

## Chapter 31 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.<sup>1</sup> 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.

At September 2023, the Committee is relatively up-to-date on its review of chapters in our Reports related to CIC and its subsidiaries with three chapters yet to review.

CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains strong. As of September 2023, the Government fully implemented 82% of the Committee's recommendations.

At September 2023, the Committee had reviewed the annual reports of CIC and its subsidiaries up to and including the 2021–22 annual reports. The 2022–23 annual reports of CIC and its subsidiaries became available for the Committee's review in the summer of 2023.

### 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 between October 2022 and September 2023. 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.

#### 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.<sup>2</sup> 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.

<sup>1</sup> CIC's subsidiary corporations include Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation, SaskEnergy Incorporated, Saskatchewan Water Corporation, and Saskatchewan Government Insurance. On April 1, 2023, the Provincial Government established the new CIC subsidiary corporation Lotteries and Gaming Saskatchewan. Effective June 1, 2023, the Saskatchewan Gaming Corporation became a wholly-owned subsidiary of Lotteries and Gaming Saskatchewan.

<sup>2</sup> 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.



**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](http://www.legassembly.sk.ca/media/1877/currentruleswithdestinations.pdf#Policyfieldcommittees) (22 September 2023).

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.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup>
- 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, 2023**

| Member Name   |   |
|---|---|
| Fred Bradshaw, Chair<br>Doyle Vermette, Deputy Chair<br>Steven Bonk<br>Ken Cheveldayoff | The Honourable Tim McLeod<br>Greg Lawrence<br>Doug Steele |

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/) (30 September 2023).

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

<sup>4</sup> 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.

<sup>5</sup> 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, 2022, to September 30, 2023, the Standing Committee on Crown and Central Agencies met 11 times (prior period: 9 times). The purpose of these meetings was to review bills (proposed laws), annual reports, the 2022–23 Supplementary Estimates, and the 2023–24 Estimates related to agencies within its subject area.

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

- On December 6, 2022, the Committee presented the *Fifth Report of the Twenty-Ninth Legislature*. This report outlined the 2022–23 Supplementary Estimates considered, and the resolutions adopted by the Committee.
- On March 21, 2023, the Committee presented the *Sixth Report of the Twenty-Ninth Legislature*. This report detailed the work of the Committee for the period from November 17, 2021, to March 21, 2023.
- On May 15, 2023, the Committee presented the *Seventh Report of the Twenty-Ninth Legislature*. This report outlined the 2023–24 Estimates and 2022–23 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

As of September 30, 2023, the Standing Committee on Crown and Central Agencies is relatively up-to-date on its review of our Report chapters related to audits of CIC and/or its subsidiaries.

Between October 1, 2022, to September 30, 2023, the Committee met three times to review six chapters from two of our Reports.<sup>6</sup>

As shown in **Figure 3**, as at September 30, 2023, the Committee had not yet considered three chapters from our Reports. The oldest chapter is from our *2022 Report – Volume 2* released in December 2022.

**Figure 3—Chapters the Committee Had Not Yet Considered as of September 30, 2023**

| Agency   | Report                 | Chapter | New Recommendations to be Considered |
|--|------------------------|---------|--------------------------------------|
| Saskatchewan Government Insurance <sup>A</sup> | <i>2022 – Volume 2</i> | 11      | 2                                    |
| Saskatchewan Water Corporation                 | <i>2023 – Volume 1</i> | 22      | -                                    |
| Standing Committee on Crown & Central Agencies | <i>2022 – Volume 2</i> | 26      | -                                    |

<sup>A</sup> At September 30, 2023, the Committee had not yet considered recommendations from our chapter about Saskatchewan Government Insurance's processes to license commercial drivers.

<sup>6</sup> The Committee reviewed chapters from our *2021 Report – Volume 2* and *2022 Report – Volume 1*.



The Committee last reported to the Assembly about its review of our chapters on March 21, 2023 (i.e., *Sixth Report of the Twenty-Ninth Legislature*). This report contained seven recommendations resulting from its review of relevant chapters for the period from November 17, 2021, to March 21, 2023.<sup>7</sup>

## 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, 2023, they fully implemented 82% of the Committee's 55 recommendations, and partially implemented 20% of the remaining 10 recommendations.<sup>8,9</sup>

**Figure 4** sets out the 10 outstanding recommendations agreed to by the Committee and their status at September 30, 2023.

**Figure 4—Status of Committee Recommendations Not Fully Implemented at September 30, 2023**

| Outstanding Recommendation by Corporation <sup>A</sup>   | Status   |
|--|--|
| <b>Saskatchewan Power Corporation—Maintaining Above-Ground Distribution Assets</b><br>(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<br>(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<br>(as of March 4, 2022) |
| <b>Saskatchewan Power Corporation—Planning to Shut Down and Decommission Boundary Dam</b><br>(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 yet followed up on                         |
| <b>Saskatchewan Gaming Corporation—Preventing Cyberattacks</b><br>(2021 Report – Volume 2)   |  |
| 17-1 Maintain well-defined action plans clearly addressing all significant risks of cyberattacks that may affect IT systems and data used to support and deliver casino games.   | Not yet followed up on                         |
| 17-2 Adequately configure its network, servers, and workstations to better protect them from security threats and vulnerabilities.   |  |
| 17-3 Include all privileged-user groups in its quarterly user access reviews.  |  |
| 17-4 Update all user account passwords as often as required by its password policy.  |  |

<sup>7</sup> The Committee's previous report to the Assembly resulting from its review of our Reports was the *Second Report of the Twenty-Ninth Legislature* tabled on November 16, 2021.

<sup>8</sup> 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.

<sup>9</sup> Calculations are based on the Committee's recommendations made in the previous five years—up to and including the *Sixth Report of the Twenty-Ninth Legislature*.

| Outstanding Recommendation by Corporation <sup>A</sup>  | Status |
|---|--------|
| 17-5 Implement further use of multifactor authentication to reduce, to an acceptable level, the risk of unauthorized access to IT systems and data. |        |
| 17-6 Update its IT security assessment plan to reflect changes in its practice and to align with IT industry standards.                             |        |
| 17-7 Analyze information from security assessments and attempted cyberattacks to better identify and address cybersecurity risks.                   |        |

<sup>A</sup>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).

Each year, CIC and its subsidiary corporations prepare annual reports and financial statements. Each summer, the annual reports are tabled in the Assembly and available for the Committee's review.

As of September 30, 2023, the Committee has reviewed all of the 2021–22 annual reports. It has not yet started its review of the 2022–23 annual reports of CIC and its subsidiary corporations, which came out publicly in summer 2023.<sup>10</sup>

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

