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Main points

The Standing Committee on Crown Corporations (Committee) reviews the activities, performance, and reports of Crown corporations. During its review, the Committee can inquire about current concerns, future objectives, and past performance. The Committee also reviews significant transactions made by these corporations. Increasingly, the Committee's discussions relate to broader issues including strategic plans, key risks to achieving goals and objectives, and performance measurement. It also reviews chapters of our reports related to the Crown Investments Corporation of Saskatchewan and related corporations.

Through its work and recommendations, the Committee helps the Assembly hold the Government accountable for its management of these corporations. In the exhibit to this chapter, we set out the status of the Committee's outstanding recommendations and indicate whether they are not implemented or partially implemented.

Introduction

This chapter provides an overview of the role and responsibilities of the Standing Committee on Crown Corporations (Committee). We briefly describe what the Committee does, how it is structured, and how it works. We discuss the importance of the Committee's deliberations and recommendations. We highlight some of its recent accomplishments. In addition, in the exhibit to this chapter, we set out the status of the Committee's outstanding recommendations.

Overview of Committee's role and responsibilities

At the beginning of each Legislature, the Legislative Assembly appoints the members of the Committee. The Assembly refers the annual reports and financial statements of Crown corporations and related agencies to the Committee. The Committee uses these reports to review their operations. In addition, the Assembly refers the Provincial Auditor's reports (or parts of reports) that relate to the Crown Investments Corporation of Saskatchewan (CIC) and its related agencies to the Committee for review.

Our Office attends meetings of the Committee to help it in its reviews. The Committee also invites each corporation's appointed auditor to help the Committee in its review.

The Committee focuses on corporations that generate revenues from sources other than the General Revenue Fund. During its review, the Committee can inquire about issues of current concern, future objectives, and past performance. Because of the magnitude of financial activity that the Government manages through Crown corporations, the Committee has an important role. It helps the Assembly hold the Government accountable for its management of these corporations.

The Committee also requires Crown corporations to submit reports of their significant transactions. Significant transactions are defined as those that are material in amount and outside the ordinary course of business, or are judged by the Crown corporation to be sensitive and likely of interest to legislators and the public. These reports describe the transaction, the objectives of the transaction, its financial implications, and the authority for the transaction. Because Crown corporations must

submit these reports within 90 days after the transaction, the Committee can review them on a timely basis.

Crown corporation officials (and if requested, the Minister responsible for the corporation) attend the Committee's meetings. They answer questions about their corporation's financial results, plans and priorities, significant transactions, and related chapters in our reports. Periodically, the Committee formally reports its findings and recommendations to the Assembly.

The Committee's meetings are open to the public. Information about the composition of the Committee, as well as records of the Committee's meetings, i.e., Hansard verbatim, minutes, and reports, are publicly available on the Committee's web site (part of the Assembly's web site – <http://www.legassembly.sk.ca/Committees/crcocomm.htm>).

As with the Standing Committee on Public Accounts, this Committee's discussions and recommendations to the Assembly result in a more open and accountable Government and better management of Government operations. The Committee's work is crucial in a well-managed parliamentary system of government. The Committee provides a vital link in the chain of accountability over public resources. The work of the Committee also contributes to the public's confidence in our system of government.

Members of the Committee

At March 31, 2003, the members of the Committee are:

- ◆ Harry Van Mulligen, Chair
- ◆ Pat Atkinson, Vice-Chair
- ◆ Greg Brkich
- ◆ David Forbes
- ◆ D.F. (Yogi) Huyghebaert
- ◆ Carolyn Jones
- ◆ Don McMorris
- ◆ Peter Prebble
- ◆ Kim Trew
- ◆ Brad Wall

Committee activities

During 2002-03, the Committee met 17 times. It reviewed the annual reports and financial statements of 10 Crown corporations and their related agencies. In addition, it reviewed chapters 1 to 6 of our 2002 Spring Report, which relate to Crown corporations.

On December 9, 2002, the Committee issued its Third Report of the 3rd Session of the 24th Legislature. On March 25, 2003, it issued its Fourth Report (note: Fourth Report contains no recommendations).

Status of recommendations

The Committee's Third Report contains 19 recommendations. Some of these recommendations will take more than one year to implement. In the exhibit, we list those recommendations that the Government has not yet fully implemented as at December 31, 2002. They are classified as follows:

1. **Committee (CCC) concurs** – These are our Office's recommendations that the Committee supports, agrees, or concurs with. The Committee does not expect a formal response from the Government but does expect the Government to follow up on progress made in complying with the recommendations. In the exhibit, these recommendations are identified by a non-bold number (e.g., 4.1) preceding them. The non-bold numbers reflect the chapter and recommendation number of our related report.
2. **Committee recommends** – These are the Committee's recommendations. The Committee expects an official response or action by the Government. In the exhibit, these recommendations are identified by a bold number (e.g., 1.) preceding them.
3. **Committee considered** – These are our Office's recommendations. The Committee has deferred them for future consideration, e.g., pending the presentation of additional information, or made its own recommendation on the matter.

For each outstanding recommendation, we assess the status of the recommendation and indicate whether it is not implemented or partially implemented using the following criteria:

Not implemented – Based on the last time that we audited the area or agency, the Government has not taken action on this recommendation.

Partially implemented – Based on the last time that we audited the area or agency, the Government has taken some action on this recommendation.

Summary

Increasingly, the Committee's discussions relate to broader issues including strategic plans, key risks to achieving goals and objectives, and performance measurement. We congratulate the Committee on fostering a more open and accountable Government and better management of Government operations.

We will continue to help the Committee carry out its important responsibilities. We encourage the implementation of the Committee's recommendations.

Exhibit – Outstanding recommendations

REPORT YEAR	OUTSTANDING RECOMMENDATION	STATUS
Third Report of the 3rd Session of the 24th Legislature – tabled December 9, 2002		
2001 Spring	<p>CCC considered:</p> <p>11.1 The Government should clarify the law to require CIC and its Crown corporations to obtain Order in Council approval before purchasing or selling real property through a subsidiary.</p>	<p>Not implemented.</p> <p>The Committee asked CIC to review its procedures and report on the pros and cons of changing the legislation in the context of a commercial environment. Further consideration has been deferred as the Committee has not yet received a response to its request.</p>
2001 Spring	<p>CCC considered:</p> <p>11.2 CIC and its subsidiaries should:</p> <p>publish a list of persons (e.g., employees, suppliers) who have received money from them and the amounts the persons received, following the Assembly's current disclosure requirements; or</p> <p>seek direction from the Crown Corporations Committee on alternate disclosure requirements that will achieve legislators' objectives for requiring this information.</p>	<p>Not implemented.</p> <p>The Committee asked CIC and our Office to prepare and submit a report on the proposed process. In February 2003, CIC and our Office submitted their reports to the Committee. In March 2003, the Committee asked the Information and Privacy Commissioner for his advice and recommendation on this matter. The Commissioner reported to the Committee on March 31, 2003.</p>
2001 Spring	<p>CCC considered:</p> <p>11.3 The Crown Corporations Committee should follow the process set out in Exhibit 2 for deciding what information Government agencies should disclose and to whom. (The exhibit appears on page 210 of our 2001 Spring Report).</p>	<p>Not implemented.</p> <p>The Committee asked CIC and our Office to prepare and submit a report on the proposed process. In February 2003, CIC and our Office submitted their reports to the Committee. In March 2003, the Committee asked the Information and Privacy Commissioner for his advice and recommendation on this matter. The Commissioner reported to the Committee on March 31, 2003.</p>

Chapter 13 – Standing Committee on Crown Corporations

REPORT YEAR	OUTSTANDING RECOMMENDATION	STATUS
2001 Spring	<p>CCC concurs:</p> <p>11.4 The Government should change current laws to:</p> <ul style="list-style-type: none"> - require subsidiaries of Crown corporations to obtain an Order in Council before purchasing shares; and - require Crown corporations and their subsidiaries to report the sale of shares to the Crown Corporations Committee within 90 days of the transaction date. 	<p>Not implemented.</p> <p>Legislative amendments have not yet been made.</p>
2001 Spring	<p>CCC concurs:</p> <p>13.1 SaskWater should set appropriate security policies for its IT systems and data.</p>	<p>Not implemented.</p> <p>Policies have not yet been established.</p>
2001 Fall	<p>CCC concurs:</p> <p>1.3 Information Services Corporation should perform a post-implementation review of the LAND Project and make the results available to all Government organizations.</p>	<p>Not implemented.</p> <p>We expect that the Corporation will complete this review in 2003.</p>
2001 Fall	<p>CCC concurs:</p> <p>1.4 Information Services Corporation should receive monthly reports of the comparison between actual costs to date on the LAND Project to the budget to date.</p>	<p>Not implemented.</p> <p>The Corporation did not receive monthly reports comparing actual costs of the LAND Project to the budget to date.</p>
2002 Spring	<p>CCC concurs:</p> <p>1.1 SaskPower should set out the benefit targets and measures for the System (integrated computer system and work processes) in its business plan and report the results achieved in its annual report.</p>	<p>Not implemented.</p> <p>When we made this recommendation, we planned to follow up its implementation in the Spring of 2004.</p>
2002 Spring	<p>CCC concurs:</p> <p>1.2 SaskPower should establish policies to support a long-term continuous process improvement plan that includes training and support plans for its employees.</p>	<p>Not implemented.</p> <p>When we made this recommendation, we planned to follow up its implementation in the Spring of 2004.</p>

REPORT YEAR	OUTSTANDING RECOMMENDATION	STATUS
2002 Spring	<p>CCC concurs:</p> <p>1.3 SaskPower should provide its Board of Directors with independent advice on benefit targets and measures, the effectiveness of the new work processes, and on the reliability of key reports.</p>	<p>Not implemented.</p> <p>When we made this recommendation, we planned to follow up its implementation in the Spring of 2004.</p>
2002	<p>The Committee recommends:</p> <p>1. The provincial Government consider the recommendation on page 35 of the Dillon Consulting Ltd. report to the Saskatchewan Rate Review Panel. (Dillon suggested that SaskPower consider treating SaskPower International (SPI) as a fully cost-accounted, non-regulated company. Otherwise, SaskPower's ratepayers will be at risk to cover the potential costs of SPI's investments, due to SPI's forecasted losses.)</p>	<p>Not implemented.</p> <p>The Committee has not yet received a response from the Government concerning the implementation of this recommendation.</p>
2002	<p>The Committee recommends:</p> <p>2. SaskPower undertake a careful and thoughtful analysis of the rapidly changing electrical utility regulatory regimes of other North American jurisdictions, their applicability to SaskPower, its subsidiaries, and its activities in order to minimize risks to SaskPower ratepayers and remove the potential for investment losses by SPI [SaskPower International] therefore putting upward pressure on the rates of SaskPower customers.</p>	<p>Not implemented.</p> <p>The Committee has not yet received a response from the Government concerning the implementation of this recommendation.</p>
2002	<p>The Committee recommends:</p> <p>3. The provincial Government update the fair wages clause included in Crown corporation tenders per Order in Council No. 301/44, March 23, 1944.</p>	<p>Not implemented.</p> <p>The Committee has not yet received a response from the Government concerning the implementation of this recommendation.</p>

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