

**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**  
**Tuesday, September 15, 2015**

**MINUTE NO. 47**  
**9:01 a.m. – Mānawapiwin Room (Room 8)**

1. **Present:** Fred Bradshaw in the Chair and Members Warren McCall\*, Rob Norris, Cathy Sproule, Warren Steinley\*, Randy Weekes and Colleen Young.

**Substituting Members**

Warren McCall for Cathy Sproule (3:39 p.m. until 4:37 p.m. only)

Warren Steinley for Greg Brkich

**Other Members**

Warren McCall

**Office of the Provincial Auditor**

Judy Ferguson, Provincial Auditor

Carolyn O'Quinn, Deputy Provincial Auditor

Regan Sommerfeld, Deputy Provincial Auditor

Kim Lowe, Principal

Jason Wandy, Senior Manager

**Appointed Auditors**

Diana Adams, Partner, KPMG

Jolene Anton, Partner, KPMG

Patrick Green, Partner, PWC

David Prost, Partner, Virtus Group

2. The following documents were tabled:

**CCA 180/27 – Crown Investments Corporation of Saskatchewan (CIC):** Crown Investments Corporation of Saskatchewan and Crown Subsidies 2014 Payee Disclosure Report.

**CCA 181/27 – Crown Investments Corporation of Saskatchewan (CIC):** A report of public losses (April 1, 2015 – June 30, 2015) for CIC and its subsidiary Crown Corporations, dated July 30, 2015.

3. The committee considered Chapter 17 (Standing Committee on Crown and Central Agencies) of the *2009 Report of the Provincial Auditor (Volume 1)*, Chapter 20 (Standing Committee on Crown and Central Agencies) of the *2010 Report of the Provincial Auditor (Volume 1)*, Chapter 20 (Standing Committee on Crown and Central Agencies) of the *2011 Report of the Provincial Auditor (Volume 1)*, Chapter 26 (Standing Committee on Crown and Central Agencies) of the *2012 Report of the Provincial Auditor (Volume 1)*, Chapter 31 (Standing Committee on Crown and Central Agencies) of the *2013 Report of the Provincial Auditor (Volume 1)* and Chapter 32 (Standing Committee on Crown and Central Agencies) of the *2014 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. Lowe of the Office of the Provincial Auditor provided an overview of the chapters.
4. The committee concluded consideration of Chapter 17 (Standing Committee on Crown and Central Agencies) of the *2009 Report of the Provincial Auditor (Volume 1)*.

5. The committee concluded consideration of Chapter 20 (Standing Committee on Crown and Central Agencies) of the *2010 Report of the Provincial Auditor (Volume 1)*.
6. The committee concluded consideration of Chapter 20 (Standing Committee on Crown and Central Agencies) of the *2011 Report of the Provincial Auditor (Volume 1)*.
7. The committee concluded consideration of Chapter 26 (Standing Committee on Crown and Central Agencies) of the *2012 Report of the Provincial Auditor (Volume 1)*.
8. The committee concluded consideration of Chapter 31 (Standing Committee on Crown and Central Agencies) of the *2013 Report of the Provincial Auditor (Volume 1)*.
9. The committee concluded consideration of Chapter 32 (Standing Committee on Crown and Central Agencies) of the *2014 Report of the Provincial Auditor (Volume 1)*.
10. The committee considered Chapter 26 (Part A – Quality of Annual Reports of CIC Crown Corporations) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Ms. Lowe of the Office of the Provincial Auditor provided an overview of the chapters.
11. The committee concluded consideration of Chapter 26 (Part A – Quality of Annual Reports of CIC Crown Corporations) of the *2011 Report of the Provincial Auditor (Volume 2)*.
12. The committee recessed from 9:15 a.m. until 9:30 a.m.
13. The committee considered Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)*, Chapter 17 (Saskatchewan Telecommunications Holding Corporation) of the *2010 Report of the Provincial Auditor (Volume 1)*, Chapter 16 (Saskatchewan Telecommunications Holding Corporation) of the *2011 Report of the Provincial Auditor (Volume 1)*, Chapter 20 (Saskatchewan Telecommunications Holding Corporation) of the *2012 Report of the Provincial Auditor (Volume 1)*, Chapter 29 (Saskatchewan Telecommunications – Wireless Network Security Follow Up) of the *2013 Report of the Provincial Auditor (Volume 1)*, Chapter 48 (Saskatchewan Telecommunications – Wireless Network Security Controls) of the *2013 Report of the Provincial Auditor (Volume 2)* and Chapter 3 (Saskatchewan Telecommunications Holding Corporation) of the *2014 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Wandy of the Office of the Provincial Auditor provided an overview of the chapters.

The following Saskatchewan Telecommunications Holding Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Jim Reiter, Minister

Ron Styles, President and Chief Executive Officer

Charlene Gavel, Chief Financial Officer

Darcee MacFarlane, Vice-President, Corporate and Government Relations

John Meldrum, Vice-President, Regulatory and Legal Counsel

14. The committee concurred with recommendation 13-1 made at page 165 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel have adequate controls to prevent losses from the sale of its prepaid cellular service

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

15. The committee concurred with recommendation 13-2 made at page 165 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel have adequate controls to ensure customer credit card information is securely transmitted and stored. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
16. The committee concurred with recommendation 13-3 made at page 171 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel train employees to use wireless devices securely. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
17. The committee concurred with recommendation 13-4 made at page 171 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel describe wireless roles and responsibilities in its information technology security policies and procedures. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
18. The committee concurred with recommendation 13-5 made at page 173 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel properly configure its wireless network and network devices to reduce information technology security risks. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
19. The committee concurred with recommendation 13-6 made at page 174 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel assess wireless risks and address them. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
20. The committee concurred with recommendation 13-7 made at page 174 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel maintain an inventory of wireless devices on its network and their users. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
21. The committee concurred with recommendation 13-8 made at page 174 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel adequately monitor wireless activity logs. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
22. The committee concurred with recommendation 13-9 made at page 175 of Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)* that SaskTel regularly perform wireless security scans and address weaknesses found. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
23. The committee concurred with recommendation 17-1 made at page 178 of Chapter 17 (Saskatchewan Telecommunications Holding Corporation) of the *2010 Report of the Provincial Auditor (Volume 1)*

that SaskTel have adequate controls to ensure customer credit card information is securely transmitted and stored. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.

24. The committee concluded consideration of Chapter 16 (Saskatchewan Telecommunications Holding Corporation) of the *2011 Report of the Provincial Auditor (Volume 1)*.
25. The committee concluded consideration of Chapter 20 (Saskatchewan Telecommunications Holding Corporation) of the *2012 Report of the Provincial Auditor (Volume 1)*.
26. The committee concluded consideration of Chapter 29 (Saskatchewan Telecommunications – Wireless Network Security Follow Up) of the *2013 Report of the Provincial Auditor (Volume 1)*.
27. The committee concluded consideration of Chapter 48 (Saskatchewan Telecommunications – Wireless Network Security Controls) of the *2013 Report of the Provincial Auditor (Volume 2)*.
28. The committee concurred with recommendation 3-1 made at page 20 of Chapter 3 (Saskatchewan Telecommunications Holding Corporation) of the *2014 Report of the Provincial Auditor (Volume 1)* that the Board of Saskatchewan Telecommunications International, Inc. more actively oversee management to better identify risk of management override and circumvention of controls. The committee noted that the Saskatchewan Telecommunications Holding Corporation has complied with the recommendation.
29. The committee considered the Saskatchewan Telecommunications Holding Corporation and related entities 2012, 2013, and 2014 Annual Reports and Financial Statements.

The following Saskatchewan Telecommunications Holding Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Jim Reiter, Minister

Ron Styles, President and Chief Executive Officer

Charlene Gavel, Chief Financial Officer

Darcee MacFarlane, Vice-President, Corporate and Government Relations

John Meldrum, Vice-President, Regulatory and Legal Counsel

30. The committee concluded its consideration of the Saskatchewan Telecommunications Holding Corporation and related entities 2012, 2013, and 2014 Annual Reports and Financial Statements.
31. The committee recessed from 12:00 p.m. until 12:59 p.m.
32. The committee considered Chapter 11 (Saskatchewan Government Insurance) of the *2009 Report of the Provincial Auditor (Volume 1)*, Chapter 15 (Saskatchewan Government Insurance) of the *2010 Report of the Provincial Auditor (Volume 1)* and Chapter 16 (Wireless Network Security Audit Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

The following Saskatchewan Government Insurance Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Don McMorris, Minister  
Jeff Stepan, Chief Financial Officer  
Earl Cameron, Vice-President, Auto Fund  
Dwain Wells, Vice-President, Systems and Facilities  
Sherry Wolf, Vice-President, Claims and Salvage  
Kim Hamilton, Manager, Corporate Affairs

33. The committee concluded consideration of Chapter 11 (Saskatchewan Government Insurance) of the *2009 Report of the Provincial Auditor (Volume 1)*.
34. The committee concurred with recommendation 15-1 made at page 160 of Chapter 15 (Saskatchewan Government Insurance) of the *2010 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Government Insurance provide training to employees with wireless-enabled laptop computers on how to use this technology securely. The committee noted that the Saskatchewan Government Insurance has complied with the recommendation.
35. The committee concurred with recommendation 15-2 made at page 161 of Chapter 15 (Saskatchewan Government Insurance) of the *2010 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Government Insurance promptly update its laptop computers to protect against known security weaknesses. The committee noted that the Saskatchewan Government Insurance has complied with the recommendation.
36. The committee concurred with recommendation 15-3 made at page 161 of Chapter 15 (Saskatchewan Government Insurance) of the *2010 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Government Insurance configure its laptop computers to reduce the risk of inappropriate access and to log such attempts. The committee noted that the Saskatchewan Government Insurance has complied with the recommendation.
37. The committee concluded consideration of Chapter 16 (Wireless Network Security Audit Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*.
38. The committee considered Saskatchewan Government Insurance and related entities 2012, 2013, and 2014 Annual Reports.

The following Saskatchewan Government Insurance Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Don McMorris, Minister  
Jeff Stepan, Chief Financial Officer  
Earl Cameron, Vice-President, Auto Fund  
Dwain Wells, Vice-President, Systems and Facilities  
Sherry Wolf, Vice-President, Claims and Salvage  
Kim Hamilton, Manager, Corporate Affairs

39. The committee concluded its consideration of the Saskatchewan Government Insurance and related entities 2012, 2013, and 2014 Annual Reports.
40. The committee recessed from 2:21 p.m. until 2:33 p.m.

41. The committee considered Chapter 18 (Maintaining Facilities in a Sustainable Way) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. Sommerfeld of the Office of the Provincial Auditor provided an overview of the chapter.
42. The following Saskatchewan Opportunities Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Don McMorris, Minister  
Ken Loeppky, Vice-President and Chief Operating Officer  
Brent Sukenik, Chief Financial Officer

43. The committee concurred with recommendation 18-1 made at page 165 of Chapter 18 (Maintaining Facilities in a Sustainable Way) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Opportunities Corporation document, for each of its facilities, current condition, key risks, and remaining life span in the context of the facility's intended use. The committee noted that the Saskatchewan Opportunities Corporation is making progress towards complying with the recommendation.
44. The committee concurred with recommendation 18-2 made at page 165 of Chapter 18 (Maintaining Facilities in a Sustainable Way) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Opportunities Corporation expand its corporate maintenance plan to include all its maintenance objectives and priority strategies for the short and long term. The committee noted that the Saskatchewan Opportunities Corporation is making progress towards complying with the recommendation.
45. The committee concurred with recommendation 18-3 made at page 168 of Chapter 18 (Maintaining Facilities in a Sustainable Way) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Opportunities Corporation identify and use performance measures to better monitor the effectiveness of its maintenance activities. The committee noted that the Saskatchewan Opportunities Corporation has complied with the recommendation.
46. The committee considered Saskatchewan Opportunities Corporation 2012, 2013, and 2014 Annual Reports.
47. The following Saskatchewan Opportunities Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Don McMorris, Minister  
Ken Loeppky, Vice-President and Chief Operating Officer  
Brent Sukenik, Chief Financial Officer

48. The committee concluded its consideration of the Saskatchewan Opportunities Corporation 2012, 2013, and 2014 Annual Reports.
49. The committee recessed from 3:34 p.m. until 3:39 p.m.

50. The committee considered Chapter 10 (Saskatchewan Gaming Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)*, Chapter 14 (Saskatchewan Gaming Corporation) of the *2010 Report of the Provincial Auditor (Volume 1)*, Chapter 13 (Saskatchewan Gaming Corporation) of the *2011 Report of the Provincial Auditor (Volume 1)*, Chapter 14 (Saskatchewan Gaming Corporation) of the *2012 Report of the Provincial Auditor (Volume 1)* and Chapter 15 (Project Management Processes Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

The following Saskatchewan Gaming Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Nancy Heppner, Minister  
Susan Flett, President and Chief Executive Officer  
Tony Coppola, Chief Financial Officer  
Bob Arlint, Executive Director, Risk and Compliance  
Curtis Funk, Controller, Finance and Administration  
Shanna Schulhauser, Director, Communications

51. The committee concluded consideration of Chapter 10 (Saskatchewan Gaming Corporation) of the *2009 Report of the Provincial Auditor (Volume 1)*.
52. The committee concluded consideration of Chapter 14 (Saskatchewan Gaming Corporation) of the *2010 Report of the Provincial Auditor (Volume 1)*.
53. The committee concurred with recommendation 13-1 made at page 154 of Chapter 13 (Saskatchewan Gaming Corporation) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Gaming Corporation have effective controls to maintain and report information required under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and Regulations. The committee noted that the Saskatchewan Gaming Corporation has complied with the recommendation.
54. The committee concluded consideration of Chapter 14 (Saskatchewan Gaming Corporation) of the *2012 Report of the Provincial Auditor (Volume 1)*.
55. The committee concluded consideration of Chapter 15 (Project Management Processes Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*.
56. The committee considered Saskatchewan Gaming Corporation and related entities 2012, 2013, and 2014 Annual Reports and Financial Statements.
57. The following Saskatchewan Gaming Corporation Minister and officials appeared before the committee and answered questions:

58. Witnesses

Hon. Nancy Heppner, Minister  
Susan Flett, President and Chief Executive Officer  
Tony Coppola, Chief Financial Officer  
Bob Arlint, Executive Director, Risk and Compliance  
Curtis Funk, Controller, Finance and Administration  
Shanna Schulhauser, Director, Communications

59. The committee concluded its consideration of the Saskatchewan Gaming Corporation and related entities 2012, 2013, and 2014 Annual Reports and Financial Statements.

60. It was moved by Mr. Steinley:

That this committee do now adjourn.

The question being put, it was agreed to.

61. The committee adjourned at 4:37 p.m. to the call of the Chair.

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Stacey Ursulescu  
Committee Clerk

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Fred Bradshaw  
Committee Chair