

**Saskatchewan Telecommunications
Holding Corporation**

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Main points

Saskatchewan Telecommunications Holding Corporation (SaskTel) markets and supplies a range of voice, data, internet, wireless, text, image, security and entertainment products, systems, and services.

SaskTel accepts payments from customers using credit cards. SaskTel needs to improve security over customer credit card information.

SaskTel, the companies it owns, and its pension plan had reliable financial statements; complied with the law; and had adequate rules and procedures to safeguard their public resources except for the matter described above.

Introduction

Saskatchewan Telecommunications Holding Corporation (SaskTel) markets and supplies a range of voice, data, internet, wireless, text, image, security and entertainment products, systems and services.¹ SaskTel provides these products and services through its companies listed below.

Related companies and pension plan

At December 31, 2009, SaskTel owned the following companies with active operations (percentage of SaskTel's ownership is set out in parenthesis):

- ◆ Saskatchewan Telecommunications (100%)
- ◆ Saskatchewan Telecommunications International, Inc. (100%)
- ◆ DirectWest Corporation (100%)
- ◆ SecurTek Monitoring Solutions Inc. (100%)
- ◆ Hospitality Network Canada Inc. (100%)
- ◆ Saskatoon 2 Properties Limited Partnership (70%)

Also, SaskTel sponsors and administers the Saskatchewan Telecommunications Pension Plan.

Each year, SaskTel gives its annual report including its audited consolidated financial statements and the audited financial statements of each of the above-listed companies and pension plan to the Legislative Assembly. For additional information on SaskTel and its companies, see SaskTel's website at www.sasktel.com.

Audit conclusions and findings

Our Office worked with KPMG LLP, the appointed auditor, to carry out the audit of SaskTel, the above-listed companies, and pension plan. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.² KPMG LLP and our Office formed the following opinions.

¹ SaskTel, 2008 Annual Report, p.52.

² To view this report, see our website at www.auditor.sk.ca/rrd.html.

In our opinion, for the year ended December 31, 2009:

- ◆ the financial statements of SaskTel, each of the above-listed companies, and the Saskatchewan Telecommunications Pension Plan are reliable
- ◆ SaskTel, each of the above-listed companies, and the Saskatchewan Telecommunications Pension Plan had adequate rules and procedures to safeguard public resources except for the matter described in this chapter
- ◆ SaskTel, each of the above-listed companies, and the Saskatchewan Telecommunications Pension Plan complied with authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing

Better security for customer credit card information required

As reported in our 2009 Report – Volume 1, SaskTel needs to improve security over customer credit card information.

SaskTel accepts payments from customers using credit cards. SaskTel stores, processes, and transmits customer credit card information. SaskTel does not have adequate controls, including those defined by the credit card industry, to provide reasonable assurance that customer credit card information is securely transmitted and stored. As a result, unauthorized access of customer credit card information could occur without ready detection.

1. **We continue to recommend SaskTel have adequate controls to ensure customer credit card information is securely transmitted and stored.**

Management of SaskTel told us that it is working to strengthen its controls and to fully implement the standards required by the credit card industry.