

## Chapter 49

# Standing Committee on Crown and Central Agencies

### 1.0 MAIN POINTS

Through its work and recommendations, the Standing Committee on Crown and Central Agencies helps 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 including related financial statements of agencies within its subject area.

At September 2018, the Committee was relatively current in its review of chapters in our Reports related to CIC and its subsidiary corporations. Also, the Committee had already reviewed half of the 2017-18 annual reports of CIC and its subsidiaries.

In addition, CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains strong. As of September 2018, the Government had fully implemented 98% of the Committee's 66 recommendations, and partially implemented the remaining recommendation.

### 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. It also 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. 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. 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) (18 September 2018).

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 of CIC and any of its subsidiaries within 90 days of the transaction.<sup>2</sup> 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.

**Figure 2** sets out the membership of the Standing Committee on Crown and Central Agencies at September 30, 2018.

**Figure 2—Members of the Standing Committee on Crown and Central Agencies at September 30, 2018**

Name of Member	
Herb Cox, Chair	Nancy Heppner
Cathy Sproule, Deputy Chair	Everett Hindley
Steven Bonk	Lisa Lambert
Glen Hart	

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/) (18 September 2018).

## 2.2 Frequency and Purpose of Committee Meetings

For the period October 1, 2017 to September 30, 2018, the Committee met 13 times. The purpose of most of these meetings was to review bills (proposed laws), and the 2018-19 Estimates related to agencies within its subject area.

<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*.

During this period, the Committee made two reports to the Assembly:

- On December 6, 2017, the Committee presented the *Fourth Report of the Twenty-Eighth Legislature*. The report outlined the 2017-18 supplementary estimates.
- On May 29, 2018, the Committee presented the *Fifth Report of the Twenty-Eighth Legislature*. The report outlined the 2018-19 estimates that were considered and the resolutions adopted by the Committee.

In May 2018, the Committee received one significant transaction report regarding the sale of the Prince Albert Forest Centre.

## 3.0 STATUS OF COMMITTEE WORK

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

As of September 2018, the Committee was relatively up-to-date on its review of chapters in our Reports related to audits of CIC and/or its subsidiaries. At September 2018, the Committee had completed its review of almost all related chapters in our Reports up to our *2018 Report – Volume 1*. At September 30, 2018, the Committee had not yet considered one chapter relating to Saskatchewan Water Corporation in our *2018 Report – Volume 1*.

The Committee last reported to the Assembly about its review of our chapters on January 6, 2016. Its January 6, 2016 report (i.e., *Eighth Report to the 27th Legislature* [4th Session of the 27th Legislature]) contained 66 recommendations resulting from its review of relevant chapters for the period August 23, 2007 to January 5, 2016.<sup>4</sup>

Since January 2016, the Committee met four times, and considered 32 chapters from our Reports. **Section 4.0** lists the 26 recommendations with which the Committee agreed, and, at September 2018, had not reported to the Assembly.

The Committee expects to table its next report including recommendations to the Assembly in fall 2018.

### 3.2 Implementation of the Committee's Audit-related Recommendations Remains Strong

CIC and its subsidiaries' implementation of the Committee's recommendations related to our audit work remained strong. By September 30, 2018, they had fully implemented 98% of the Committee's 66 recommendations, and partially implemented the remaining

<sup>4</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.



recommendation.<sup>5</sup> This recommendation relates to our 2011 audit of SaskPower's processes for inspection of gas and electrical installations. See Chapter 31 in our *2017 Report – Volume 1* for the results of our last follow up of this recommendation.

### 3.3 Committee Review of CIC Sector Annual Reports Current

Annual reports are key accountability documents. As previously mentioned, as a policy field committee, the Committee is responsible for examining annual reports including related financial statements of agencies within its subject area (e.g., CIC and its subsidiary corporations).<sup>6</sup>

As of September 30, 2018, the Committee had already reviewed half of the 2017-18 annual reports.<sup>7</sup> The Committee had not yet reviewed the 2017-18 annual reports of CIC and four subsidiary corporations.<sup>8</sup>

## 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>No Longer Relevant</b> (as of March 31, 2018) due to CIC dissolving Gradworks Inc.
	9-2 that Gradworks Inc. verify the educational eligibility criteria of applicants for its Gradworks Intern Development Program prior to the internship start date.	
	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.	
	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.	

<sup>5</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>6</sup> 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.

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

<sup>8</sup> The four subsidiary corporations include SaskEnergy Incorporated, Saskatchewan Telecommunications, Saskatchewan Transportation Corporation, and Saskatchewan Water Corporation.

Committee Agreement Date	Recommendations Considered by the Committee <sup>A</sup>	Status
<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>Partially Implemented</b> (as of January 31, 2018)
	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>Implemented</b> (as of January 31, 2018)
	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>Implemented</b> (as of January 31, 2018)
	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>Implemented</b> (as of January 31, 2018)
	15-5 that Saskatchewan Government Insurance give staff written timeframes for completing manual evaluation of driver information.	<b>Implemented</b> (as of January 31, 2018)
<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>Implemented</b> (as of August 15, 2018)
	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>Implemented</b> (as of August 15, 2018)
	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>Implemented</b> (as of August 15, 2018)



Committee Agreement Date	Recommendations Considered by the Committee <sup>A</sup>	Status
	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>Implemented</b> (as of August 15, 2018)
<b>Saskatchewan Power Corporation (2015 Report – Volume 1)</b>		
December 13, 2016	18-1 that SaskPower document the most likely types of information technology threats that could lead to cyber incidents that would adversely impact its ability to provide power.	<b>Implemented</b> (as of August 21, 2017)
	18-2 that SaskPower confirm that its cyber risk mitigation strategy addresses the significant threats of cyber incidents that would adversely impact its ability to provide power.	<b>Partially Implemented</b> (as of August 21, 2017)
	18-3 that SaskPower provide its staff with guidance to assist in assessing when an information technology security-related event is considered a cyber incident, and requires the use of its incident command system response plan.	<b>Implemented</b> (as of August 21, 2017)
<b>Saskatchewan Telecommunications (2017 Report – Volume 1)</b>		
June 20, 2018	13-1 that SaskTel provide written guidance for resolving supplier performance issues.	<b>Not Implemented</b> (as of December 31, 2016)
	13-2 that SaskTel, for each competitive purchase, log the names of staff evaluating proposals from potential suppliers.	<b>Not Implemented</b> (as of December 31, 2016)
	13-3 that SaskTel implement a process to obtain appropriate level of approval when expected dollar values of purchases of materials increase after initial approval.	<b>Not Implemented</b> (as of December 31, 2016)
	13-4 that SaskTel track supplier feedback to inform purchasing process improvements.	<b>Not Implemented</b> (as of December 31, 2016)
<b>Saskatchewan Gaming Corporation (2017 Report – Volume 2)</b>		
September 10, 2018	26-1 that the Saskatchewan Gaming Corporation provide its staff with clear guidance for documenting the reasons for not referring eligible employees to attendance management programming.	<b>Not Implemented</b> (as of July 31, 2017)
	26-2 that the Saskatchewan Gaming Corporation develop guidance to help managers analyze absenteeism trends and patterns of their employees.	<b>Not Implemented</b> (as of July 31, 2017)
	26-3 that the Saskatchewan Gaming Corporation regularly analyze organization-wide employee attendance patterns and trends to help identify root causes of its employees' absenteeism, and confirm its strategies address these causes.	<b>Not Implemented</b> (as of July 31, 2017)

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