

Chapter 26

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.

From October 1, 2021 to September 30, 2022, the Committee did not consider any chapters from our Reports or annual reports of CIC and its subsidiaries. However, as at September 2022, the Committee is relatively up-to-date on its review of chapters in our Reports related to CIC and its subsidiaries with six chapters yet to review.

The Committee expects to start its review of the 2021–22 annual reports of CIC and its subsidiaries, as well as our Report chapters, in late 2022.

CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains strong. As of September 2022, the Government fully implemented 85% of the Committee's recommendations, and partially implemented 71% of the 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 October 2021. 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.² 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

¹ CIC's subsidiary corporations include Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation, Saskatchewan Gaming Corporation, SaskEnergy Incorporated, Saskatchewan Water Corporation, and Saskatchewan Government Insurance. Effective April 1, 2022, the government moved the Saskatchewan Opportunities Corporation under the authority of Innovation Saskatchewan (i.e., as a single agency). Therefore, it is no longer a CIC subsidiary corporation.

² Policy field committees include the Standing Committee on Crown and Central Agencies, Standing Committee on the Economy, Standing Committee on Human Services, and Standing Committee on Intergovernmental Affairs and Justice.



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.

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/1877/currentruleswithdestinations.pdf#Policyfieldcommittees (5 September 2022).

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.³ 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.⁴ 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.⁵
- 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, 2022

Member Name		
Fred Bradshaw, Chair Erika Ritchie, Deputy Chair	Steven Bonk Ken Cheveldayoff Mark Docherty	Greg Lawrence Doug Steele

Source: www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/ (13 October 2022).

³ Section 14.1(8) of *The Provincial Auditor Act* and rule 145(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

⁴ 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.

⁵ Rule 145(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

2.2 Frequency and Purpose of Committee Meetings

For the period from October 1, 2021 to September 30, 2022, the Standing Committee on Crown and Central Agencies met nine times (prior period: eight times). The purpose of these meetings was to review bills (proposed laws), annual reports, and the 2022–23 Estimates related to agencies within its subject area.

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

- On November 16, 2021, the Committee presented the *Second Report of the Twenty-Ninth Legislature*. The report detailed the work of the Committee for the period from June 30, 2020 to November 16, 2021.
- On December 2, 2021, the Committee presented the *Third Report of the Twenty-Ninth Legislature*. The report outlined the 2021–22 Supplementary Estimates considered, and the resolutions adopted by the Committee.
- On May 12, 2022, the Committee presented the *Fourth Report of the Twenty-Ninth Legislature*. The report outlined the 2022–23 Estimates and 2021–22 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 Related to Our Audits Relatively Current

Even though the Standing Committee on Crown and Central Agencies did not consider any chapters from our Reports from October 1, 2021 to September 30, 2022, it is relatively up-to-date on its review of our Report chapters related to audits of CIC and/or its subsidiaries.

As shown in **Figure 3**, as at September 30, 2022, the Committee had not yet considered six chapters from our Reports. The oldest chapter is from our *2021 Report – Volume 2* released in December 2021 (less than a year ago).

Figure 3—Chapters the Committee Had Not Yet Considered as of September 30, 2022

Agency	Report	Chapter	New Recommendations to be Considered
Saskatchewan Government Insurance	2022 – Volume 1	16	-
	2022 – Volume 1	17	-
Saskatchewan Gaming Corporation	2021 – Volume 2	17	7
SaskPower	2022 – Volume 1	25	-
Standing Committee on Crown & Central Agencies	2021 – Volume 2	39	-
SaskEnergy	2022 – Volume 1	24	-



The Committee last reported to the Assembly about its review of our chapters on November 16, 2021 (i.e., *Second Report of the Twenty-Ninth Legislature*). This report contained eight recommendations resulting from its review of relevant chapters for the period from June 30, 2020 to November 16, 2021.⁶

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 strong. By September 30, 2022, they fully implemented 85% of the Committee's 48 recommendations, and partially implemented 71% of the remaining recommendations.^{7,8}

Figure 4 sets out the seven outstanding recommendations agreed to by the Committee and their status at September 30, 2022.

Figure 4—Status of Committee Recommendations Not Fully Implemented at September 30, 2022

Outstanding Recommendation by Corporation ^A	Status
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)	
25-6 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.	Partially Implemented (as of March 4, 2022)
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.	Partially Implemented (as of March 4, 2022)
Saskatchewan Power Corporation—Planning to Shut Down and Decommission Boundary Dam (2020 Report – Volume 2)	
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	Not Implemented (as of July 31, 2020)

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

⁶ The Committee's previous report to the Assembly resulting from its review of our Reports was the *Ninth Report of the Twenty-Eighth Legislature* tabled on June 30, 2020.

⁷ 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.

⁸ Calculations are based on the Committee's recommendations made in the previous five years—up to and including the *Second Report of the Twenty-Ninth Legislature*.

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).⁹

As of September 30, 2022, the Committee has reviewed all of the 2020–21 annual reports. It has not yet started its review of the 2021–22 annual reports of CIC and its subsidiary corporations.¹⁰

⁹ 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.

¹⁰ Committee's Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee*.

