

**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**  
**January 19, 2009**

**MINUTE NO. 11**  
**1:30 p.m. – Room 8**

1. **Present:** Dustin Duncan in the Chair and Members Ron Harper\*, Deb Higgins\*, Tim McMillan, Warren Michelson\*, Jim Reiter, Kim Trew, Randy Weekes and Kevin Yates.

**Substituting Members**

Ron Harper for Kevin Yates (for consideration of Saskatchewan Transportation Company)

Deb Higgins for Kevin Yates (for consideration of Saskatchewan Gaming Corporation)

Warren Michelson for Hon. Nancy Heppner

**Provincial Auditor's Office**

Fred Wendel, Provincial Auditor

Mike Heffernan, Deputy Provincial Auditor

Ed Montgomery, Deputy Provincial Auditor

Mark Anderson, Principal

Kelly Deis, Principal

Jane Knox, Principal

Andrew Martens, Principal

Victor Schwab, Principal

Bill Harasymchuk, Manager

Michelle Lindenbach, Manager

**Appointed Auditor**

Mark Lang, KPMG

2. The following document was tabled:

**CCA 76/26 Investment Saskatchewan Inc.:** Sale of Saskferco to Yara Belle Plaine Inc. (significant transaction).

3. The committee considered Chapter 11 (Saskatchewan Telecommunications Holding Corporation) of the *2007 Report of the Provincial Auditor (Volume 1)*. Ed Montgomery of the Office of the Provincial Auditor provided an opening statement.
4. The following Saskatchewan Telecommunications Holding Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Ken Cheveldayoff, Minister

Robert Watson, President and Chief Executive Officer

John Meldrum, Vice President, Corporate Counsel, Regulatory Affairs

Mike Anderson, Chief Financial Officer

Darcee MacFarlane, Senior Director, Corporate Communications

5. The committee concurred with recommendation 11-1 made at page 138 of Chapter 11 of the *2007 Report of the Provincial Auditor (Volume 1)* that SaskTel should develop a plan for managing intellectual property. The plan should: identify intellectual property assets; be proportionate to importance of intellectual property assets to the objectives and risks of SaskTel; describe approach/activities to manage intellectual property assets and risks including training and resource allocation. The committee noted that SaskTel has complied with the recommendation.

6. The committee concurred with recommendation 11-2 made at page 138 of Chapter 11 of the *2007 Report of the Provincial Auditor (Volume 1)* that SaskTel include intellectual property issues in its risk management framework. The committee noted that SaskTel has complied with the recommendation.
7. The committee concurred with recommendation 11-3 made at page 141 of Chapter 11 of the *2007 Report of the Provincial Auditor (Volume 1)* that SaskTel consistently document intellectual property agreements with its subsidiaries. The committee noted that SaskTel has complied with the recommendation.
8. The committee concurred with recommendation 11-4 made at page 141 of Chapter 11 of the *2007 Report of the Provincial Auditor (Volume 1)* that SaskTel establish centralized responsibility for maintaining original contracts. The committee noted that SaskTel has complied with the recommendation.
9. The committee concurred with recommendation 11-5 made at page 142 of Chapter 11 of the *2007 Report of the Provincial Auditor (Volume 1)* that SaskTel implement a system to assist it to comply with the intellectual property rights it has acquired. The committee noted that SaskTel has complied with the recommendation.
10. The committee concurred with recommendation 11-6 made at page 143 of Chapter 11 of the *2007 Report of the Provincial Auditor (Volume 1)* that SaskTel monitor its progress in achieving its plan for managing intellectual property. The committee noted that SaskTel has complied with the recommendation.
11. The committee considered Chapter 12 (Saskatchewan Transportation Company) of the *2007 Report of the Provincial Auditor (Volume 1)*. Andrew Martens of the Office of the Provincial Auditor provided an opening statement.
12. The following Saskatchewan Transportation Company Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Ken Cheveldayoff, Minister

Ray Clayton, President and Chief Executive Officer

Tracy Fahlman, Director, Strategic Planning and Communications

13. The committee concurred with recommendation 12-1 made at page 153 of Chapter 12 of the *2007 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Transportation Company set out, in detailed procedures, how it defines and calculates each measure presented in its balanced scorecard reports. The committee noted that Saskatchewan Transportation Company has complied with the recommendation.
14. The committee concurred with recommendation 12-2 made at page 153 of Chapter 12 of the *2007 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Transportation Company require staff to review the accuracy of balanced scorecard results before reporting them. The committee noted that Saskatchewan Transportation Company has complied with the recommendation.
15. The committee considered Chapter 12 (Saskatchewan Water Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)*. Kelly Deis of the Office of the Provincial Auditor provided an opening statement.

16. The following Saskatchewan Water Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Ken Cheveldayoff, Minister  
Stuart Kramer, President and Chief Executive Officer  
Mart Cram, Vice President, Operations and Engineering  
Eric Light, Director, Engineering  
Jeff Mander, Director, District Operations

17. The committee concurred with recommendation 12-1 made at page 147 of Chapter 12 of the *2006 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Water Corporation compile reliable information detailing the water treatment and transmission infrastructure it owns and the condition of the infrastructure. The committee noted that Saskatchewan Water Corporation has complied with the recommendation.
18. The committee concurred with recommendation 12-2 made at page 147 of Chapter 12 of the *2006 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Water Corporation develop and use a maintenance plan for its water treatment and transmission infrastructure. The committee noted that Saskatchewan Water Corporation has complied with the recommendation.
19. The committee considered Chapter 16 (Saskatchewan Gaming Corporation) of the *2008 Report of the Provincial Auditor (Volume 3)*. Mike Heffernan of the Office of the Provincial Auditor provided an opening statement.
20. The following Saskatchewan Gaming Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Bill Hutchinson, Minister  
Twyla Meredith, Acting President and Chief Executive Officer  
Tony Coppola, Senior Vice President, Marketing and Product Development  
Gerry Fischer, Senior Vice President, Gaming Operations  
Wendy Hutchinson, Acting Senior Vice President, Finance and Business Development  
Blaine Pilatzke, Vice President, Human Resources and Aboriginal Relations

21. The committee concurred with recommendation 16-1 made at page 303 of Chapter 16 of the *2008 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Gaming Corporation prepare a complete disaster recovery plan. The committee noted that Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.
22. The committee concurred with recommendation 16-2 made at page 303 of Chapter 16 of the *2008 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Gaming Corporation assess the need for a business continuity plan. The committee noted that Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.
23. The committee concurred with recommendation 16-3 made at page 304 of Chapter 16 of the *2008 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Gaming Corporation fully document its procedures for the security of its information technology systems and ensure that these procedures are being followed. The committee noted that Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.

24. The committee considered Chapter 14 (Standing Committee on Crown and Central Agencies) of the *2008 Report of the Provincial Auditor (Volume 1)*. Andrew Martens of the Office of the Provincial Auditor provided an opening statement.
25. The committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations to report on.
26. The committee noted that Chapter 14 (Standing Committee on Crown and Central Agencies) of the *2006 Report of the Provincial Auditor (Volume 1)* and Chapter 13 (Standing Committee on Crown and Central Agencies) of the *2007 Report of the Provincial Auditor (Volume 1)* were not considered, as they were superseded by the chapter in the *2008 Report of the Provincial Auditor (Volume 1)*.
27. The committee considered the outstanding annual reports, financial statements and related documents for multiple Crown corporations.
28. It was moved by Mr. Trew:

That the committee conclude its review of the outstanding annual reports, financial statements and related documents for the following Crown corporations:

Crown Investments Corporation of Saskatchewan (2006 and 2007)  
Information Services Corporation of Saskatchewan (2006 and 2007)  
Investment Saskatchewan Inc. (2006 and 2007)  
Saskatchewan Government Growth Fund (2007)  
Saskatchewan Government Insurance (2006 and 2007)  
Saskatchewan Opportunities Corporation (2006 and 2007)  
Saskatchewan Power Corporation (2006 and 2007)  
Saskatchewan Telecommunications Holding Corporation (2004, 2005, 2006 and 2007)  
Saskatchewan Transportation Company (2006 and 2007)  
Saskatchewan Water Corporation (2005, 2006 and 2007)  
SaskEnergy Incorporated (2005, 2006 and 2007)

The question being put, it was agreed to.

29. It was moved by Mr. Reiter:

That this committee do now adjourn.

The question being put, it was agreed to.

30. The committee adjourned at 3:11 p.m. to the call of the Chair.