

## Chapter 50

# Standing Committee on Crown and Central Agencies

### 1.0 MAIN POINTS

Through its work and recommendations, the Standing Committee on Crown and Central Agencies can help the Legislative Assembly hold the Government accountable for its management of the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiary corporations. The Committee does this, in part, by reviewing chapters in our Reports, and the annual reports and financial statements of agencies within its subject area. It reports to the Assembly on the results of its review. These reports may contain recommendations resulting from our audit work.

At September 2017, the Committee was relatively current in its review of chapters in our Reports related to CIC and its subsidiary corporations. CIC and its subsidiary corporations' implementation of recommendations remains strong. At September 30, 2017, the Government had fully implemented 98% of these 66 recommendations, and partially implemented the remaining recommendations.

At September 30, 2017, the Committee had reviewed the annual reports of CIC and its subsidiaries up to and including the 2015-16 annual reports. The 2016-17 annual reports of CIC and its subsidiaries became available for the Committee's review in the summer of 2017.

### 2.0 INTRODUCTION

This chapter provides an overview of the role and responsibilities of the Committee, focusing on those responsibilities related to our Office's work. Also, it describes the overall status of the Committee's recommendations resulting from our Office's work, the status of its consideration of our work, and the status of the Committee's review of annual reports of CIC and its subsidiary corporations.

## 2.1 Role and Responsibilities of the Standing Committee on Crown and Central Agencies

The Committee is one of the Assembly's four policy field committees. See **Figure 1** for a brief description of the responsibilities of a policy field committee.

**Figure 1 – Responsibilities of Policy Field Committees**

The Legislative Assembly makes policy field committees responsible for examining certain documents within their assigned subject area. These documents include bills and regulations (proposed laws), estimates, and annual reports. During their reviews, these committees can consider issues of current concern, future objectives, and past performance.

Policy field committees can also conduct inquiries into matters within their mandated subject area. They provide the Assembly with reports on their activities and can make recommendations to the Assembly for its consideration.

The Standing Committee on House Services determines the membership of each policy field committee.



Policy field committee meetings are open to the public. The Assembly's website contains information about the composition of each committee and records of their meetings (i.e., meeting notices, Hansard verbatim, minutes, videos, and reports).

Each committee establishes a steering committee composed of the Chair and Deputy Chair. The steering committee determines how it will plan and organize its business and makes recommendations related to the committee's meeting agenda, the calling of witnesses, times of sittings, etc. Their meetings are conducted in-camera and, unless otherwise authorized, decisions made by the steering committee must be ratified by the full committee.

Source: [www.legassembly.sk.ca/about/introduction-to-committees](http://www.legassembly.sk.ca/about/introduction-to-committees) (14 September 2017).

The Committee's assigned subject area encompasses CIC and its subsidiary corporations, supply and services (e.g., Ministry of Central Services), central government agencies (e.g., Ministry of Finance), liquor, gaming, and all other revenue-related agencies and entities.

The Assembly has given the Committee the following responsibilities in addition to those typically given to a policy field committee:

- The Assembly, through *The Provincial Auditor Act* and under its Rules and Procedures, refers portions of our Reports (chapters) related to CIC and its subsidiaries to the Committee.<sup>1</sup> When the Committee considers chapters from our Reports, our Office and the corporation's appointed auditor, if any, attend to assist in its review.
- The Assembly requires the Minister responsible for CIC to notify the Committee, in writing, about significant transactions<sup>2</sup> of CIC and any of its subsidiaries within 90 days of the transaction. The notification must outline the objectives of the transaction, the financial implications, a statement of any changed liabilities, and the authority under which the transaction was made.<sup>3</sup>
- The Assembly periodically refers regulations and bylaws of professional associations (e.g., CPA Saskatchewan) to the Committee for its review.

For the period October 1, 2016 to September 30, 2017, the Committee met 13 times. The purpose of most of these meetings was to review bills and the 2017-18 estimates related to agencies within its subject area. During this period, the Committee made one report to the Assembly.

On May 10, 2017, the Committee presented the *Third Report of the Twenty-Eighth Legislature*.<sup>4</sup> The report outlined the 2017-18 estimates and 2016-17 supplementary estimates that were considered and the resolutions adopted.

The Committee also considered chapters in our Reports related to CIC and its subsidiary corporations. It did not receive any significant transaction reports.

**Figure 2** sets out the membership of the Standing Committee on Crown and Central Agencies at September 30, 2017.

<sup>1</sup> Section 14.1(8) of *The Provincial Auditor Act* and rule 143(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

<sup>2</sup> Significant transactions are defined by the Committee 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.

<sup>3</sup> Rule 143(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

<sup>4</sup> [www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/cca-report-3-28-legislature-estimates](http://www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/cca-report-3-28-legislature-estimates) (14 September 2017).

**Figure 2—Members of the Standing Committee on Crown and Central Agencies at September 30, 2017**

Name of Member	
Colleen Young, Chair	Herb Cox
Ryan Meili, Deputy Chair	Glen Hart
Fred Bradshaw	Scott Moe
Ken Cheveldayoff	

Source: [www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/](http://www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/) (14 September 2017).

## 3.0 STATUS OF COMMITTEE WORK

### 3.1 Committee Work Related to our Audit Work Relatively Current

At September 2017, the Committee had completed its review of chapters in our Reports up to our *2016 Report – Volume 2*.

At September 2017, it had not yet reported to the Assembly on the results of its December 2016 meetings relating to its review of our audit work. Its last report containing the results of its review of our Reports was its January 6, 2016 report (i.e., *Eighth Report to the 27th Legislature* [4th Session of the 27th Legislature]). This report contained 66 recommendations resulting from the Committee's review of our Reports for the period August 23, 2007 to January 5, 2016.<sup>5</sup>

The Committee met twice in December 2016 and considered chapters related to CIC and its subsidiaries in our Reports available at that time (*2016 Report – Volume 2*). **Section 4.0** lists the 20 recommendations it agreed with and at September 2017 had not yet reported to the Assembly. It does not set out three recommendations included elsewhere in this Report related to our audit of SaskPower's processes to manage the risk of cyber incidents (see Chapter 48).

In June 2017, our Office released the *2017 Report – Volume 1* that included five chapters related to CIC and its subsidiaries (see **Figure 3**).

**Figure 3—Relevant Chapters of the 2017 Report – Volume 1 that the Standing Committee on Crown and Central Agencies Had Not Yet Considered as of September 30, 2017**

Agency	Chapter	Number of New Recommendations to Be Considered
Saskatchewan Telecommunications	13	4
Saskatchewan Government Insurance	26	-
Saskatchewan Opportunities Corporation	27	-
Saskatchewan Power Corporation	30	-
	31	-

<sup>5</sup> The Committee's previous report to the Assembly resulting from its review of our Reports was the *Tenth Report to the 25th Legislature* (3rd Session of the 25th Legislature) tabled on August 23, 2007.



## 3.2 Implementation of the Committee's Recommendations Remains Strong

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CIC's and its subsidiaries' implementation of the Committee's recommendations remained strong. By September 30, 2017, they had fully implemented 98% of the Committee's 66 recommendations; and partially implemented the remaining recommendations.<sup>6</sup>

**Section 5.0** sets out the recommendation agreed to by the Committee and not fully implemented by September 30, 2017. It does not set out the following recommendations which are included elsewhere in this Report:

- One recommendation related to our annual integrated audit of Saskatchewan Water Corporation (Chapter 15)
- Two recommendations related to our audit of SaskEnergy Incorporated's processes to secure its SCADA system (Chapter 47)

## 3.3 Committee Review of CIC Sector Annual Reports Current

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As of September 30, 2017, the Committee had completed its review of all the annual reports of CIC and its subsidiary corporations, up to and including the 2015-16 annual reports.<sup>7</sup>

Annual reports are key accountability documents. As a policy field committee, the Committee is responsible for examining annual reports and their related financial statements of agencies within its subject area (e.g., CIC and its subsidiary corporations).

Each year, CIC and its subsidiary corporations prepare annual reports and financial statements for tabling in the Assembly. CIC and almost all of its subsidiaries have a March 31 fiscal year-end. Each summer, their annual reports are tabled in the Assembly and available for the Committee's review.

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<sup>6</sup> The Committee has asked our Office to assess and report on the status of the recommendations the Committee makes and reports to the Assembly as a result of our audit work. We assess the status of financial-related recommendations each year as part of the annual integrated audits. We assess other recommendations, as part of audit follow-ups, either two or three years after the original audit, and subsequently every two or three years until the recommendations are either implemented or no longer relevant.

<sup>7</sup> Committees Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee*.

## 4.0 RECOMMENDATIONS CONSIDERED BY THE COMMITTEE BUT NOT YET REPORTED TO THE ASSEMBLY

Committee Agreement Date	Recommendations Considered by the Committee <sup>A</sup>	Status
<b>Saskatchewan Immigrant Investor Fund Inc. (2014 Report – Volume 1)</b>		
December 1, 2016	12-1 that Saskatchewan Immigrant Investor Fund Inc. clearly define its performance measures and document its methods for calculating these measures.	<b>Implemented</b> (as of December 31, 2016)
<b>Gradworks Inc. (2016 Report – Volume 1)</b>		
December 1, 2016	9-1 that Gradworks Inc. communicate, in writing, to partner employers its expectations related to achievement of diversity targets for the Gradworks Intern Development Program.	<b>Not Implemented</b> (as of December 31, 2015)
	9-2 that Gradworks Inc. verify the educational eligibility criteria of applicants for its Gradworks Intern Development Program prior to the internship start date.	<b>Not Implemented</b> (as of December 31, 2015)
	9-3 that Gradworks Inc., at least annually, publish information on key actual results compared to planned (i.e., targets) for the Gradworks Intern Development Program.	<b>Not Implemented</b> (as of December 31, 2015)
	9-4 that Gradworks Inc., at least annually, provide partner employers with information on key performance measures, targets, and actual results for the Gradworks Intern Development Program.	<b>Not Implemented</b> (as of December 31, 2015)
<b>Saskatchewan Government Insurance (2015 Report – Volume 1)</b>		
December 1, 2016	15-1 that Saskatchewan Government Insurance establish clear experience requirements that motorcycle technicians must meet to become certified under the motorcycle inspection program.	<b>Implemented</b> (as of April 11, 2017)
	15-2 that Saskatchewan Government Insurance assess the risks for its vehicle inspection program.	<b>Implemented</b> (as of April 11, 2017)
	15-3 that Saskatchewan Government Insurance develop a risk-based monitoring plan for its vehicle inspection program including performance measures.	<b>Implemented</b> (as of April 11, 2017)
	15-4 that Saskatchewan Government Insurance, consistent with its established processes, clearly document the results of each inspection station audit.	<b>Implemented</b> (as of April 11, 2017)
	15-5 that Saskatchewan Government Insurance, consistent with its established processes, clearly document that certified Preventative Maintenance Program inspection stations complete vehicle maintenance consistent with the approved preventative maintenance plan.	<b>Implemented</b> (as of April 11, 2017)
	15-6 that Saskatchewan Government Insurance report to senior management the results of its risk-based monitoring plan activities for its vehicle inspection program.	<b>Implemented</b> (as of April 11, 2017)
<b>Saskatchewan Government Insurance (2016 Report – Volume 1)</b>		
December 1, 2016	15-1 that Saskatchewan Government Insurance establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licences.	<b>Not Implemented</b> (as of December 31, 2015)
	15-2 that Saskatchewan Government Insurance enter, into its computer system used to administer driver's licences, information on out-of-province traffic offences using similar timeframes as traffic offences that occur in Saskatchewan.	<b>Not Implemented</b> (as of December 31, 2015)



Committee Agreement Date	Recommendations Considered by the Committee <sup>A</sup>	Status
	15-3 that Saskatchewan Government Insurance confirm changes to law that set demerit points and sanctions are in effect before making corresponding changes in the computer system used to administer driver's licences.	<b>Not Implemented</b> (as of December 31, 2015)
	15-4 that Saskatchewan Government Insurance give staff written guidance on determining the length of extensions that can be granted to drivers for completion of required actions (sanctions).	<b>Not Implemented</b> (as of December 31, 2015)
	15-5 that Saskatchewan Government Insurance give staff written timeframes for completing manual evaluation of driver information.	<b>Not Implemented</b> (as of December 31, 2015)
<b>Saskatchewan Power Corporation (2015 Report – Volume 1)</b>		
December 13, 2016	17-1 that SaskPower update its procurement policies to specifically require when buying power from independent power producers: <ul style="list-style-type: none"> <li>- The use of Fairness Monitors</li> <li>- Written evaluations of independent power producers abilities (experience and financial resources)</li> <li>- Written evaluations of the technical merit of independent power producers' proposals</li> </ul>	<b>Not Implemented</b> (as of February 28, 2015)
	17-2 that SaskPower use consistent processes to evaluate unsolicited proposals provided to SaskPower from potential independent power producers interested in selling it power.	<b>Not Implemented</b> (as of February 28, 2015)
	17-3 that SaskPower document its rationale for key requirements set in Request for Proposals and related due diligence requirements as part of the competitive independent power producer procurement process.	<b>Not Implemented</b> (as of February 28, 2015)
	17-4 that SaskPower communicate to independent power producers who submit unsolicited proposals to supply power, the evaluation process and criteria against which unsolicited power proposals are considered.	<b>Not Implemented</b> (as of February 28, 2015)

<sup>A</sup> The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

## 5.0 STATUS OF COMMITTEE RECOMMENDATION

Committee Report Year	Outstanding Recommendation <sup>A</sup>	Status
<b>Saskatchewan Power Corporation – Gas and Electrical Installation Inspection (2011 Report – Volume 2)</b>		
2016	22-4 that SaskPower require management to review inspectors' rationale for not inspecting gas and electrical permits for high-risk installations.	<b>Partially Implemented</b> (as of March 15, 2017)

<sup>A</sup> The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.