- c) an expenditure was made for which there was no authority or which was not properly vouchered or certified; or
- d) the rules and procedures applied were not sufficient:
 - i) to safeguard and control public money;
 - ii) to effectively check the assessment, collection and proper allocation of public money; or
 - iii) to ensure expenditures were made only as authorized.

and any other comments which may be relevant in these matters.

- 3) The Provincial Auditor agreed to do this special assignment and accordingly reported to your Committee on April 21, 1992.
- 4) Your Committee proceeded to its consideration of the Provincial Auditor's Special Report on June 2, 1992 and carried on with meetings on June 9, July 14, 21, 28, August 4, November 23 and 24, 1992 and February 1, 1993.

5) During these proceedings, your Committee heard evidence from a number of individuals and organizations:

- * Saskatchewan Liquor Board
- * Saskatchewan Property Management Corporation
- * Mr. Phil Kershaw, President of Dome Advertising Ltd
- * Mr. Ron Dedman, former President of Saskatchewan Property Management Corporation
- * Saskatchewan Telecommunications

6) Your Committee also addressed in writing a series of pertinent questions to the following government departments, Crown corporations and agencies cited in the Special Report:

Department of Finance
Saskatchewan Centre of the Arts
Agriculture Credit Corporation of Saskatchewan
Crown Management Board
Saskatchewan Government Insurance
Saskatchewan Liquor Board
Saskatchewan Power Corporation
Saskatchewan Telecommunications
Saskatchewan Water Corporation
Saskatchewan Energy Holdings Ltd.
Saskatchewan Transportation Company
Department of Agriculture and Food
Department of Community Services
Department of Economic Diversification and Trade
Department of Education
Department of Energy and Mines
Department of Highways and Transportation
Department of Labour
Department of Justice
Department of Natural Resources
Department of Rural Development
Department of Social Services
Saskatchewan Property Management Corporation
Saskatchewan Workers' Compensation Board
Office of the Executive Council
Saskatchewan Wetland Conservation Corporation
Department of Health
Saskatchewan Crop Insurance
Public Service Commission
New Careers Corporation
Department of Environment and Public Safety
Provincial Secretary
Indian and Metis Affairs Secretariat
Saskatchewan Forest Products Corporation
Saskatchewan Housing Corporation
Family Foundation
Student Financial Services Branch
Saskatchewan Diversification Corporation
Consumer and Corporate Affairs

7) With respect to payments made to employees not working for employer organizations, your Committee agreed to recommend:

- a) That ministers ensure employees do not provide services to others, except by secondment.
- b) That, where secondments are in excess of 60 days, ministers ensure organizations properly document all arrangements to provide employees to others (secondments). Your Committee recommends that the documentation include the amount of reimbursement to be paid by the organization receiving the employee's services. If the reimbursements do not cover all the

employee's expenses, your Committee further recommends that the amount of reimbursement reflect the substance of the arrangement and that organizations document the reasons for less than full reimbursement.

- 8) With respect to payments made to ministerial assistants not working for employer organizations, your Committee agreed to recommend:
 - a) That ministers ensure ministerial assistants' contracts show the appropriation to be charged as required by the Regulations.
 - b) That ministers require their ministerial assistants to work for the Executive Government only.
 - c) That ministers certify monthly time reports for their ministerial assistants and that these monthly time reports show attendance and the Executive Government activity undertaken to support the payroll payments.
- 9) With respect to payments made to advertising agencies for goods and services not received, your Committee agreed to recommend:
 - a) That each payment voucher for advertising goods/services include sufficient documentation to support the payment, i.e., the payment is for the lawful purpose of the organization, the goods/services have been received by that organization and the amount paid agrees to the contract or is reasonable as required by statute.
- 10) With respect to goods and services provided without charge to ministers, your Committee agreed to recommend:
 - a) That the Office of the Executive Council be responsible for ministers' salaries.
 - b) That ministers not accept goods/services without charge from Saskatchewan government organizations.
 - c) That the appropriate departments, agencies and Crown corporations which are legally permitted and which appear before the Committee of Finance provide all furniture and equipment, support services, ministerial assistants and any other goods/services required for the operation of ministers' offices. Where goods and services provided to ministers' offices do not appear in the Public Accounts documents, the expenses incurred should be disclosed in the annual report of the appropriate entity.
 - d) That the Public Accounts identify ministers' salaries, travel and other expenses by ministers.
 - e) That the Office of the Executive Council record all furniture and equipment for ministers' offices and that the Office account for the furniture and equipment when there are ministerial changes.
- 11) With respect to goods and services provided without charge to other government organizations, your Committee agreed to recommend:
 - a) That organizations have clear mandates to ensure they know the goods/services that may be provided to others without charge and the goods/services that must be billed.
 - b) That organizations have properly authorized contracts before providing goods/services to others.
 - c) That organizations charge for all significant goods/services provided to others when required by their mandates.
- 12) With respect to other findings, your Committee recommends:
 - a) That the Government establish consistent policies for entertainment, employee recognition, advertising and donations for all organizations;

- b) That the Government make the policies public;
 - c) That the Government change The Legislative Secretaries Expense Regulations to specify conditions for assigning vehicles;
 - d) That the appropriate department be responsible for Secretaries' travelling expenses;
 - e) That the Public Accounts identify all Secretaries travelling expenses, whenever they are incurred.
- 13) Your Committee expresses its appreciation for the work carried out by the Provincial Auditor and his staff in doing this special assignment. Your Committee is also thankful to the government organizations, agencies, Crown corporations and individuals who either appeared before your Committee or supplied written information.

Respectfully submitted

Rick Swenson, MLA
Chairman

Concurrence

That the Second Report of the Standing Committee on Public Accounts be now concurred in.
(*Mr. Swenson – Debate, agreed March 3, 1993*)