

Chapter 39

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 of Saskatchewan 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, as well as reviewing annual reports and related financial statements of agencies within its assigned scope.

As at September 2021, the Committee is up-to-date on reviewing our Report chapters, along with its review of all annual reports related to CIC and its subsidiary corporations.

CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains fairly strong. As of September 2021, the Government fully implemented 70% of the Committee's recommendations, and partially implemented 33% of remaining recommendations.

2.0 INTRODUCTION

This chapter outlines the Standing Committee on Crown and Central Agencies' role and responsibilities mainly focusing on those responsibilities and activities related to our Office's audit work since September 2020. It also describes the overall status of the Committee's recommendations resulting from our audit work, along with the status of its review of CIC and its subsidiary corporations' annual reports.¹

2.1 The Standing Committee on Crown and Central Agencies' Role and Responsibilities

The Standing Committee on Crown and Central Agencies is one of the Legislative Assembly's four policy field committees. The Committee's assigned scope encompasses CIC and its subsidiary corporations, supply and services (e.g., Ministry of SaskBuilds and Procurement), 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 a policy field committee's responsibilities.

Figure 1—Policy Field Committees' Responsibilities

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.

¹ CIC's subsidiary corporations include Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation, Saskatchewan Gaming Corporation, SaskEnergy Incorporated, Saskatchewan Water Corporation, Saskatchewan Government Insurance, and Saskatchewan Opportunities Corporation.



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 for 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, and times of sittings. 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/media/1303/standing-and-special-committees-overview-october-2020-v1.pdf (15 September 2021).

The Assembly gave 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 of the Legislative Assembly of Saskatchewan*, refers portions of our Reports (chapters) related to CIC and its subsidiary corporations to the Committee.² When the Committee considers chapters from our Reports, our Office and the Corporations’ 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.³ The notification must outline the transaction’s objectives, the financial implications, a statement of any changed liabilities, and the authority under which the transaction was made.⁴
- The Assembly periodically refers regulations and bylaws of professional associations (e.g., CPA Saskatchewan) to the Committee for its review.

Figure 2 lists the members of the Standing Committee on Crown and Central Agencies.

Figure 2—Standing Committee on Crown and Central Agencies’ Members at September 30, 2021

Member Name		
Terry Dennis, Chair Erika Ritchie, Deputy Chair	Steven Bonk Daryl Harrison Terry Jenson	Greg Lawrence Dana Skoropad

Source: www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/ (30 September 2021).

2.2 Frequency and Purpose of Committee Meetings

For the period from October 1, 2020 to September 30, 2021, the Standing Committee on Crown and Central Agencies met eight times (prior period—seven times). The purpose of most of these meetings was to review bills (proposed laws), annual reports, the 2021–22 Estimates related to agencies within its subject area, and our Reports (chapters) related to CIC and its subsidiaries.

² Section 14.1(8) of *The Provincial Auditor Act* and rule 143(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

³ The Committee defines significant transactions 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.

⁴ Rule 143(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

During this period, the Committee made one report to the Assembly. On May 7, 2021, the Committee presented the *First Report of the Twenty-Ninth Legislature*. This report outlined the 2021–22 Estimates and 2020–21 Supplementary Estimates considered, and the resolutions adopted by the Committee.

The Committee did not receive any significant transaction reports.

3.0 STATUS OF COMMITTEE WORK

3.1 Committee Work is Current Related to Our Audits

As of September 2021, the Committee is up-to-date on its review of our Report chapters related to audits of CIC and/or its subsidiaries.

In August 2021, the Committee considered 10 chapters from our Reports. **Figure 3** lists the eight recommendations the Committee agreed with, but had not yet reported to the Assembly at September 30, 2021.

Figure 3—Recommendations Considered and Agreed to by the Committee, but Not Yet Reported to the Legislative Assembly

Committee Agreement Date	Recommendations Considered by the Committee ^A
Saskatchewan Government Insurance (2019 Report – Volume 1)	
August 23, 2021	11-1 Maintain enforceable formal written contracts with each party that is key to delivering its automated speed enforcement program
	11-2 Consistently enforce all provisions of its automated speed enforcement program contracts with participating municipal police services
	11-3 Periodically determine whether its service provider sufficiently maintains the integrity of data in the IT system the service provider uses to process automated speed enforcement program fines
	11-4 Periodically determine whether its service provider or police services of participating municipal governments rejected automated speed enforcement program photograph violations in accordance with its policies
SaskEnergy Incorporated (2020 Report – Volume 1)	
August 23, 2021	11-1 Document the rationale for how often it carries out each of its transmission pipeline inspection activities
	11-2 Implement timeframes for including the results of inspections of transmission pipelines into its risk-modelling IT system
	11-3 Include the results of key inspection activities and repairs done during the year in its pipeline data storage IT system within specified timelines
Saskatchewan Power Corporation (2020 Report – Volume 2)	
August 24, 2021	23-1 Use the cost estimate classification system adopted by the Saskatchewan Environmental Code to determine the contingency percentage used to estimate costs for decommissioning and reclaiming the Boundary Dam Power Station site

^AThe number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

The Committee last reported to the Assembly about its review of our chapters on June 30, 2020 (i.e., *Ninth Report to the Twenty-Eighth Legislature*). This report contained



14 recommendations resulting from its review of relevant chapters for the period from September 11, 2018 to June 29, 2020.⁵

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 remains fairly strong. By September 30, 2021, they fully implemented 70% of the Committee's 40 recommendations, and partially implemented 33% of the remaining recommendations.⁶

Figure 4 sets out the 12 outstanding recommendations agreed to by the Committee and their status at September 30, 2021.

Figure 4—Status of Committee Recommendations Not Fully Implemented at September 30, 2021

Outstanding Recommendation by Corporation ^A	Status
Saskatchewan Government Insurance—Only Qualified Drivers Remain Licensed (2016 Report – Volume 1)	
15-1 Establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licences.	Partially Implemented (as of November 30, 2019)
Saskatchewan Water Corporation—Purchasing Goods and Services (2018 Report – Volume 1)	
10-2 Require staff to include documented rationale for selecting non-competitive procurement methods for purchases over \$25,000 on purchase orders submitted for approval.	Partially Implemented (as of December 31, 2019)
10-3 Require staff to report regularly on purchases using sole-sourcing to senior management and the Board.	Partially Implemented (as of December 31, 2019)
10-6 Follow established procurement policies when approving the purchase of goods and services.	Partially Implemented (as of December 31, 2019)
10-7 Track performance problems with suppliers in a way that this information is available to staff making purchasing decisions.	Not Implemented (as of December 31, 2019)
Saskatchewan Power Corporation—Maintaining Above-Ground Distribution Assets (2018 Report – Volume 2)	
25-1 Formally assess the risks associated with its inspection and preventative maintenance strategies for above-ground assets used to distribute electricity.	Not Implemented (as of April 30, 2018)
25-2 For above-ground assets used to distribute electricity that Saskatchewan Power Corporation plans to maintain, it determine the condition to which it expects to maintain each type of those assets.	Not Implemented (as of April 30, 2018)
25-3 Consistently maintain in its IT systems key information about its above-ground assets used to distribute electricity to support evidence-based decision-making.	Not Implemented (as of April 30, 2018)

⁵ The Committee's previous report to the Assembly resulting from its review of our Reports was the *Sixth Report to the Twenty-Eighth Legislature* tabled on November 21, 2018.

⁶ The Committee asked our Office to assess and report on the status of the recommendations the Committee makes and reports to the Assembly resulting from our audit work. We assess the status of financial-related recommendations each year as part of annual integrated audits. As part of performance audit follow-ups, we assess other recommendations 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.

Outstanding Recommendation by Corporation ^A	Status
25-4 Maintain up-to-date information about the condition of its above-ground assets used to distribute electricity to support risk-informed asset planning.	Not Implemented (as of April 30, 2018)
25-5 Formally prioritize its maintenance of above-ground assets used to distribute electricity to support risk-informed allocation of resources over the longer term.	Not Implemented (as of April 30, 2018)
25-6 Where Saskatchewan Power Corporation does not follow its plan for maintaining above-ground assets used to distribute electricity, it formally assess the consequences of not completing such maintenance.	Not Implemented (as of April 30, 2018)
25-7 Regularly report to its senior management on the status of its maintenance activities and, if applicable, the consequences of not completing planned maintenance for above-ground assets used to distribute electricity.	Not Implemented (as of April 30, 2018)

^A The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

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).⁷

As of September 30, 2021, the Committee is up-to-date on its review of CIC and its subsidiary corporations' annual reports (i.e., all 2020–21 annual reports).⁸

⁷ 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, they table their annual reports in the Assembly, which then become available for the Committee's review.

⁸ Committee's Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee*.

