

## 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 Legislative Assembly's four policy field committees. It considers matters relating to Crown Investments Corporation of Saskatchewan (CIC) and its corporations, supply and services, central government 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 chapters of our reports concerning CIC and its related corporations. The Committee's discussions relate to broader issues including strategic plans, key risks to achieving goals and objectives, and performance measurement. It also reviews significant transactions made by these corporations.

Through its work and recommendations, the Committee helps the Assembly hold the Government accountable for its management of these corporations. At December 2007, the Government has implemented most of the Committee's recommendations. This chapter sets out the status of the Committee's recommendations that the Government has 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 at December 31, 2007.

## Overview of Committee's role and responsibilities

The Standing Committee on Crown and Central Agencies is one of the Legislative Assembly's four policy field committees. Policy field committees are responsible for examining various documents referred to them 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 mandates.

This Committee's mandate is to consider matters relating to Crown Investments Corporation of Saskatchewan (CIC) and its corporations; supply and services, central government agencies; liquor; gaming; and all other revenue-related agencies and entities.<sup>1</sup> At the beginning of each Legislature, the Legislative Assembly appoints the members of the Committee.

The Committee focuses on corporations that receive revenues primarily 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 also receives payee disclosure reports from each corporation. In addition, the Assembly

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<sup>1</sup> Rule 142, Rules and Procedures of the Legislative Assembly of Saskatchewan.

refers our reports (or parts thereof) that relate to CIC and its corporations to the Committee. The Committee uses these reports to review the corporations' operations.

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 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. During 2007-08, the Committee received eight significant transaction reports.

Our Office attends meetings of the Committee to help it with its reviews. The Committee also invites each corporation's appointed auditor to help the Committee with 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. Its website ([www.legassembly.sk.ca/committees/](http://www.legassembly.sk.ca/committees/)) contains information about the composition of the Committee and records of the Committee's meetings (i.e., Hansard verbatim, minutes, videos, and reports).

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 2007-08:

- ◆ Graham Addley (to October 10, 2007)
- ◆ Dan D'Autremont (to October 10, 2007)
- ◆ Dustin Duncan (to October 10, 2007; from December 12, 2007)
- ◆ Glenn Hagel (from June 28, 2007 to October 10, 2007)
- ◆ Donna Harpauer (to October 10, 2007)
- ◆ Nancy Heppner (from December 12, 2007)
- ◆ Warren McCall (to June 28, 2007)
- ◆ Tim McMillan (from December 12, 2007)
- ◆ Sandra Morin (to October 10, 2007)
- ◆ Jim Reiter (from December 12, 2007)
- ◆ Kim Trew (from December 12, 2007)
- ◆ Mark Wartman (to October 10, 2007)
- ◆ Randy Weekes (from December 12, 2007)
- ◆ Kevin Yates (from December 12, 2007)

## Committee activities

During 2007-08, the Committee met 10 times. It reviewed various Estimates and bills and issued three reports thereon to the Assembly. Also, the Committee reviewed the annual reports of the following corporations:

- ◆ Saskatchewan Gaming Corporation (2004-05, 2005-06)
- ◆ Saskatchewan Government Insurance (2005)
- ◆ Saskatchewan Power Corporation (2005)
- ◆ Saskatchewan Water Corporation (2004)
- ◆ SaskEnergy Incorporated (2004)

It also considered the following Provincial Auditor reports.

- ◆ 2004 Report – Volume 1, Chapter 3
- ◆ 2006 Report – Volume 1, Chapter 12
- ◆ 2007 Report – Volume 1, Chapter 10

The Committee issued one report (on August 23, 2007) to the Legislative Assembly on its review of annual reports and our 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 their status. The Government has not fully implemented five recommendations included in our last update (see our 2007 Report – Volume 1, Chapter 13). The Exhibit lists these and two new recommendations outstanding as at December 31, 2007 that the Committee concurred with. We encourage the Government to implement these recommendations.

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 to 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.

## Exhibit—Outstanding recommendations

Report Year	Outstanding Recommendation	Status
Third Report of the 3 <sup>rd</sup> Session of the 24 <sup>th</sup> Legislature – tabled December 9, 2002		
2001 Spring	<p>The Committee concurs:</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><b>Not implemented.</b></p> <p>Legislative amendments have not been made.</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"> <li>- require subsidiaries of Crown corporations to obtain an Order in Council before purchasing shares</li> <li>- require Crown corporations and their subsidiaries to report the sale of shares to the Crown Corporations Committee within 90 days of the transaction date.</li> </ul>	<p><b>Not implemented.</b></p> <p>Legislative amendments have not been made.</p>
Fourth Report of the 1 <sup>st</sup> Session of the 25 <sup>th</sup> Legislature – tabled May 24, 2005		
2004 Report Vol. 1	<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><b>Partially implemented.</b></p> <p>CIC has approved new limits that will apply to CIC and each of its subsidiaries. It has made the necessary legal changes for three Crown corporations and needs to do so for six others.</p>



Report Year	Outstanding Recommendation	Status
Tenth Report of the 3 <sup>rd</sup> Session of the 25 <sup>th</sup> Legislature – tabled August 23, 2007		
2006 Report Vol. 1	<p>The Committee concurs:</p> <p>9.3 SaskPower should use its new strategic plan to assess alternative strategies that address identified infrastructure needs.</p>	<p><b>Partially implemented.</b></p> <p>SaskPower is updating key planning documents. When they are finalized, it should have sufficient information to assess alternative strategies consistently.</p>
	<p>The Committee concurs:</p> <p>9.4 SaskPower should document the nature and extent of specific infrastructure risks that it accepts when it approves projects.</p>	<p><b>Partially implemented.</b></p> <p>SaskPower is updating key planning documents. When they are finalized, it should have sufficient information to document specific infrastructure risks.</p>
2007 Report Vol. 1	<p>The Committee concurs:</p> <p>10.1 Saskatchewan Government Insurance should have processes to monitor the benefits it expects from the Saskatchewan Auto Fund Redevelopment Project.</p>	<p><b>Not implemented.</b></p> <p>SGI accepts the recommendation and informs us it is working to address it.</p> <p>Our Office plans to follow up on SGI's progress in 2009.</p>
	<p>The Committee concurs:</p> <p>10.2 For the Saskatchewan Auto Fund Redevelopment Project, Saskatchewan Government Insurance should document its:</p> <ul style="list-style-type: none"> <li>▪ risks and strategies to manage the risks</li> <li>▪ strategy to plan, test and implement adequate security</li> <li>▪ communication strategy for keeping stakeholders adequately informed about the project.</li> </ul>	<p><b>Not implemented.</b></p> <p>SGI accepts the recommendation and informs us it is working to address it.</p> <p>Our Office plans to follow up on SGI's progress in 2009.</p>

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