

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
Tuesday, February 14, 2012

MINUTE NO. 2
10:05 a.m. – Māwawapiwin Room (Room 8)

1. **Present:** Greg Brkich in the Chair and Members Fred Bradshaw*, Herb Cox*, Gene Makowsky, Warren McCall, Scott Moe, and Nadine Wilson.

Substituting Members

Fred Bradshaw for Roger Parent
Herb Cox for Randy Weekes

Other Members

John Nilson

Committee Official

Ken Ring, Law Clerk and Parliamentary Counsel

Office of the Provincial Auditor

Bonnie Lysyk, Provincial Auditor
Judy Ferguson, Deputy Provincial Auditor
Kim Lowe, Principal

Appointed Auditor

Bruce Willis, Partner, KPMG
Diana Adams, Senior Manager, KPMG

2. The following documents were tabled:

CCA 13/27 SaskEnergy: Significant Transaction Report regarding divestiture of SaskEnergy's ownership interest in Gas Sur, S.A., dated December 14, 2011.

CCA 14/27 Crown Investments Corporation of Saskatchewan (CIC): A report of public losses (July 1, 2011 – September 30, 2011) for CIC and its subsidiary Crown Corporations, dated December 16, 2011.

CCA 15/27 Crown Investments Corporation of Saskatchewan (CIC): A report of public losses (October 1, 2011 – December 31, 2011) for CIC and its subsidiary Crown Corporations, dated December 31, 2011.

3. The committee considered the Law Clerk and Parliamentary Counsel reports on regulations tabled as CCA 333/26, CCA 334/26, CCA 335/26 and CCA 336/26. The Law Clerk and Parliamentary Counsel provided an overview and answered questions.
4. It was moved by Ms. Wilson:

That the committee concludes consideration of the Law Clerk and Parliamentary Counsel reports on regulations tabled as CCA 333/26, CCA 334/26, CCA 335/26 and CCA 336/26.

The question being put, it was agreed to.

5. The committee considered Chapter 25 (Crown Investments Corporation of Saskatchewan) of the 2010 Report of the *Provincial Auditor (Volume 2)*. Ms. Lysyk of the Office of the Provincial Auditor provided an overview of the chapter.

The following Crown Investments Corporation of Saskatchewan Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Tim McMillan, Minister

Dick Carter, President and Chief Executive Officer, Crown Investments Corporation

Blair Swystun, Senior Vice-President and Chief Financial Officer, Crown Investments Corporation

Iain Harry, Vice-President, Crown Sector Initiatives, Crown Investments Corporation

Rae Haverstock, Vice-President, Asset Management, Crown Investments Corporation

Doug Kosloski, Vice-President and General Counsel, Crown Investments Corporation

Ken Klein, Executive Director, Capital Pension and Benefits Administration, Crown Investments Corporation

John Amundson, Corporate Controller, Crown Investments Corporation

Debbie Clark, Acting Executive Director, Communications, Crown Investments Corporation

6. The committee concurred with recommendation 25-1 made at page 382 of Chapter 25 (Crown Investments Corporation of Saskatchewan) of the *2010 Report of the Provincial Auditor (Volume 2)* that Crown Investments Corporation of Saskatchewan maintain current, detailed documentation of definitions and calculation methods for its balanced scorecard measures. The committee noted that the Crown Investments Corporation of Saskatchewan has complied with the recommendation.
7. The committee concurred with recommendation 25-2 made at page 383 of Chapter 25 (Crown Investments Corporation of Saskatchewan) of the *2010 Report of the Provincial Auditor (Volume 2)* that Crown Investments Corporation of Saskatchewan confirm that documented calculation methods are appropriate and verify that staff use them to produce balanced scorecard information. The committee noted that the Crown Investments Corporation of Saskatchewan has complied with the recommendation.
8. The committee considered Chapter 12 (Investment Saskatchewan Inc.) of the 2008 Report of the *Provincial Auditor (Volume 1)* and Chapter 13 (CIC Asset Management Inc.) of the 2010 Report of the *Provincial Auditor (Volume 1)* Ms. Lysyk of the Office of the Provincial Auditor provided an overview of the chapter.

The following CIC Asset Management Inc. Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Tim McMillan, Minister

Dick Carter, President and Chief Executive Officer, Crown Investments Corporation

Blair Swystun, Senior Vice-President and Chief Financial Officer, Crown Investments Corporation

Iain Harry, Vice-President, Crown Sector Initiatives, Crown Investments Corporation

Rae Haverstock, Vice-President, Asset Management, Crown Investments Corporation

Doug Kosloski, Vice-President and General Counsel, Crown Investments Corporation

Ken Klein, Executive Director, Capital Pension and Benefits Administration, Crown Investments Corporation

John Amundson, Corporate Controller, Crown Investments Corporation

Debbie Clark, Acting Executive Director, Communications, Crown Investments Corporation

9. The committee agreed that recommendation 12-1 made at page 146 of Chapter 12 (Investment Saskatchewan Inc.) of the *2008 Report of the Provincial Auditor (Volume 1)* that Investment Saskatchewan Inc. document its requirements, expectations, and planned assessment procedures in sufficient detail to facilitate a comprehensive evaluation of the investment manager's performance, was no longer relevant.
10. The committee concurred with recommendation 12-2 made at page 147 of Chapter 12 (Investment Saskatchewan Inc.) of the *2008 Report of the Provincial Auditor (Volume 1)* that Investment Saskatchewan Inc. document and monitor the expected and actual public policy outcomes for each investment. The committee noted that Investment Saskatchewan Inc. has complied with the recommendation.
11. The committee concurred with recommendation 12-3 made at page 150 of Chapter 12 (Investment Saskatchewan Inc.) of the *2008 Report of the Provincial Auditor (Volume 1)* that Investment Saskatchewan Inc. receive sufficient documentation, analysis, and updates of each investment's key risks. The committee noted that Investment Saskatchewan Inc. has complied with the recommendation.
12. The committee considered the Crown Investments Corporation of Saskatchewan 2008, 2009, and 2010 annual reports and related documents.
13. The following Crown Investments Corporation of Saskatchewan Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Tim McMillan, Minister

Dick Carter, President and Chief Executive Officer, Crown Investments Corporation

Blair Swystun, Senior Vice-President and Chief Financial Officer, Crown Investments Corporation

Iain Harry, Vice-President, Crown Sector Initiatives, Crown Investments Corporation

Rae Haverstock, Vice-President, Asset Management, Crown Investments Corporation

Doug Kosloski, Vice-President and General Counsel, Crown Investments Corporation

Ken Klein, Executive Director, Capital Pension and Benefits Administration, Crown Investments Corporation

John Amundson, Corporate Controller, Crown Investments Corporation

Debbie Clark, Acting Executive Director, Communications, Crown Investments Corporation

14. The committee adjourned consideration of the Crown Investments Corporation of Saskatchewan 2008, 2009, and 2010 annual reports and related documents.
15. The committee recessed from 12:02 p.m. until 1:30 p.m.
16. The committee considered the Investment Saskatchewan Inc. 2008 annual report and the CIC Asset Management Inc. 2009 annual report.

17. The following CIC Asset Management Inc. Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Tim McMillan, Minister

Dick Carter, President and Chief Executive Officer, Crown Investments Corporation

Blair Swystun, Senior Vice-President and Chief Financial Officer, Crown Investments Corporation

Iain Harry, Vice-President, Crown Sector Initiatives, Crown Investments Corporation

Rae Haverstock, Vice-President, Asset Management, Crown Investments Corporation

Doug Kosloski, Vice-President and General Counsel, Crown Investments Corporation

Ken Klein, Executive Director, Capital Pension and Benefits Administration, Crown Investments Corporation

John Amundson, Corporate Controller, Crown Investments Corporation

Debbie Clark, Acting Executive Director, Communications, Crown Investments Corporation

18. It was moved by Ms. Wilson:

That the committee conclude its consideration of the Investment Saskatchewan Inc. 2008 annual report and the CIC Asset Management Inc. 2009 annual report.

The question being put, it was agreed to.

19. The committee considered the Saskatchewan Development Fund Corporation 2008, 2009 and 2010 annual reports and related documents.
20. The following Saskatchewan Development Fund Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Tim McMillan, Minister

Dick Carter, President and Chief Executive Officer, Crown Investments Corporation

Blair Swystun, Senior Vice-President and Chief Financial Officer, Crown Investments Corporation

Iain Harry, Vice-President, Crown Sector Initiatives, Crown Investments Corporation

Rae Haverstock, Vice-President, Asset Management, Crown Investments Corporation

Doug Kosloski, Vice-President and General Counsel, Crown Investments Corporation

Ken Klein, Executive Director, Capital Pension and Benefits Administration, Crown Investments Corporation

John Amundson, Corporate Controller, Crown Investments Corporation

Debbie Clark, Acting Executive Director, Communications, Crown Investments Corporation

21. It was moved by Mr. Cox:

That the committee conclude its consideration of the Saskatchewan Development Fund Corporation 2008, 2009 and 2010 annual reports and related documents.

The question being put, it was agreed to.

22. The committee considered the Saskatchewan Government Growth Fund 2008, 2009, 2010 and 2011 annual reports and financial statements.

23. The following Saskatchewan Government Growth Fund Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Tim McMillan, Minister

Dick Carter, President and Chief Executive Officer, Crown Investments Corporation

Blair Swystun, Senior Vice-President and Chief Financial Officer, Crown Investments Corporation

Iain Harry, Vice-President, Crown Sector Initiatives, Crown Investments Corporation

Rae Haverstock, Vice-President, Asset Management, Crown Investments Corporation

Doug Kosloski, Vice-President and General Counsel, Crown Investments Corporation

Ken Klein, Executive Director, Capital Pension and Benefits Administration, Crown Investments Corporation

John Amundson, Corporate Controller, Crown Investments Corporation

Debbie Clark, Acting Executive Director, Communications, Crown Investments Corporation

24. It was moved by Mr. Moe:

That the committee conclude its consideration of the Saskatchewan Government Growth Fund 2008, 2009, 2010 and 2011 annual reports and financial statements.

The question being put, it was agreed to.

25. It was moved by Mr. Bradshaw:

That this committee do now adjourn.

The question being put, it was agreed to.

26. The committee adjourned at 2:45 p.m. to the call of the Chair.

Kathy Burianyk
Committee Clerk

Greg Brkich
Committee Chair