

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

November 29, 2006

MINUTE NO. 39

3:00 p.m. – Chamber

1. **Present:** Ms. Morin in the Chair and Members Crofford*, D'Autremont, Duncan, Harpauer, McCall and Wartman.

Substituting Members

Ms. Crofford for Hon. Mr. Addley

Other Members

Mr. Brkich, Ms. Draude, Ms. Eagles

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Ed Montgomery, Deputy Provincial Auditor

Mark Anderson, Principal

Kelly Deis, Principal

Andrew Martens, Principal

Appointed Auditors

Mark Lang, KPMG

2. The Committee considered Chapter 5 (Saskatchewan Telecommunications Holding Corporation) of the *2004 Report of the Provincial Auditor (Volume 1)*, Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2005 Report of the Provincial Auditor (Volume 1)*, and Chapter 10 (Saskatchewan Telecommunications Holding Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)*.
3. The following Saskatchewan Telecommunications Holding Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Deb Higgins, Minister

Robert Watson, President and CEO

Mike Anderson, Chief Financial Officer

Diana Milenkovic, Senior Vice President, Marketing and Service Development

John Meldrum, Vice President, Corporate Counsel, Regulatory Affairs and Chief Privacy Officer

Dale Baron, Controller

Kym Wittal, Chief Technology Officer

Darcee MacFarlane, General Manager, Corporate Affairs

Bev Toderian, Manager, Finance

4. The committee concurred with recommendation 1 made at page 82 of Chapter 5 (Saskatchewan Telecommunications Holding Corporation) of the *2004 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Telecommunications Holding Corporation ensure that the board of each company has current terms of reference; highlight, for example in corporate policy, that the SaskTel Board has delegated to the President of

SaskTel its authority to name the board members of SaskTel's companies; and ensure that companies it controls, or plans to control, are subject to shareholder agreements and articles of incorporation that reflect the governance expectations placed on SaskTel.

5. The committee concurred with recommendation 2 made at page 83 of Chapter 5 (Saskatchewan Telecommunications Holding Corporation) of the *2004 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Telecommunications Holding Corporation document the governance risks and identify levels of governance risk that are acceptable for each company; require each company board to evaluate its senior management at least annually; and require each company to provide the SaskTel Board with its evaluation of its board.
6. The committee concurred with recommendation 1 made at page 196 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2005 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Telecommunications Holding Corporation regularly highlight where its Board delegates to the President of SaskTel authority to name the board members of SaskTel's companies, ensure that companies it controls, or plans to control, are subject to shareholder agreements and articles of incorporation that reflect the governance expectations placed on SaskTel.
7. The committee concurred with recommendation 2 made at page 197 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2005 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Telecommunications Holding Corporation document the governance risks and identify levels of governance risk that are acceptable for each company and require each company to provide the SaskTel Board with its evaluation of its board.
8. The committee concurred with recommendation 1 made at page 120 of Chapter 10 (Saskatchewan Telecommunications Holding Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Navigata Communications Partnership follow its established procedures to check the completeness of revenue and the accuracy of its financial records.
9. The committee concurred with recommendation 2 made at page 120 of Chapter 10 (Saskatchewan Telecommunications Holding Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Navigata Communications Partnership establish computer security policies and procedures.
10. The committee concurred with recommendation 3 made at page 122 of Chapter 10 (Saskatchewan Telecommunications Holding Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Navigata Communications Partnership ensure the Pension Committee monitors the Navigata Communications Inc. Pension Plan in accordance with the Plan Text.
11. The committee concurred with recommendation 4 made at page 122 of Chapter 10 (Saskatchewan Telecommunications Holding Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Navigata Communications Partnership prepare and implement policies and procedures to monitor the administrative activities of the Navigata Communications Inc. Pension Plan.

12. The committee considered the 2004 and 2005 Saskatchewan Telecommunications Holding Corporation annual reports and related documents.
13. The committee adjourned consideration of the 2004 and 2005 Saskatchewan Telecommunication Holding Corporation annual reports and related documents.
14. The committee adjourned at 5:02 p.m. to the call of the Chair.

Iris Lang
Committee Clerk

Sandra Morin
Committee Chair