

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES



TENTH REPORT

August 23, 2007

3rd SESSION of the 25th LEGISLATURE

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Legislative Assembly of Saskatchewan

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Standing Committee on
Crown and Central Agencies

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To the Honourable Members of the Legislative Assembly:

HONOURABLE MEMBERS:

I have the pleasure to present the Tenth Report of the Standing Committee on Crown and Central Agencies. The Committee is authorized by the Assembly to examine the areas relating to the Crown Investments Corporation of Saskatchewan, its subsidiaries, supplies and services, central agencies, liquor, gaming and all other revenue related agencies and entities.

This report details the work of the Standing Committee on Crown and Central Agencies Committee for the period May 24, 2005 – August 23, 2007. During this time, the committee reviewed 21 annual reports, seven Provincial Auditor reports and made a number of decisions on recommendations put forward by the Provincial Auditor.

Respectfully submitted on behalf of the Committee,

A handwritten signature in blue ink, reading "Glenn Hagel".

Glenn Hagel
Chair
MLA Moose Jaw North

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

TENTH REPORT

I. INTRODUCTION

Mr. Glenn Hagel, Chair of the Standing Committee on Crown and Central Agencies, presents the Committee's Tenth Report of the Twenty-fifth Legislature.

The Standing Committee on Crown and Central Agencies is empowered by this Assembly to review the annual reports and financial statements of the various Crown corporations and to review those chapters contained in the reports of the Provincial Auditor dealing with matters relating to CIC Crown Corporations. This report reflects the work undertaken by your new committee, the Standing Committee on Crown and Central Agencies.

The new rules and procedures authorize your committee to scrutinize CIC Crown Corporations in addition to undertaking the mandate common to all policy field committees. This report focuses on the scrutiny role of your committee i.e. the review of annual reports and Provincial Auditor reports. This report covers the period May 24, 2005 until August 23, 2007.

A. Committee Membership

The work of your committee would not have been possible without the service of its members. The committee has undergone several changes. On November 9, 2005, your committee saw members Allan Kerpan and Doreen Eagles being replaced by Jason Dearborn and Donna Harpauer. On March 22, 2006 members Andy Iwanchuk and the Honourable Warren McCall were replaced by the Honourable Sandra Morin and the Honourable Kevin Yates; and Jason Dearborn was replaced by Allan Kerpan. On June 28, 2007 Mr. Glenn Hagel replaced the Honourable Warren McCall.

Your committee saw changes to the Chair. On October 18, 2005 the Honourable Graham Addley resigned as Chair of your committee. Mr. Andy Iwanchuk was elected on November 23, 2005 to preside as Chair. Then Mr. Iwanchuk resigned as chair and the Honourable Ms. Sandra Morin was elected Chair on March 22, 2006. On May 31, 2007, Honourable Sandra Morin resigned as Chair and Mr. Glenn Hagel was elected Chair on July 3, 2007.

Your committee wishes to thank all members who participated in your committee's proceedings and for their contributions.

Your committee currently consists of the following members:

Chair:		Mr. Glenn Hagel	MLA Moose Jaw North
Deputy Chair:		Mr. Dan D'Autremont	MLA Cannington
Other members:		Hon. Graham Addley	MLA Saskatoon Sutherland
		Mr. Dustin Duncan	MLA Weyburn Big Muddy
		Ms. Donna Harpauer	MLA Humboldt
		Hon. Sandra Morin	MLA Regina Walsh Acres
		Hon. Mark Wartman	MLA Regina Qu'Appelle Valley

Your committee would also like to thank the support provided to the committee by the Provincial Auditor's office and the Legislative Assembly Service. A list of individuals from the Provincial Auditor's office who appeared before your committee can be found in the Appendix.

II. ANNUAL REPORTS

Your committee has duly examined the annual reports and financial statements of various Crown corporations and related entities, as referred to it from time to time by the Assembly. The following tables outline the status of the work of your committee. Your committee reviewed a number of annual reports. The following tables outline the status of your committee's reviews: Table 1 outlines those that have been considered and concluded; Table 2 the reviews that have not been concluded; Table 3 the reports to be considered; Table 4 the reports your committee did not wish to review and Table 5 the non-CIC Crown Corporations that your committee reviewed.

A. Annual Reports considered

Your committee has concluded consideration of 16 annual reports, as noted in Table 1.

Table 1 – Crown Corporation annual reports considered and concluded

<i>Crown Corporation Annual Reports Considered</i>	<i>Date(s) Considered</i>	<i>Date Concluded</i>
Crown Investments Corporation of Saskatchewan and related entities 2004	September 29, 2005; October 5, 2005; October 6, 2005; November 14, 2006; January 9, 2007	January 9, 2007
Crown Investments Corporation of Saskatchewan and related entities 2005	November 14, 2006; January 9, 2007;	January 9, 2007
Information Services Corporation of Saskatchewan 2004	May 12, 2005; January 9, 2007	January 9, 2007
Information Services Corporation of Saskatchewan 2005	January 9, 2007;	January 9, 2007
Investment Saskatchewan and related entities 2004	April 19, 2006; January 11, 2007; March 20, 2007	March 20, 2007
Saskatchewan Government Insurance and related entities 2004	March 22, 2006; March 13, 2007;	March 13, 2007
Saskatchewan Government Insurance and related entities 2005	March 13, 2007; May 1, 2007; August 23, 2007	August 23, 2007
Saskatchewan Opportunities Corporation and related entities 2004	March 20, 2007	March 20, 2007
Saskatchewan Opportunities Corporation and related entities 2005	March 20, 2007	March 20, 2007
Saskatchewan Power Corporation and related entities 2004	January 10, 2007	January 10, 2007
Saskatchewan Power Corporation and related entities 2005	January 10, 2007; May 1, 2007	May 1, 2007
Saskatchewan Transportation Company 2004	January 10, 2007	January 10, 2007

**Table 1 – Crown Corporation annual reports considered and concluded
(continued)**

<i>Crown Corporation Annual Reports Considered</i>	<i>Date(s) Considered</i>	<i>Date Concluded</i>
Saskatchewan Transportation Company 2005	January 10, 2007	January 10, 2007
Saskatchewan Water Corporation 2004	October 6, 2005; March 22, 2006; August 21, 2007	August 21, 2007
SaskEnergy Incorporated and related entities 2004	August 21, 2007	August 21, 2007
Investment Saskatchewan and related entities 2005	January 11, 2007; March 20, 2007	March 20, 2007

Your committee has considered a number of annual reports that have not been completed. Table 2 details the two annual reports that have been considered but have not been completed. Your committee plans to complete the review of these annual reports.

Table 2 – Crown Corporation annual reports considered but not concluded

<i>Crown Corporation Annual Reports Considered</i>	<i>Date(s) Considered</i>
Saskatchewan Telecommunications Holding Corporation and related entities 2004	November 29, 2006
Saskatchewan Telecommunications Holding Corporation and related entities 2005	November 29, 2006

As mandated by the new rules, your committee reviewed the annual reports of two agencies that relate to gaming. This was the first time your committee reviewed separately the annual report of a corporation or agency that was not a CIC Crown Corporation. The reports that were considered are outlined in Table 3.

Table 3 – Other annual reports considered

<i>Annual Reports Considered</i>	<i>Date Considered</i>
Liquor and Gaming Authority 2004/05	October 5, 2005
Saskatchewan Gaming Corporation 2004/05	August 22, 2007
Saskatchewan Gaming Corporation 2005/06	August 22, 2007

Further to this, your committee would like to note that on May 17, 2007, the Assembly passed *The Saskatchewan Gaming Corporation Amendment Act, 2007* which allows the Saskatchewan Gaming Corporation to become a CIC Crown Corporation. Your committee looks forward to the added responsibility of not only reviewing the annual reports of the corporation but also the Provincial Auditor chapters relating to this new CIC Crown Corporation.

B. Annual reports not considered

Your committee has not considered the annual reports outlined in Table 4. These reports remain outstanding and your committee plans to consider these reports in the future.

Table 4 – Crown Corporation annual reports to be considered

Crown Investments Corporation and related entities 2006
Information Services Corporation 2006
Investment Saskatchewan and related entities 2005
Investment Saskatchewan and related entities 2006
Saskatchewan Government Insurance and related entities 2006
Saskatchewan Opportunities Corporation and related entities 2006
Saskatchewan Power Corporation and related entities 2006
Saskatchewan Telecommunications Holding Corporation and related entities 2006
Saskatchewan Transportation Company 2006
Saskatchewan Water Corporation 2005
Saskatchewan Water Corporation 2006
SaskEnergy Incorporated and related entities 2005
SaskEnergy Incorporated and related entities 2006

Given your committee's workload and mandate, your committee did not wish to review the annual reports of the CIC Crown Corporations found in Table 4.

Table 5 – Crown Corporation annual reports chosen to not be reviewed

Saskatchewan Government Growth Fund Management Corporation 2004, 2005, 2006
Saskatchewan Government Growth Fund II Ltd. 2004, 2005, 2006
Saskatchewan Government Growth Fund III Ltd. 2004, 2005, 2006
Saskatchewan Government Growth Fund IV Ltd. 2004, 2005, 2006
Saskatchewan Government Growth Fund V (1997) Ltd. 2004, 2005, 2006
Saskatchewan Government Growth Fund VI Ltd. 2004, 2005, 2006
Saskatchewan Government Growth Fund VII Ltd. 2004, 2005, 2006
Saskatchewan Government Growth Fund VIII Ltd. 2004, 2005, 2006
Saskatchewan Development Fund Corporation 2004, 2005, 2006

III. PROVINCIAL AUDITOR REPORTS

Your committee considered a number of chapters in the Provincial Auditor Reports that relate to CIC Crown Corporations. Table 6 and 7 outline the chapters that the committee has reviewed or needs to review followed by the detailed decisions of your committee.

A. Reports and chapters considered

Table 6 – Provincial Auditor Reports considered

Report of the Provincial Auditor	Date considered
<i>Report to the Standing Committee on Crown and Central Agencies regarding the disclosure of payee information (October 2004)</i>	September 29, 2005
2004 Report of the Provincial Auditor (Volume 1) Chapter 2 – Information Services Corporation of Saskatchewan Chapter 3 – SaskEnergy Incorporated Chapter 4 – Saskatchewan Power Corporation Chapter 5 – Saskatchewan Telecommunications Holding Corporation Chapter 6 – Saskatchewan Government Insurance Chapter 8 – Standing Committee on Crown Corporations	January 9, 2007 August 21, 2007 January 10, 2007 November 14, 2006 November 29, 2006 March 13, 2007 September 29, 2005
2004 Report of the Provincial Auditor (Volume 3) Chapter 19 – Crown Investments Corporation	September 29, 2005
2005 Report of the Provincial Auditor (Volume 1) Chapter 12 – Crown Investments Corporation Chapter 13 – Saskatchewan Telecommunications Holding Corporation Chapter 14 – Information Services Corporation Chapter 15 – Standing Committee on Crown and Central Agencies	September 29, 2005 November 14, 2006 November 29, 2006 January 9, 2007 September 29, 2005
2006 Report of the Provincial Auditor (Volume 1) Chapter 9 – Saskatchewan Power Corporation Chapter 10 – Saskatchewan Telecommunications Holding Corporation Chapter 11 – Saskatchewan Government Insurance Chapter 13 – Saskatchewan Opportunities Corporation	January 10, 2007 November 14, 2006 November 29, 2006 March 13, 2007 March 20, 2007
2006 Report of the Provincial Auditor (Volume 3) Chapter 12 – Saskatchewan Power Corporation	May 1, 2007
2007 Report of the Provincial Auditor (Volume 1) Chapter 10 – Saskatchewan Government Insurance	August 23, 2007

B. Reports and chapters to be considered

Your committee has not considered the chapters of the Provincial Auditor reports found in Table 7. Your committee plans to review these chapters in the upcoming months.

Table 7 – Provincial Auditor Reports to be considered

Report of the Provincial Auditor
2006 Report of the Provincial Auditor (Volume 1) Chapter 12 – Saskatchewan Water Corporation Chapter 14 – Standing Committee on Crown and Central Agencies
2007 Report of the Provincial Auditor (Volume 1) Chapter 11 – Saskatchewan Telecommunications Holding Corporation Chapter 12 – Saskatchewan Transportation Company Chapter 13 – Standing Committee on Crown and Central Agencies

C. Committee decisions

Your committee is pleased to report that the following sections outline the decisions made with respect to recommendations found in the Reports of the Provincial Auditor.

1. 2004 Report Regarding Disclosure of Payee Information

Employee pay and expenses

Your committee considered recommendation one. The Provincial Auditor recommended that *the Committee either confirm that the disclosure of out-of-province travel expenses for executive and senior management employees meets the Committee's requirements or clarify its interpretation of "other expenses"*.

The committee agreed to a new recommendation and passed the following motion:

That for the purpose of the payee disclosure policy, employee remuneration includes the following payments for salaries, wages, bonuses, payments in lieu of notice, vacation payouts and other taxable benefits paid to employees;

And further, that the disclosure of out-of-province travel expenses for executive and senior management meets the committee's requirement/definition for disclosure of other expenses.

Detailed support for exclusions is needed

Your committee considered recommendation two. The Provincial Auditor recommended that *in the future, Crown corporations assemble and give our Office sufficient convincing evidence to demonstrate the relationship between disclosing the payee information and harm it would cause for each undisclosed payee. Alternatively, Crown corporations should disclose this payee information to the Committee.*

Your committee agreed by motion to the following new recommendation:

That the payee disclosure policy does not apply to the following:

Payments made to or on behalf of SGI claimants;

Payments made to SGI reinsurers or reinsurance brokers;

Payments made pursuant to SaskPower power purchase contracts or power agreements;

Payments made pursuant to SaskEnergy gas supply contracts;

Payments made pursuant to arrangements with SGI brokers, SaskTel dealers

And that, the Crown corporations assemble appropriate sufficient documentation to support individual payee exemptions.

Exhibit – Crown Corporation Payee Disclosure Policy

Your committee considered the Exhibit – Crown Corporations Payee Disclosure Policy. In June 2003 the Assembly agreed with the Standing Committee on Crown Corporations' recommendation on the payee information that CIC Crown Corporations and related agencies need to publicly disclose to the committee.

Your committee has amended this recommendation. The committee adopted the following motion:

That the clause "Payments to Consultants" be deleted;

And that, the following words be added after the words "goods and services" in the clause "Suppliers and Other Payments":

"including consulting services"

The new recommendation is as follows:

- Board expenses
A list of amounts paid to and on behalf of each person on the board of a Crown corporation including base retainer, all other remuneration and benefits, and out-of-province travel costs.
- Ministerial expenses
Out-of-province travel expenses for the Minister(s) and ministerial staff undertaken on behalf of the Crown corporation.
- Employee remuneration
A list of all employees and the amounts they were paid for salaries, and other expenses with minimum threshold of \$50,000
- Grants, contributions, donations, and sponsorships
A list of all grants, contributions, donations, and sponsorships with a minimum threshold of \$5,000
- Supplier and other payments
A list of payments for goods and services including consulting services with a minimum threshold of \$50,000, except those items and categories where:
 - 1) there is legitimate need to protect commercially sensitive information

- 2) disclosure could reasonably be expected to prejudice the competitive position of, or interfere with the contractual obligations of the Crown corporation or a third party
- 3) disclosure is prohibited by law, including the provisions of *The Freedom of Information and Protection of Privacy Act*.

2. Crown Investments Corporation

a. Chapter 19 - 2004 Report of the Provincial Auditor (Volume 3)

Your committee considered the eight recommendations contained in Chapter 19 of the *2004 Report of the Provincial Auditor (Volume 3)*. These recommendations are as follows:

Findings – payments to board members

Your committee concurred with recommendation 19-1 that *SaskPower document the prior approval of board members to attend business or social functions on behalf of the corporation*. Your committee noted compliance with the recommendation.

Findings – payments to executives

Your committee concurred with recommendation 19-2 that *SaskEnergy's board approve all executive pay and benefits policies*. Your committee noted that the corporation is making progress towards complying with the recommendation.

Your committee concurred with recommendation 19-3 that *SaskEnergy's board receive adequate reports about executive pay, benefits, and expenses so it can effectively oversee these costs*. Your committee noted that the corporation is making progress towards complying with the recommendation.

Your committee concurred with recommendation 19-4 that *SaskEnergy improve its processes to ensure it has proper support for all expense payments, including the documentation that they are for business purposes*. Your committee noted that the corporation is making progress towards complying with the recommendation.

Sponsorships

Your committee concurred with recommendation 19-5 that *SaskEnergy should document who is authorized to approve sponsorships and promotion activities and for what amounts and communicate that to its staff*. Your committee noted that the corporation is making progress towards complying with the recommendation.

Your committee concurred with recommendation 19-6 that *SaskEnergy require its staff to keep records of who receives event tickets and why*. Your committee noted that the corporation is making progress towards complying with the recommendation.

Your committee concurred with recommendation 19-7 that *SaskEnergy establish written guidelines for allowable entertainment expenses and communicate those guidelines*. Your committee noted that the corporation is making progress towards complying with the recommendation.

Your committee concurred with recommendation 19-8 that *SaskEnergy review its policies for sponsored events and other charitable activities, and update them where appropriate*. Your committee noted that the corporation is making progress towards complying with the recommendation.

b. Chapter 12 - 2005 Report of the Provincial Auditor (Volume 1)

Capital Pension Plan

Your committee considered the performance reports by CIC Crown Corporations. Your committee concurred with recommendation 12-1 that the *Capital Pension Plan Board (a) develop and implement strategic plans that include the goals and objectives of the Plan, a summary of the risks faced by the Plan and its members, and key strategies to manage those risks (b) clearly set out the specific responsibilities of the Board including a clear delegation of authority and an education plan for board members and management (c) define and communicate the financial and operational information that the Board needs to oversee the Plan (d) develop and implement written communication plans (e) establish policies for periodic governance self-assessment*. Your committee noted that the Capital Pension Plan Board is making progress towards complying with the recommendation.

3. Information Services Corporation of Saskatchewan

a. Chapter 2 - 2004 Report of the Provincial Auditor (Volume 1)

Your committee wishes to report that Information Services Corporation has complied with the three recommendations found in this chapter.

Performance Information

Your committee concurred with recommendation 2-1 that *ISC clearly define, document, and communicate its performance measures to staff involved in collecting, processing, and reporting the performance information, and set quantified performance targets and establish systems to collect, process, and report the performance information early in the reporting process*. Your committee noted compliance with the recommendation.

Your committee concurred with recommendation 2-2 that *ISC introduce new performance measures and targets to replace outdated ones*. Your committee noted compliance with the recommendation.

Your committee concurred and noted compliance with recommendation 2-3 that *ISC use its internal auditor to review the performance measuring systems and verify the results*. Your committee noted compliance with the recommendation.

b. Chapter 14 - 2005 Report of the Provincial Auditor (Volume 1)

Your committee concurred with recommendation 14-1 that *Information Services Corporation test its business continuity and disaster recovery plans*. Your committee noted compliance with the recommendation.

4. Saskatchewan Government Insurance

a. Chapter 6 - 2004 Report of the Provincial Auditor (Volume 1)

Broker management

Your committee reports that this chapter was reviewed and noted the issue has been resolved.

b. Chapter 11 - 2006 Report of the Provincial Auditor (Volume 1)

Controls need strengthening over claims under agents' administration

Your committee concurred and noted compliance with the recommendation 11-1 that *Coachman Insurance Company improve its processes to properly examine and assess claims that are under agents' administration*.

c. Chapter 10 - 2007 Report of the Provincial Auditor (Volume 1)

Saskatchewan AutoFund Redevelopment Project – Tracking and reporting on the realization of the project's benefits

Your committee concurred with recommendation 10-1 that *Saskatchewan Government Insurance have processes to monitor the benefits it expects from the Saskatchewan Auto Fund Redevelopment Project*. Your committee noted that Saskatchewan Government Insurance is making progress towards compliance with the recommendation.

Project management practices

Your committee concurred with recommendation 10-2 that *the Saskatchewan Redevelopment Project, Saskatchewan Government Insurance document its: risks and strategies to manage the risks; strategy to plan, test and implement adequate security; communication strategy for keeping stakeholders adequately informed about the project*. Your committee noted that Saskatchewan Government Insurance is making progress towards compliance with the recommendation.

5. Saskatchewan Opportunities Corporation

a. Chapter 13 – 2006 Report of the Provincial Auditor (Volume 1)

Financial reporting needs improvement

Your committee concurred and noted compliance with recommendation 13-1 that *Saskatchewan Opportunities Corporation establish written processes to ensure all construction project costs are properly recorded.*

6. Saskatchewan Power Corporation

a. Chapter 4 - 2004 Report of the Provincial Auditor (Volume 1)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations to report on.

b. Chapter 9 - 2006 Report of the Provincial Auditor (Volume 1)

Identify infrastructure needs over near, medium and long term

Your committee concurred with recommendation 9-1 that *SaskPower expand its risk management framework to include risks related to electricity generation.*

Your committee concurred with recommendation 9-2 that *SaskPower document its procedures for preparing its analysis of electricity needs and its ability to meet those needs.*

Set strategies to manage infrastructure

Your committee concurred with recommendation 9-3 that *SaskPower use its new strategic plan to assess alternative strategies that address identified infrastructure needs.*

Your committee concurred with recommendation 9-4 that *SaskPower document the nature and extent of specific infrastructure risks that it accepts when it approves projects.*

c. Chapter 12 - 2006 Report of the Provincial Auditor (Volume 3)

Supervision of and direction to staff

Your committee concurred with recommendation 12-1 that *Saskatchewan Power Corporation educate its staff on the following: the importance of the controls necessary to safeguard public resources to increase their understanding of the purpose of these processes, the importance of signing officers' role to verify the receipt of goods and services and invoices (including procurement purchases and employee expense claims) against supporting documents prior to granting their approval. The warning signs that may indicate fraud and error and of the employees' duty to bring that information forward.* Your committee noted progress towards complying with the recommendation.

Segregation of duties

Your committee concurred and noted progress with recommendation 12-2 that *Saskatchewan Power Corporation require work units, when substantially changing an employee's duties, to assess and document for management's approval changes in assigned duties that increase the risk of fraud and error, and the procedures they will use to compensate.* Your committee noted progress towards complying with the recommendation.

7. Saskatchewan Telecommunications Holding Corporation

Your committee wishes to report that it concurs with the Provincial Auditor's recommendations that were reviewed by your committee relating to Saskatchewan Telecommunications Holding Corporation.

a. Chapter 5 - 2004 Report of the Provincial Auditor (Volume 1)

Assessing governance

Your committee concurred with recommendation 5-1 that *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.*

Your committee concurred with recommendation 5-2 that to improve how it assesses the effectiveness of the boards of companies it owns and controls *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.*

b. Chapter 13 - 2005 Report of the Provincial Auditor (Volume 1)

Progress in communicating governance expectations

Your committee concurred with recommendation 13-1 that to improve its processes to communicate governance expectations to companies it owns and controls, that SaskTel: *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.*

Your committee concurred with recommendation 13-2 that to improve how it assesses the effectiveness of the boards of companies it owns and controls, that SaskTel: *document the governance risks and identify levels of governance risk*

that are acceptable for each company; require each company to provide the SaskTel Board with its evaluation of its board.

c. Chapter 10 - 2006 Report of the Provincial Auditor (Volume 1)

Navigata Communications Partnership - Timely reconciliations required

Your committee concurred recommendation 10-1 that Navigata Communications Partnership follow its established procedures to check the completeness of revenue and the accuracy of its financial records.

Navigata Communications Partnership – computer security policies and procedures required

Your committee concurred with recommendation 10-2 that Navigata Communications Partnership establish computer security policies and procedures.

Navigata Communications Inc. Pension Plan – monitoring of pension plan required

Your committee concurred with recommendation 10-3 that Navigata Communications Partnership ensure the Pension Committee monitors the Navigata Communications Inc. Pension Plan in accordance with the Plan Text.

Your committee concurred with recommendation 10-4 that Navigata Communications Partnership prepare and implement policies and procedures to monitor the administrative activities of the Navigata Communications Inc. Pension Plan.

8. SaskEnergy Incorporated

a. Chapter 3 - 2004 Report of the Provincial Auditor (Volume 1)

Assessment of System implementation

Your committee concurred with recommendation 3-1 that SaskEnergy clearly establish the baseline data needed to measure the benefits; clearly define its benefits realization reporting strategy including its processes to verify the benefits achieved; and report to its Board on the benefits realized including written explanations of the differences between the planned and actual results. Your committee noted that SaskEnergy Incorporated has complied with the recommendation.

(Also see page 9 of this report).

9. Standing Committee on Crown and Central Agencies

From time to time your committee reviews the status of outstanding recommendations that have not been complied with by CIC Crown Corporations. Your committee reviewed the following outstanding recommendations:

a. Chapter 15 - 2005 Report of the Provincial Auditor (Volume 1)

Outstanding recommendations

Your committee considered outstanding recommendation 11.1 that *the Government should clarify the law to require CIC and its Crown corporations to obtain Order in Council approval before purchasing or selling real property through a subsidiary*. Your committee continued to concur with the recommendation and noted progress towards complying with the recommendation.

Your committee considered outstanding recommendation 11.4 that *the Government should change current laws to: require subsidiaries of Crown corporations to obtain an Order in Council before purchasing shares; and require Crown corporations and their subsidiaries to report the sale of shares of shares to the Crown Corporations Committee within 90 days of the transaction date*. Your committee continued to concur with the recommendation and noted progress towards complying with the recommendation.

Your committee considered outstanding recommendation 1.2 that *SaskPower should establish policies to support a long-term continuous process improvement plan that includes training and support plans for its employees*. Your committee continued to concur with the recommendation and noted progress towards complying with the recommendation.

Your committee considered outstanding recommendation 1.3 that *SaskPower should provide its Board of Directors with independent advice on benefit targets and measures, the effectiveness of the new work processes, and on the reliability of key reports*. Your committee continued to concur with the outstanding recommendation and noted that SaskPower has complied with the recommendation.

In addition, your committee considered the three outstanding recommendations made by the Standing Committee on Crown Corporations found in the 3rd Report (December 9, 2002).

Your committee considered the outstanding recommendation 7.1 that your committee made on September 17, 2004 that *CIC should review the limits over which CIC and its subsidiaries must get Order in Council approval to buy and sell real property, either directly or through a subsidiary, and CIC should seek legal changes where appropriate*. Your committee continued to concur with the outstanding recommendation and noted progress towards complying with the recommendation.

APPENDIX

Provincial Auditor's Office

Fred Wendel, Provincial Auditor
Mobashar Ahmad, Deputy Provincial Auditor
Judy Ferguson, Deputy Provincial Auditor
Mike Heffernan, Deputy Provincial Auditor
Ed Montgomery, Deputy Provincial Auditor
Mark Anderson, Principal
Kelly Deis, Principal
Rod Grabarczyk, Principal
Andrew Martens, Principal
Glen Nyhus, Principal
Carolyn O'Quinn, Principal
Rosemarie Volk, Principal
Bill Harasymchuk, Manager
Jason Duran, Information Technology Auditor

Private Auditors

Diana Adams, KPMG
John Aiken, Deloitte and Touche
Brian Drayton, Meyer Norris Penny
Mark Lang, KPMG
Tom Robinson, KPMG
Mathew Stockan, KPMG
Bob Watt, Deloitte and Touche
Colin Woloshyn, KPMG
Bruce Willis, KPMG
Jamie Wilson, KPMG

Witnesses
(for the review of Annual Reports and Provincial Auditor's Reports)

Crown Investments Corporation

Hon. Pat Atkinson, Minister
Hon. Maynard Sonntag, Minister
Ron Styles, President and Chief Executive Officer
Tom Waller, President and Chief Executive Officer
Perry Bellegarde, Vice President, Labour and Aboriginal Initiatives
Blair Swystun, Vice President and Chief Financial Officer
Doug Kosloski, General Counsel & Corporate Secretary
Kathryn Buitenhuis, Acting Senior Vice-President, Crown Corporation Services
John Amundson, Corporate Controller
Karen Schmidt, Executive Director, Communications
Kathie Maher-Wolbaum, Special Advisor, Government Relations

Information Services Corporation

Hon. Eric Cline, Minister
Mark MacLeod, President and Chief Executive Officer
Bev Bradshaw, Chief Governance Officer and Acting Chief Financial Officer
Catherine Benning, Registrar, Corporate Governance
Ed Desnoyers, Controller, Surveys, Corporate Governance
Wayne Adams, Director, Strategy, Geomatics
Karen Banks, Director, Property Registry
Grant Bastedo, Director, Public Affairs
Kathy Hillman-Weir, Director, Corporate Governance and General Counsel

Investment Saskatchewan

Hon. Eric Cline, Minister
Janet Wightman, President and Chief Executive Officer
(and President Victoria Park Capital Inc.)
Cliff Baylak, Managing Director
Laurie Powers, Chief Financial Officer
Heather Forbes, Director, Investments
Guy Roy, Director, Investments
Heather Collins, Manager, Investments
Ladette Fuchs, Manager, Corporate Services
Board of Directors
Don Black, Board Member
Don Wilson, Corporate Secretary

Saskatchewan Government Insurance

Hon. Glenn Hagel, Minister
Hon. Maynard Sonntag, Minister
Hon. Harry Van Mulligen, Minister
Larry Fogg, President and Chief Executive Officer
Jon Schubert, President and Chief Executive Officer
John Dobie, Vice President, Finance
Earl Cameron Vice President, Claims and Salvage
Dwain Wells, Vice President, Systems and Facilities
Sherry Wolf, Vice President, Saskatchewan Auto Fund
Maureen MacCuish, Assistant Vice President, Communications
Don Thompson, Chief Financial Officer
Betty Weigel, Manager, Business Affairs and Corporate Secretary

Saskatchewan Opportunities Corporation

Hon. Eric Cline, Minister
Charlene Callander, Vice President and Chief Financial Officer, Innovation Place
Ken Loeppky, Vice President, Research Park Operations, Innovation Place

Saskatchewan Power Corporation

Hon. Frank Quennell, Minister
Pat Youzwa, President and Chief Executive Officer
Bill (William) Jones, Vice President and Chief Financial Officer, Corporate and Financial Services
Rick Patrick, Vice President, Planning, Environment and Regulatory Affairs
Keith Moen, Communication Planning Manager

Saskatchewan Telecommunications Holding Corporation

Hon. Deb Higgins, Minister
Hon. Maynard Sonntag, Minister
Robert Watson, President and Chief Executive Officer
Diana Milenkovic, Senior Vice President, Customer Service Operations and Mobility and Senior Vice President, Marketing and Service Development
Mike Anderson, Vice President, Marketing and Chief Financial Officer
Doug Burnett, Vice President Human Resources and Industrial Relations
John Meldrum, Vice President, Corporate Counsel and Regulatory Affairs and Chief Privacy Officer
Randy Stephenson, Chief Financial Officer
Kym Wittal, Chief Technology Officer
Darcee MacFarlane, General Manager, Corporate Affairs
Beverly Toderian, Senior Business Planner and Manager, Finance
Dale Baron, Controller
Michelle Englot, Manager, Corporate Affairs

Saskatchewan Transportation Company

Hon. Eldon Lautermilch, Minister

Ray Clayton, President and Chief Executive Officer

Shawn Grice, Chief Financial Officer, Senior Director, Finance and Administration

John Millar, Director, Strategic Planning and Communications

Dean Madsen, Manager, Business Development and Operations (South)

Saskatchewan Water Corporation

Hon. David Forbes, Minister

Hon. Peter Prebble, Minister

Stuart Kramer, President

Greg Argue, Vice President, Marketing and Business Development

Mart Cram, Vice President, Operations

Denise Soar, Vice President, Corporate and Human Services and Manager, Financial Planning, Crown Investments Corporation

Bob Wheatley, Vice President, Engineering

Monty Gendall, General Counsel

Susan Ross, General Counsel

Margaret Anderson, Executive Director Corporate and Human Services

Terry Hymers, Director, Financial Services

Dan Bollinger, Manager, Financial Services

Jim Warren, Manager, Corporate Communication

Kathie Maher-Wolbaum, Special Advisor, Government Relations, Crown Investments Corporation

SaskEnergy Incorporated

Hon. Pat Atkinson, Minister

Hon. Harry Van Mulligen, Minister

Doug Kelln, President and Chief Executive Officer

Dean Reeve, Executive Vice President, SaskEnergy & TransGas

Ken From, Senior Vice President, Gas Supply

Greg Mrazek, Vice President, Finance & Admin and Chief Financial Officer

Mark Guillet, Vice President, General Counsel & Corporate Secretary

Daryl Posehn, Vice President, TransGas

Ron Podbielski, Executive Director, Corporate Affairs