

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

March 13, 2007

MINUTE NO. 44

3:00 p.m. - Chamber

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

Substituting Members

Mr. Elhard for Ms. Harpauer (for consideration of Supplementary Estimates for Public Service Commission)

Hon. Mr. Forbes for Hon. Mr. Wartman (7:07 p.m. – 8:42 p.m. only)

Mr. Huyghebaert for Ms. Harpauer (for consideration of Supplementary Estimates for Property Management)

Provincial Auditor's Office

Mobashar Ahmad, Deputy Provincial Auditor

Rod Grabarczyk, Principal

Andrew Martens, Principal

Appointed Auditors

Jamie Wilson, KPMG

Mathew Stockan, KPMG

2. The following documents were tabled:

CCA 229/25 Saskatchewan Transportation Company: Responses to questions raised by Ms. Harpauer regarding employee numbers and the cost of bio-diesel during the January 10, 2007 committee meeting.

CCA 230/25 Saskatchewan Power Corporation: Responses to questions raised by Mr. D'Autremont regarding Green Poser during the January 10, 2007 committee meeting.

CCA 231/25 Crown Investments Corporation: Notice of incorporation by Crown Investments Corporation of Saskatchewan pursuant to section 30(2) of *The Crown Corporations Act, 1993* and *The Tabling of Documents Act, 1991*: a corporate body described as First Nations and Métis Fund Inc.

CCA 232/25 Crown Investments Corporation: Responses to questions regarding industry standards for dividend payout rates, lease agreements with R&R Leasing and Cajon Leasing, carrying value of Meadow Lake Pulp Limited Partnership (MLPLP), energy cost subsidy for Saskatchewan Energy Share, Entrepreneurial Foundation, long-term debt, Community Net/SCN, BTS Group, Engineering Management Services Croscan and Aboriginal Cultural Awareness program.

CCA 233/25 SaskEnergy: Incremental Equity Injection in Heritage Gas Limited for the second half of 2006 (significant transaction).

CCA 234/25 SaskEnergy Incorporated: Subscription Agreement dated July 25, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated July 25, 2006 for \$400,455.

CCA 235/25 SaskEnergy Incorporated: Subscription Agreement dated August 22, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated August 22, 2006 for \$357,815.

CCA 236/25 SaskEnergy Incorporated: Subscription Agreement dated September 20, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated September 20, 2006 for \$323,195.

CCA 237/25 SaskEnergy Incorporated: Subscription Agreement dated October 13, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated October 13, 2006 for \$779,080.

CCA 238/25 SaskEnergy Incorporated: Subscription Agreement dated November 30, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated November 30, 2006 for \$541,000.

CCA 239/25 Crown Investments Corporation: Losses reported during the period October 1, 2006 – December 31, 2006.

CCA 240/25 Saskatchewan Property Management: Responses to questions raised by Mr. Huyghebaert regarding office space and office renovations during the November 21, 2006 committee meeting.

CCA 241/25 Investment Saskatchewan: Responses to questions raised by Mr. Duncan regarding the Investment Contract between Investment Saskatchewan Inc. and Victoria Park Capital Inc. during the January 11, 2007 committee meeting.

CCA 242/25 Crown Investments Corporation: Notice of incorporation by Crown Investments Corporation of Saskatchewan pursuant to section 30(3) of *The Crown Corporations Act, 1993* and *The Tabling of Documents Act, 1991*: a subsidiary called CIC Equity Holding Corporation.

3. The committee considered Chapter 6 (Saskatchewan Government Insurance) of the *2004 Report of the Provincial Auditor (Volume 1)* and Chapter 11 (Saskatchewan Government Insurance) of the *2006 Report of the Provincial Auditor (Volume 1)*. Mr. Ahmad provided an opening statement.
4. The following Saskatchewan Government Insurance Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Glenn Hagel, Minister
Jon Schubert, President and Chief Executive Officer
Earl Cameron, Vice President, Claims and Salvage
Don Thompson, Chief Financial Officer
Sherry Wolf, Vice President, Auto Fund
Betty Weigel, Manager, Business Affairs and Corporate Secretary

5. The committee noted the issue has been resolved regarding recommendation 1 made on page 93 of Chapter 6 (Saskatchewan Government Insurance) of the *2004 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Government Insurance determine the number and class of insurance brokers it needs to sell its insurance products; appoint and terminate brokers when necessary; regularly ensure the adequacy of brokers' operational policies and procedures and regularly ensure brokers comply with the signed agreements.
6. The committee noted compliance with recommendation 1 made at page 135 of Chapter 11 (Saskatchewan Government Insurance) of the *2006 Report of the Provincial Auditor (Volume 1)* that Coachman Insurance Company improve its processes to properly examine and assess claims that are under agents' administration.
7. The committee considered the 2004 and 2005 Saskatchewan Government Insurance annual reports, financial statements and related documents.
8. It was moved by Ms. Harpauer:

That the committee conclude its review of the 2004 annual reports, financial statements and related documents for Saskatchewan Government Insurance.

9. The committee recessed from 5:02 p.m. until 7:07 p.m.
10. The committee considered the Supplementary Estimates for Public Service Commission.

The following Public Service Commission Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Pat Atkinson, Minister
Clare Isman, Chair
Rick McKillop, Executive Director, Employee Relations, Policy and Planning
Ron Wight, Executive Director, HR Client Service
Lynn Jacobson, Director, Corporate Services

11. On motion of the Hon. Mr. Addley:

Resolved, That there be granted to Her Majesty for the twelve months ending March 31, 2007 the following sum:

For Public Service Commission\$1,536,000

12. The committee recessed from 7:53 p.m. until 8:07 p.m.
13. The committee considered the Supplementary Estimates for the Department of Property Management.

The following Property Management Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Eldon Lautermilch, Minister
Deb McDonald, Deputy Minister
Debbie Koshman, Assistant Deputy Minister, Corporate Services
Donald Koop, Assistant Deputy Minister, Commercial Services
Al Mullen, Acting Assistant Deputy Minister, Accommodations

14. On motion of the Hon. Mr. McCall:

Resolved, That there be granted to Her Majesty for the twelve months ending March 31, 2007 the following sum:

For Property Management\$5,100,000

15. It was moved by Mr. D'Autremont:

That this committee do now adjourn.

The question being put, it was agreed to.

16. The committee adjourned at 8:42 p.m. to the call of the Chair.

Iris Lang
Committee Clerk

Sandra Morin
Committee Chair