

Standing Committee on Crown and Central Agencies

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Main points

The Standing Committee on Crown and Central Agencies is one of the Assembly's four policy field committees. It considers matters relating to Crown Investments Corporation of Saskatchewan (CIC) and its corporations, supply and services, central agencies, liquor, gaming, and all other revenue-related agencies and entities. During its review of Crown corporation annual reports, the Committee can inquire about current matters, 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 concerning CIC and its 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, we set out the status of the Committee's eight recommendations that are not yet implemented.

Introduction

This chapter provides an overview of the role and responsibilities of the Standing Committee on Crown and Central Agencies. We 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 also highlight some of its recent activities. In the Exhibit, we set out the status of the Committee's outstanding recommendations.

Overview of Committee's role and responsibilities

The Standing Committee on Crown and Central Agencies is one of the Assembly's four policy field committees. Policy field committees are responsible for examining various documents referred to it by the Assembly. These documents include bills and regulations (proposed laws), annual budget Estimates, and annual reports. Policy field committees can also conduct inquiries into matters within their mandate.

This Committee's mandate is to consider matters relating to Crown Investments Corporation of Saskatchewan (CIC) and its corporations, supply and services, central agencies, liquor, gaming, and all other revenue-related agencies and entities. At the beginning of each Legislature, the Legislative Assembly appoints the members of the Committee.

The Committee focuses on corporations that receive 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 CIC and its corporations, the Committee has an important role. It helps the Assembly hold the Government accountable for its management of these corporations.

The Assembly refers the annual reports and financial statements of CIC and its corporations to the Committee. The Committee uses these reports to review the corporations' operations. In addition, the Assembly refers the Provincial Auditor's reports (or parts of the reports) that relate to CIC and its corporations to the Committee.

The Committee also requires CIC and its 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.

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.

Crown corporation officials and 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, videos, and reports) are available on the Committee's web site (part of the Assembly's web site – <http://www.legassembly.sk.ca/committees/>).

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 in 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

The following members served on the Committee during 2004-05:

- ◆ Graham Addley, Chair
- ◆ Wayne Elhard, Deputy-Chair (to March 18, 2005)
- ◆ Dan D’Autremont, Deputy-Chair (from April 7, 2005)
- ◆ Doreen Eagles (from March 18, 2005)
- ◆ Andy Iwanchuk
- ◆ Allan Kerpan (from March 18, 2005)
- ◆ Warren McCall
- ◆ Maynard Sonntag (to November 30, 2004)
- ◆ Mark Wartman (from November 30, 2004)
- ◆ Randy Weekes (to March 18, 2005)

Committee activities

During 2004-05, the Committee met 17 times. In addition to its other responsibilities, the Committee reviewed the following 2003 annual reports:

- ◆ Crown Investments Corporation of Saskatchewan
- ◆ Saskatchewan Government Insurance
- ◆ Saskatchewan Power Corporation
- ◆ Saskatchewan Telecommunications
- ◆ SaskEnergy Incorporated
- ◆ Investment Saskatchewan Inc.

In addition, it considered Chapter 7 of our 2004 Report – Volume 1 related to CIC. The Committee did not issue any reports during the year concerning its review of annual reports.

Status of recommendations

The Committee’s reports (and those of the predecessor Standing Committee on Crown Corporations) contain recommendations, some of which take more than one year to implement. Each year, we follow up and report on the status of those recommendations. In the Exhibit, we list eight recommendations that the Government has not yet fully implemented as at December 31, 2004. Since the last time we did a status review (see our 2004 Report – Volume 1, Chapter 8), one new item has been added and one previous item has been removed due to its implementation.

We classify the outstanding recommendations as follows:

1. **Committee 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 comply 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 has 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.

Future direction

Increasingly, the Committee's discussions focus on broader issues pertaining to Crown corporations, including strategic plans, key risks to achieving goals and objectives, and performance measurement. We congratulate the Committee for fostering a more open and accountable Government and better management of Government operations. We encourage the implementation of the Committee's recommendations.

Exhibit—Outstanding recommendations

Report Year	Outstanding Recommendation	Status
Third Report of the 3 rd Session of the 24 th Legislature – tabled December 9, 2002		
2001 Spring	<p>The Committee 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>Legislative amendments have not been made.</p> <p>In October 2004, the Government established a policy requiring CIC and its Crown corporations to get Order in Council approval before purchasing or selling real property through a wholly owned subsidiary.</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>The Committee 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 been made.</p>

Report Year	Outstanding Recommendation	Status
2002 Spring	The Committee concurs: 1.2 SaskPower should establish policies to support a long-term continuous process improvement plan that includes training and support plans for its employees.	Partially implemented. SaskPower has begun to implement the policies and strategies it established to promote a process improvement plan.
2002 Spring	The Committee concurs: 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.	Partially implemented. SaskPower got an independent assessment of the processes, benefit targets, and measures in Power Production. As at March 2005, it is in the process of obtaining a similar assessment for Transmission and Distribution.
2002 3 rd Report	The Committee recommends: 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.]	Not implemented. The Committee has not yet received a response from the Government concerning the implementation of this recommendation.
2002 3 rd Report	The Committee recommends: 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.	Not implemented. The Committee has not yet received a response from the Government concerning the implementation of this recommendation.

Report Year	Outstanding Recommendation	Status
2002 3 rd Report	<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>As at March 2005, CIC reports that it is in the process of reviewing this recommendation.</p>
Committee Minute No. 10 – September 17, 2004		
2004 Spring	<p>The Committee concurs:</p> <p>7.1 CIC should review the limits over which CIC and its subsidiaries must get Order in Council approval to buy and sell real property, either directly or through a subsidiary, and CIC should seek legal changes where appropriate.</p>	<p>Not implemented.</p> <p>As at March 2005, CIC reports that it is in the process of reviewing this recommendation; CIC expects to complete a review of the limits by the end of 2005.</p>

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