

[Chairman: Mr. Martin]

[10:05 a.m.]

MR. CHAIRMAN: I believe we have a quorum now, if I count correctly, so I think we will get started, if we could. The minutes are not updated for the last two sessions. We'll have that to you for approval next session.

Just before we go into our business, I've handed out this Exposure Draft from the Canadian Institute of Chartered Accountants. I'll just quickly read you the letter, to point out why you're getting that information. It is a letter addressed to me from Mr. Kelly, who is the director of the Public Sector Accounting and Auditing Committee. I believe our Auditor is part of this committee. The letter goes:

In February, the Public Sector Accounting and Auditing Committee of the CICA issued an Exposure Draft of a proposed accounting Statement on "Objectives of Government Financial Statements".

As requested at the 1982 annual meeting of the Canadian Council of Public Accounts Committees, I am enclosing 50 copies of the Exposure Draft for distribution to the members of your Committee and other interested legislators. I would be pleased to provide additional copies in either French or English.

The Committee issues Exposure Drafts to ensure that those affected by its recommendations and other interested parties have an opportunity to comment on proposed Statements before they are issued in final form. To be considered by the Committee, comments need to be received no later than June 1, 1984. I look forward to receiving your comments.

Should you or your colleagues wish more information on the matters raised in the Exposure Draft or on the Public Sector Accounting and Auditing Committee, please do not hesitate to contact me.

For those people who just came in, I'm talking about this Exposure Draft. There are copies here that people can get.

I guess what I'm saying to you is that if you want to go through these and you have some questions or want to raise some comments with this committee, they're saying we have to do this no later than June 1, 1984. If people have some interest, especially the accountants in the group, could they have them to me by May 23? That's our Public Accounts meeting. If I have them by May 23, I'll make sure they're sent to them by June 1.

MR. PAHL: Mr. Chairman, for clarification. I suppose there are several ways of handling this, and I want to explore those. Are you suggesting that we provide our comments to you as chairman and you will pass them on in effect undiscussed by the committee? Or would you like to consider, if there's interest — and I suppose it's hard to get a feel for it without looking through the document a bit — whether we as a committee might want to say

something?

MR. CHAIRMAN: I'm amenable either way. We just got this over the holidays, so I didn't know it was coming up to even schedule it. If we want to do it before June 1, we'd have to cancel one of our guests, if we wanted to take the session at that time. That would be the only problem I would have with it.

I suggest that rather than trying to make a decision here, people peruse it for next week. We could then make a decision whether it would be worth spending some time with it, or if people just want to give me their comments I would make sure they are sent in. We could make a decision next week. Perhaps that's the best way to go.

MR. PAHL: Mr. Chairman, I certainly agree with that. I wonder whether we might invite the Auditor General to sort of comment on this body, what it does and the effect of it, and whether in his view it would be of merit for the Legislature of this province to perhaps make an input. For example, is there a technical input from him that would be put in separate from this committee? Could I invite those comments from Mr. Rogers?

MR. CHAIRMAN: [Inaudible] member of the committee. We have time to do that now, if Mr. Rogers could make some comments.

MR. ROGERS: Thank you, Mr. Chairman. The Canadian Institute of Chartered Accountants has been involved in standard setting for the private sector for some 30-odd years. As a result of their work, a body of standards has been established called the CICA Handbook, which all accountants — not only CAs, but others — use as a guide. In fact in the case of CAs, it's mandatory to follow the handbook. If you don't follow the handbook, you can be brought up before Conduct and Discipline of the institute.

Those standards are recognized in a number of different pieces of legislation as being the standards for profit-oriented enterprises. But hitherto there have been no recognized standards in the public sector for either accounting or auditing. I was first involved with this about 10 years ago. As a result of a number of steps that have taken place, getting a consensus from all governments, this body, the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants, has been created.

The job of this committee is not to set standards per se, because of the fact that each of the provinces and of course the federal government are all sovereign entities. Therefore all the institute is doing is making recommendations based on a consensus obtained from both private- and public-sector accountants and auditors.

The committee consists of legislative auditors, such as myself, controllers, who are the accountants for government, and private-sector senior partners of various accounting firms. This is on a three-year basis, and presently I'm chairman of the western section of that committee. We're involved in developing recommendations, which governments are then free to accept or reject as they see fit to preserve the sovereign aspect of free choice of the various jurisdictions involved. Out of this we hope

will ultimately come a set of standards, freely accepted by the various governments, for both accounting and auditing, so that the measurements that take place in one area are consistent with similar types of measurements taking place in another jurisdiction. I'm sure this conformity will be for the public good.

MR. CHAIRMAN: Do you have some follow-up questions?

MR. NELSON: I don't have a question, Mr. Chairman, but it's my opinion that if members wish to respond or do anything with the draft we have in front of us, possibly we could do it on an individual basis and send our comments directly to the Public Sector Accounting and Auditing Committee, unless we want to take time in committee for a meeting where we would jointly put a position together. I don't know whether we have time to do that. For my own self, if I desire to do that, I think what I would do is personally send the comments I might have to these people. As far as the position of the government is concerned, I think it would be the responsibility of the Treasurer to send that to these people.

MR. ROGERS: Mr. Chairman, perhaps I should add for clarification that all members of the committee have what are called associates. This business of getting consensus and bringing in ideas from the broadest base is quite involved. There are a number of steps before paper reaches this stage, which is now for public disclosure. There is an earlier stage, where associates, as they are called, also submit their comments. Among the associates are the Controller, Al O'Brien, and his chief assistant. Government officials are involved in this, and of course the Provincial Treasurer and the assistant Provincial Treasurer are also involved at a much earlier stage. So this is an ongoing process. At this point, the very widest distribution is given to get comments from everyone who is concerned. So this is a very late stage. The next stage, after considering all these comments, would be final publication.

MR. PAHL: I respect Mr. Nelson's view on it, Mr. Chairman, and I think we do have our ministers lined up for the subsequent meetings. I'd like to make the request or the suggestion that if members wish to take that initiative on their own, perhaps it would be helpful if they would consider sending a copy of their comments to you for circulation to members of the committee so we could all have the benefit of their views. Perhaps at some later stage in the committee's life, we may want to discuss them at a special meeting set aside for that purpose.

MR. CHAIRMAN: I'm certainly flexible. The suggestion, and maybe we can handle it right now, is that if people want to send in comments or suggestions they would do that on their own initiative, and send a copy to me so I could distribute it to members of the committee. If people are going to do that, the only thing I would suggest is that the deadline they have to be in by is June 1; just keep that in retrospect. Is that agreeable to everybody?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: That's the way we'll handle it then.

If we can go back to the report of the Auditor General. I believe the last day we ended up on page 53, which means that we'll be going into section 2.5, Uncorrected Systems Weaknesses and Deficiencies Originally Detected in Previous Years. I believe 2.5 takes us over to page 60. First of all, I'll call on the Auditor General to see if there are any comments on this section.

MR. ROGERS: Mr. Chairman, as in previous years, this records the areas where there are uncorrected systems weaknesses. The fact they're uncorrected must be taken with a view to the types of organizations we're talking about. As in the cases shown, they are complex, large organizations, and it's usually not possible for the deficiencies to be corrected too readily. But I am convinced and satisfied that in all cases, matters are being addressed.

In particular, the one area I would comment on favourably is the Department of Energy and Natural Resources, in the developing of a new system for the gas royalty administration project, which, as you know, was subject to comment in earlier reports. They've established a working relationship in the department and also with industry. The six objectives of this project are to:

significantly reduce the paper burden presently borne by government and industry;

eliminate the current time constrained monthly reporting requirements and the attendant ongoing amendments;

not adversely affect Provincial cash flows;

provide a comprehensive management reporting facility;

provide internal control and audit trail;

ensure sufficient flexibility to accommodate future change, recognizing increasing industry complexity.

This seems to be a well-planned, co-ordinated effort on the part of the department. As I say, it involves representatives of the industry. This obviously will take several years to fully develop and implement.

MR. CHAIRMAN: Are there any questions from members on section 2.5? Seeing none, we'll go into the next section, 2.6, which starts on page 61 and goes over to page 64. Mr. Rogers, any comments on this section?

MR. ROGERS: Yes, Mr. Chairman. This is a new section, and these are items you'll recognize from earlier reports. I did consider what to call this particular section. I thought of graveyard or icebox. All sorts of thoughts went through my mind, but I eventually settled on a much more mundane and long title, which I think explains exactly what they are. They were recommendations that were either

rejected or not completely resolved.

It's simply pointless to keep talking about these things when they are in this particular state. It detracts from the rest of the report. On the other hand, I didn't want them to disappear from view. Consequently, after a certain point — that is, perhaps after an item has been carried in three, four, or five successive reports — there is no point in keeping it on as an active item. On the other hand, we don't want it to sort of drop from view. These are those items. If an item is successfully dealt with, completely resolved, then it drops out altogether. These are ones that are not of that type but are considered worthy to be carried forward.

I think we're all familiar with the Deemed Assets. These are the assets that are deemed by the Act to be assets, but they were cumulative expenditures from the date of the commencement of the Heritage Savings Trust Fund which do not represent assets owned by the fund, and yet they appear as assets on the balance sheet of the fund statements. They are sufficiently segregated that I don't think the reader of the statements is necessarily misled, although I would comment that media and other reports very often talk of the total of the Heritage Savings Trust Fund at a figure which includes these deemed assets. Of course these assets are money spent in previous years, and while there are bricks and mortar in many cases — we've obviously got something for the money we spent — strictly speaking they're not assets of the Heritage Savings Trust Fund. I think everyone understands that. It will get to be a more severe problem as the years go by and that figure increasingly becomes a larger percentage of the overall total of the fund.

On Program Effectiveness, I believe this is looking after itself. It's also an area that is in flux. One has to look at the state of the art. Before putting this particular item in this section, I actually had senior people at my office visit a number of other jurisdictions. We found there was a great deal of effort being given to program evaluation to determine effectiveness, but we could not find too many positive results. That may well be because the art of program evaluation is quite early in its development. But I felt that it would not be wise for us at this particular time, especially with the downturn in the economy, to be pressing this item, because I feel it's answering itself.

Increasingly I've noted that the evaluation is becoming a part of management, and that's where it should really lie. In these other jurisdictions I mention, what has been happening is the adding of another layer of bureaucracy, if you will, so that you've got one set of people evaluating what the managers did. I'm not convinced that that is really the way to go. Rather, evaluation should be an ongoing thing, a part of management. All good managers should evaluate on an ongoing basis what is happening as a result of their previous actions and adjust accordingly. With the, shall we say, comparative increase in scarcity of resources, I believe that is actually occurring. Because they have limitations that perhaps weren't there in earlier years, people are being more careful in getting, in the colloquialism, the best bang for the buck or whatever it is. I believe there's more of that going on. Therefore I think that is sort of looking after itself, not just in Alberta but in other jurisdictions.

In our looking at this whole problem, we were particularly impressed with what's happening in the U.K. in this area and the commitment made by Prime Minister Margaret Thatcher to release to Parliament the information from information systems developed within departments as it relates to evaluation and effectiveness. It's the management information systems that supply the data upon which evaluation is based. The commitment has been made, with certain limitations, that this information will be released and made available to Parliament and its committees. I found that to be rather an interesting development, which we will be watching.

The Fixed Assets problem is being looked after with varying degrees of success. Usually there's been remarkable improvement over the last several years. We of course are involved with that on each and every audit.

The Nursing Homes Program: we'll probably reach a point where that will even drop out of this section.

There are the other items in 2.6 which are still under development. For instance, we presently have a letter of comfort from the Auditor General of Canada on income tax revenues. But hopefully next year we will, for the first time, have an audit opinion on a financial statement, which gives a greater degree of comfort than a mere comfort letter.

Mr. Chairman, I think those are the general comments on that section.

MR. CHAIRMAN: Thank you. Questions?

MR. KROEGER: I'm assuming that under Deemed Assets, your reference would be to such things as Kananaskis?

MR. ROGERS: Yes, [inaudible] all expenditures: the money spent on the Mackenzie Health Sciences Centre, all capital projects. In other words, the moneys voted by the House on an annual basis result in assets that are not owned by the Heritage Savings Trust Fund itself — are owned by the Crown, not in all cases. In some cases, as you know, there were grants to other levels of government.

MR. KROEGER: I thought that was very clear, but I thought I would identify it.

MR. CHAIRMAN: Are there any other questions dealing with section 2.6? Seeing none, we'll move to the Public Accounts. Is there anything specifically in Public Accounts, on page 65, Mr. Rogers, that should be brought to our attention?

MR. ROGERS: The only comments I'd like to make, Mr. Chairman, are on the consolidated financial statements. I think I've said before that I believe Alberta leads in this particular area in that it does have one set of statements that reflects all activities of government, except for certain ones which are excluded by the Financial Administration Act. The excluded entities are universities, colleges, and owned hospitals.

The results of operations for '82-83 showed that the net assets, which is really the measure — that is, the difference between realizable assets, even if over a very long term, and liabilities — decreased from \$12 billion to \$11.3 billion, actually a decrease of \$794 million. That is on a consolidated basis. We had

an overall surplus of \$11.3 billion on March 31, 1983, as compared with \$12 billion on March 31, 1982. There was an annual deficit of \$794 million for that year, and that may be seen to be in contradiction to certain figures that have been given. That's on page 66.

If you go to 68, though, you will see that the budgetary deficit was \$2.047 billion. You can see that the difference was the net income of consolidated entities, being regulated funds. This is the increase in net assets of those funds in the year. Of course the \$1.5 billion is mainly the Heritage Savings Trust Fund. There was a loss of \$320 million, which reflected a decrease in net assets of provincial corporations, most of which I believe was the Housing Corporation.

So we come back to the \$794 million, being the consolidated net expenditure. That is an attempt to clarify the difference between the much-quoted figure of \$2 billion as opposed to the end result shown by the consolidated statements of \$794 million, being the annual deficit.

Mr. Chairman, if there are any questions . . .

MR. CHAIRMAN: Are there any questions dealing with Consolidated Financial Statements? I don't see any. I guess the only other thing we could follow up would be 3.4, Alberta Heritage Savings Trust Fund. Are there any comments there, Mr. Rogers?

MR. ROGERS: Not really, Mr. Chairman. This is merely a precis of the basic information shown by the financial statements. As you know, those financial statements were discussed in detail by the Heritage Savings Trust Fund committee. However, if there are any questions, I would be happy to entertain them.

MR. CHAIRMAN: Any questions?

MR. NELSON: Mr. Chairman, to Mr. Rogers. I notice that there is a recommendation — and, as I recall, it was also one last year — that "the Treasury Department retain the services of an independent investment analyst". I think the argument was given that there presently were capable people within the department. I am just wondering what your reasoning is for continuing with that recommendation.

MR. ROGERS: That of course is under the heading of recommendations not accepted. It's a matter of knowing how you're faring in comparison with others as opposed to just how you're faring, because other funds of like dimensions or other large funds — put it that way — are subject to the same market forces during a year. One piece of information that may be of interest to the committee would be: how did, say, the Heritage Savings Trust Fund fare insofar as its dealings with its marketable securities? And at any time, we've only talked of the marketable securities. How did the Heritage Savings Trust Fund fare in its handling of the marketable securities in comparison with other funds handling the same securities under the same market conditions?

These services are available. I know that other investment houses, insurance companies — because in the course of that investigation two or three years ago, we visited large insurance companies that were handling large portfolios. We found that one of the

tools they used to determine how they were doing was using the services of getting comparisons of their performance with the average or aggregate performance of a number of other entities: other insurance companies, trust companies, and investment houses. This seems a logical sort of thing to do. We're not talking about a big cost in a case like this, because there are people who have the information on a computer. They simply feed your figures in and run a comparison with the aggregate, and you can see which quartile you are in. That kind of thing is a good measure of how you are doing in comparison with other entities in the same market.

MR. NELSON: In that tone you're suggesting, if I'm reading you correctly, that there are other entities, mainly in the private sector because there are not too many public-sector governments that have the same large fund we have here. Would that take into account the aspect of the high-risk type of investment that many of these private-sector companies might have, as against a less high-risk investment the province may have in the overall investment portfolio? How do we compare the two in that respect, or could we?

MR. ROGERS: Comparisons are made like with like. For instance, those parts of the portfolios that are bonds are compared with the bond part of other portfolios. It is not a sort of across-the-board comparison. If you're dealing in bonds, you're usually dealing in the same kinds of bonds, whether you're the Heritage Savings Trust Fund or a private-sector portfolio.

MR. NELSON: In essence then, would you not want to take your overall portfolio and see how the return on that investment is doing, rather than taking a sector of it? I believe we have people working within the Treasury that have certainly been out in the marketplace for many years, maybe even more so than some of the people out there. I am just questioning whether we should be expending considerable dollars when we have an investment portfolio that has a global investment and dissecting it to the extent where you should get X amount on this and X amount on that, and where you take the mix and your result is reasonably satisfactory. I am just wondering, and I guess thinking out loud, what anticipated cost you foresee it would take to do the examination you're suggesting.

MR. ROGERS: Less than the cost of one permanent employee at a professional level. I know because that's what we went through when we had the fund so evaluated at the time of that investigation, about three years ago. We're not talking about a big cost.

I think really the point of principle involved is whether or not this information should be made available to this committee. If you remember, that was the point I was recommending. In actual fact, I believe that Treasury does do comparisons or has access to data banks that enable them to see how they are doing. I think the question was whether it was information that should be available to members of the committee.

This whole matter has really decreased in importance. Don't forget that the background that existed at the time the recommendation was

originally made was one of a constantly expanding portfolio. Of course in the years intervening, this is no longer quite the case. The actual size of that portfolio has decreased considerably as the money has been deployed, and the money flowing in has lessened. But the point of principle as to whether or not this sort of information should be available to this committee is still valid.

MR. CHAIRMAN: There's nobody ahead of you, so you're next on the list.

MR. NELSON: I'd just like to pursue that. Mr. Rogers, are you suggesting that Treasury is keeping this information in an internal fashion and not making it available publicly or to the committee?

MR. ROGERS: I don't think the comparisons have been given by Treasury. They could be. There's a difference between what is given as a result of a direct question — I'm not sure whether that has been asked — and what is provided as a matter of course.

MR. CHAIRMAN: You're on your second question, so a second supplementary.

MR. NELSON: Maybe when the Treasurer comes; is he going to be here?

MR. CHAIRMAN: The Treasurer will be here next day.

MR. NELSON: When the Treasurer is here, maybe we can ask him that question. Mr. Rogers, do you have difficulty receiving that information if you request it? Do you have access to it?

MR. ROGERS: Yes, we have access to it. Obviously, I can't comment on it at the moment. But yes, we have access to all records of Treasury. There is no problem with that. It's not an active recommendation any longer. As you can see from the section it's in, I'm not actively pursuing that anymore. It is simply a recommendation that was brought up that I believed had merit at the time and that was rejected. That's the only reason it's in that section.

MR. NELSON: Does it have any less merit today than it did then?

MR. ROGERS: I believe the principle involved as to the sort of information that is provided is still valid. But as I say, I'm not actively pursuing that or have not in this present report.

MR. CHAIRMAN: Any other questions on the Heritage Savings Trust Fund? The rest of the book basically is review of some of the recommendations. Unless people have specific questions — if there are any general questions before we leave the Auditor General, I certainly would entertain those sorts of questions at this time.

MR. ROGERS: Mr. Chairman, perhaps I should provide a wrap-up on that last point. From time to time I think there are occasions when there is a disagreement with the people we audit, and I think it would be a dull world if we didn't occasionally get

that. That's quite normal. The point is that these points where we agree to disagree are quite rare. I think this is one of them.

MR. CHAIRMAN: I don't see any further questions to the Auditor General. I just remind you before we wrap it up; some people came in late. There is an Exposure Draft from the auditor's committee across Canada. If people would pick up a copy of that — Peggy, maybe we could get it out to the rest of the people who weren't here today. Following up on Mr. Nelson's suggestion, I remind you that if people want to have some comments to this body, it was suggested they send it themselves, with a copy to me. It has to be in to them by June 1. That's the latest date they will entertain it.

The other thing I would remind people of is the very important session next Wednesday, May 9, when we have the Provincial Treasurer. I know that people will want to ask the Treasurer many of the questions that were asked of the Auditor General. With that, unless there is any other business . . .

MR. HARLE: Could I just go back, Mr. Chairman, to this particular thing? I've had an opportunity to eyeball it, and I would like to ask Mr. Rogers a couple of questions on it. I think we have time.

On this document — I take it that Alberta, as you have pointed out, probably leads in an accountability approach to government records. Because you obviously serve on this committee as well as in your position as Auditor General, I don't want to put you on the spot. But I have an impression that Alberta is basically meeting the objectives that are set out in this paper and that we really don't have to look at this from a point of view of whether or not Alberta is behind. In fact we're probably leading and ahead of the requirements that are set out in the objectives. Am I right in that impression?

MR. ROGERS: Yes, Mr. Chairman, absolutely. As a matter of fact, I think the only reservations I've heard mentioned by Treasury people is that there's been a bit of a backing off on certain issues to accommodate or to get a consensus. You're quite right. This doesn't go quite far . . .

MR. HARLE: I'm sorry. When you said "backing off", you meant to meet the requirements of other governments?

MR. ROGERS: That's right. In order to accommodate so that other governments could live with it, it's not quite as forthright as we would like to have it; for instance, calling for consolidation, that kind of thing. I think this is a slow, evolutionary process right across Canada. But we're quite satisfied that we are meeting all that is called for in this paper, which is really only the beginning of a long trail. For instance, some governments are still on a cash basis, whereas, as you can read into this, it calls for accrual basis. We've been on accrual basis now for several years — since 1978 as a matter of fact. Some jurisdictions don't feel that is the right way to go. There's going to be a lot of sort of grinding before a consensus is reached.

MR. HARLE: Thank you. A second question. I notice there's no reference in the disclosure

objectives of the accounting process of grants. It seems to me that a government that is in effect transferring, as we do, large quantities of money to what you might call other sources, private individuals or institutions like municipalities — that there would be an interest to ensure that that type of transfer of grants or outright transfers, whatever you might call them, should be identified to separate them from what you might call the operations of government over which government has control over how efficient they are. Am I right in believing that there's not as much concern elsewhere on that matter, or is it there but I'm just not picking it up? I've read it rather quickly.

MR. ROGERS: This of course is kind of the top level and therefore not highly specific but more general in nature. As we get to subsequent statements, which will elaborate on these objectives and the standards and principles that are necessary to achieve these objectives, then things like the treatment of pensions, pension liability, and handling of grants will be dealt with as separate items. This is the beginning of a long, long road. But the point is worth bringing up, I might add. As you say, this is not specifically addressed to the grant situation.

However, I'm involved more in the audit side. We're preparing audit papers which will be coming out in due course. One of those deals with compliance with authority and visualizes setting a set of standards that auditors of municipalities, for instance, will have to comply with when issuing auditors' reports on compliance, which will then be relied on by government that there has been compliance with terms of grant agreements — that kind of thing.

MR. HARLE: A third problem I see is the timeliness of it, and I see some reference to it. There is a reference here, but it doesn't seem to me that this paper contemplates much less than a year after the end of the fiscal year before the annual report or review is available. It seems to me that that is too long a time. I know you made some comments in your material that we've discussed previously. What sort of time period is reasonable? A year seems awfully long. Even three months seems long, although it would certainly be a lot better to have it at three months than at six months.

MR. ROGERS: Three months would be highly desirable from the point of view of the users of the reports, but considering the size of the operation — General Motors is very large, but much of it is very similar in nature. In government you have the diversity of the functions it fulfills. A myriad of accounting systems all have to produce information that has to be brought together. So I think three months would not be practical, but I would like see us aim for something more like six months.

MR. HARLE: Could I ask another one?

MR. CHAIRMAN: There's no one ahead of you.

MR. HARLE: One of the problems we hear quite frequently, particularly of the needs of entities that are funded in a material way by government — and I'm thinking of universities, for example, that are

saying that for our planning and our needs of a university, we need to have a much longer time frame for commitment of funds, and that the one-year process which the Legislature is involved in is simply not adequate. Is that type of thing something that would be dealt with by this process, to indicate programs that are of one-year duration and therefore that amount of money will show up for one year, and that this is a program which will be a long-term program so there is, in effect, a future commitment? Obviously a university or other municipality needs to know this money is going to be there the next year and the next year and the year after, over a shorter or longer period of time.

MR. ROGERS: Of course you're addressing a very large problem that I think all governments wrestle with to varying degrees of success. The committee has not addressed that, Mr. Chairman. We are really dealing at such a basic level right now in these first few years. This committee has only been in operation some three years, I believe. We're still at such an elementary stage that we've not really come to grips with that kind of question. But in due course, yes, that's the kind of thing this committee will address, simply from the point of view of making recommendations on the basis of research carried out.

MR. HARLE: I notice we're doing that a little bit more on the heritage fund, for example, saying that there is a future commitment which is going to have to be met. It seems to me that sooner or later we're going to have to see that type of approach to government accounts.

MR. ROGERS: But whether funds are actually authorized or voted for more than one year is something that I think is a matter for the political process to come to grips with. It isn't an accounting problem so much as a political problem.

MR. CHAIRMAN: Any other questions? Seeing none, the only other item of business I have is adjournment, if I can get that passed.

MR. HARLE: So moved.

MR. CHAIRMAN: All agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: We'll see you with the Treasurer on May 9.

[The meeting adjourned at 10:57 a.m.]