

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
Wednesday, June 20, 2018

MINUTE NO. 32

10:30 a.m. — māmawapiwin náyati room (Room 8)

1. **Present:** Herb Cox in the chair and members Glen Hart, Nancy Heppner, Everett Hindley, Lisa Lambert, Warren McCall,* Nicole Rancourt,* and Cathy Sproule.

Substituting Members

Warren McCall for Cathy Sproule (2:16 p.m. – 3:49 p.m.)

Nicole Rancourt for Cathy Sproule (12:58 p.m. – 2:01 p.m.)

Provincial Auditor's Office

Judy Ferguson, Provincial Auditor

Tara Clemett, Deputy Provincial Auditor

Charlene Drotar, Principal

Kim Lowe, Principal

Trevor St. John, Principal

Appointed Auditors

Diana Adams, Partner, KPMG

2. The Chair advised the committee that pursuant to rule 145(3), chapters 10 and 27 of the following document were committed to the committee:

Provincial Auditor of Saskatchewan: 2018 report volume 1

(Sessional Paper No. 262)

3. The committee considered the Provincial Auditor's 2016 report volume 2, chapter 50, Standing Committee on Crown and Central Agencies; and 2017 report volume 2, chapter 50, Standing Committee on Crown and Central Agencies.
4. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 50, Standing Committee on Crown and Central Agencies; and 2017 report volume 2, chapter 50, Standing Committee on Crown and Central Agencies.
5. The committee recessed from 10:40 a.m. until 10:45 a.m.
6. The committee considered the Provincial Auditor's 2017 report volume 1, chapter 28, Saskatchewan Water Corporation — Maintaining Infrastructure; and 2017 report volume 2, chapter 15, Saskatchewan Water Corporation.

The Minister Responsible for Saskatchewan Water Corporation and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister

Doug Matthies, President

Jacquie Gibney, Vice-President, Business Development and Corporate Services

Eric Light, Vice-President, Operations and Engineering

Danny Bollinger, Director, Financial Services

7. The committee concluded consideration of the Provincial Auditor's 2017 report volume 1, chapter 28, Saskatchewan Water Corporation — Maintaining Infrastructure.
8. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 15, Saskatchewan Water Corporation.
9. The committee considered the 2016-17 Saskatchewan Water Corporation annual report.

The Minister Responsible for Saskatchewan Water Corporation and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister

Doug Matthies, President

Jacquie Gibney, Vice-President, Business Development and Corporate Services

Eric Light, Vice-President, Operations and Engineering

Danny Bollinger, Director, Financial Services

10. The following document was tabled:

Saskatchewan Water Corporation: Responses to questions raised at the May 15, 2018 meeting
(CCA 52-28)

11. It was moved by Mr. Hart:

That the committee conclude its consideration of the 2016-17 Saskatchewan Water Corporation annual report.

The question being put, it was agreed to.

12. The committee recessed from 11:56 a.m. until 12:58 p.m.
13. The committee considered the Provincial Auditor's 2017 report volume 2, chapter 47, SaskEnergy — SCADA System Security.

The Minister Responsible for SaskEnergy Incorporated and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister
Mark Guillet, Vice-President, General Counsel and Corporate Secretary
Derrick Mann, Vice-President, Engineering Integrity and Construction
Christine Short, Vice-President, Finance and Chief Financial Officer
Scott Terlson, Executive Director, Operations
Jill Schmeltzer, Manager, SCADA and Automation

14. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 47, SaskEnergy — SCADA System Security.
15. The committee considered the 2016-17 SaskEnergy annual report and the 2016-17 SaskEnergy Incorporated and subsidiaries financial statements for the year ended March 31, 2017.

The Minister Responsible for SaskEnergy Incorporated and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister
Mark Guillet, Vice-President, General Counsel and Corporate Secretary
Derrick Mann, Vice-President, Engineering Integrity and Construction
Christine Short, Vice-President, Finance and Chief Financial Officer
Scott Terlson, Executive Director, Operations

16. The following document was tabled:

SaskEnergy: Responses to questions raised at the May 15, 2018 meeting

(CCA 53-28)

17. It was moved by Ms. Heppner:

That the committee conclude its consideration of the 2016-17 SaskEnergy annual report and the 2016-17 SaskEnergy Incorporated and subsidiaries financial statements for the year ended March 31, 2017.

The question being put, it was agreed to.

18. The committee recessed from 2:01 p.m. until 2:16 p.m.
19. The committee considered the Provincial Auditor's 2017 report volume 1, chapter 13, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware.

The Minister Responsible for Saskatchewan Telecommunications and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Don Morgan, Minister
Doug Burnett, Acting President and Chief Executive Officer
Charlene Gavel, Chief Financial Officer
Darcee MacFarlane, Vice-President, Corporate and Government Relations
Jamie Patterson, Associate Corporate Counsel
Scott Smith, Senior Director, Finance

20. The committee concurred with recommendation 1 made at page 186 of the Provincial Auditor's 2017 report volume 1, chapter 13, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware:

We recommend that SaskTel provide written guidance for resolving supplier performance issues.

The committee noted that the Saskatchewan Telecommunications has complied with the recommendation.

21. The committee concurred with recommendation 2 made at page 190 of the Provincial Auditor's 2017 report volume 1, chapter 13, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware:

We recommend that SaskTel, for each competitive purchase, log the names of staff evaluating proposals from potential suppliers.

The committee noted that the Saskatchewan Telecommunications has complied with the recommendation.

22. The committee concurred with recommendation 3 made at page 190 of the Provincial Auditor's 2017 report volume 1, chapter 13, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware:

We recommend that SaskTel implement a process to obtain appropriate level of approval when expected dollar values of purchases of materials increase after initial approval.

The committee noted that the Saskatchewan Telecommunications has complied with the recommendation.

23. The committee concurred with recommendation 4 made at page 191 of the Provincial Auditor's 2017 report volume 1, chapter 13, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware:

We recommend that SaskTel track supplier feedback to inform purchasing process improvements.

The committee noted that the Saskatchewan Telecommunications has complied with the recommendation.

24. The committee considered the 2016-17 SaskTel annual report; the Saskatchewan Telecommunications financial statements for the year ended March 31, 2017; the Saskatchewan Telecommunications International Inc. financial statements for the year ended March 31, 2017; the DirectWest Corporation financial statements for the year ended March 31, 2017; the SecurTek Monitoring Solutions Inc. financial statements for the year ended March 31, 2017; and the Saskatchewan Telecommunications Pension Plan annual report and financial statements for the 15 months ended March 31, 2017.

The Minister Responsible for Saskatchewan Telecommunications and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Don Morgan, Minister
Doug Burnett, Acting President and Chief Executive Officer
Charlene Gavel, Chief Financial Officer
Darcee MacFarlane, Vice-President, Corporate and Government Relations
Jamie Patterson, Associate Corporate Counsel
Scott Smith, Senior Director, Finance

25. It was moved by Ms. Heppner:

That the committee conclude its consideration of the 2016-17 SaskTel annual report; the Saskatchewan Telecommunications financial statements for the year ended March 31, 2017; the Saskatchewan Telecommunications International Inc. financial statements for the year ended March 31, 2017; the DirectWest Corporation financial statements for the year ended March 31, 2017; the SecurTek Monitoring Solutions Inc. financial statements for the year ended March 31, 2017; and the Saskatchewan Telecommunications Pension Plan annual report and financial statements for the 15 months ended March 31, 2017.

The question being put, it was agreed to.

26. It was moved by Mr. Hindley:

That this committee do now adjourn.

The question being put, it was agreed to.

27. The committee adjourned at 3:49 p.m. until Wednesday, June 27, 2018 at 8:30 a.m.

Stacey Ursulescu
Committee Clerk

Herb Cox
Chair