

**STANDING COMMITTEE ON CROWN AND
CENTRAL AGENCIES**



**SIXTH REPORT
OF THE
TWENTY-NINTH LEGISLATURE**

March 21, 2023
LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Legislative Assembly of Saskatchewan

Standing Committee on
Crown and Central Agencies



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March 21, 2023

To the Honourable Members of the Legislative Assembly:

HONOURABLE MEMBERS:

I have the pleasure to present the sixth report of the Standing Committee on Crown and Central Agencies for the twenty-ninth legislature. The committee is authorized by the Assembly to examine matters related to the Crown Investments Corporation of Saskatchewan and its subsidiaries, central government agencies, liquor, gaming, and all other revenue-related agencies and entities. The Assembly also periodically refers the regulations and bylaws of professional associations to the committee for review. Reports of the Provincial Auditor related to Crown Investments Corporation of Saskatchewan and its subsidiaries are permanently committed to the committee.

This report details the work of the Standing Committee on Crown and Central Agencies for the period November 17, 2021 to March 21, 2023. During this time, the committee reviewed 24 reports and financial statements released by Crown corporations and related entities and reviewed six chapters in two Provincial Auditor report volumes. The committee also made a number of decisions based on recommendations put forward by the Provincial Auditor. Additionally, the committee passed a motion requiring that status updates in regard to Provincial Auditor recommendations be provided to the committee three business days prior to a CCA meeting rather than 48 hours prior, and that the *CCA Status Update Guide for Officials* be updated to reflect this change in process.

Respectfully submitted on behalf of the committee,

Fred Bradshaw
Chair
MLA, Carrot River Valley

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Composition of Committee

Fred Bradshaw, Chair
Carrot River Valley

Nathaniel Teed, Deputy Chair
Saskatoon Meewasin

Steven Bonk
Moosomin

Ken Cheveldayoff
Saskatoon Willowgrove

Greg Lawrence
Moose Jaw Wakamow

Tim McLeod
Moose Jaw North

Doug Steele
Cypress Hills

Introduction

The Standing Committee on Crown and Central Agencies considers matters pertaining to Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries, central government agencies, liquor, gaming, and all other revenue-related agencies and entities. Annual reports and financial statements, and reports of the Provincial Auditor related to CIC and its subsidiaries are permanently committed to the Standing Committee on Crown and Central Agencies for review. This report focuses primarily on the committee's scrutiny role in its review of annual reports, financial statements, and Provincial Auditor reports for the period November 17, 2021 to March 21, 2023.

Committee Membership

The work of the committee would not have been possible without the service of its members. On November 17, 2021, the membership of the committee was comprised of Terry Dennis, Chair; Erika Ritchie, Deputy Chair; Steven Bonk; Daryl Harrison; Terry Jenson; Greg Lawrence; and Dana Skoropad.

On June 21, 2022, the Standing Committee on House Services passed the following motion to change the membership of the Standing Committee on Crown and Central Agencies:

That the names of Fred Bradshaw, Ken Cheveldayoff, Mark Docherty, and Doug Steele be substituted for the names of Terry Dennis, Daryl Harrison, Terry Jenson, and Dana Skoropad on the Standing Committee on Crown and Central Agencies.

On the same day, the Standing Committee on Crown and Central Agencies met and elected Fred Bradshaw as Chair.

The Standing Committee on House Services again changed the membership of the Standing Committee on Crown and Central Agencies on November 1, 2022, substituting the name of Nathaniel Teed for Erika Ritchie. The Standing Committee on Crown and Central Agencies met on the same day to elect a Deputy Chair. As Mr. Teed was the only opposition member on the committee, he was elected to preside as Deputy Chair pursuant to rule 123(2).

After the resignation of Mark Docherty as MLA on February 10, 2023, the Legislative Assembly adopted a motion that the name of Tim McLeod be added to the committee membership.

The current composition of the committee is Fred Bradshaw, Chair; Nathaniel Teed, Deputy Chair; Steven Bonk; Ken Cheveldayoff; Greg Lawrence; Tim McLeod; and Doug Steele.

Acknowledgments

The committee wishes to thank all members who participated in committee proceedings for their contributions, as well as staff from the Office of the Provincial Auditor, the Legislative Assembly Service, and the many witnesses who appeared before the committee. A list of officials and witnesses is attached to this report as an appendix.

Review of Reports and Financial Statements

The committee examines the reports and financial statements of all (CIC) Crown corporations, their subsidiaries, and revenue-related entities. Table 1 lists the reports and financial statements that have been considered and concluded by the committee since November 17, 2021. At this time, there are no outstanding reports or financial statements for the committee to consider.

Saskatchewan Opportunities Corporation (SOCO) was transferred to Innovation Saskatchewan effective April 1, 2022. As a result, the review of SOCO annual reports and financial statements is now under the purview of the Standing Committee on the Economy. An addendum to the 2020–21 SOCO report had been filed with the Standing Committee on Crown and Central Agencies prior to the transfer, and as the committee had already considered and concluded that annual report as a part of its business, the consideration and conclusion of the addendum was the final item of business from SOCO to be considered by the Standing Committee on Crown and Central Agencies.

Table 1 — Annual Reports and Financial Statements Considered

Crown Investments Corporation of Saskatchewan	Sessional Paper No.	Date Tabled	Date(s) Considered	Date Concluded
Crown Investments Corporation of Saskatchewan: 2021–22 CIC and subsidiary Crowns payee disclosure report	Tabled in CCA (CCA 22-29)	1 Nov. 2022	10 Nov. 2022	10 Nov. 2022
Capital Pension Plan: 2021–22 annual report	209	7 Jul. 2022	10 Nov. 2022	10 Nov. 2022
Crown Investments Corporation of Saskatchewan: 2021–22 annual report	210	7 Jul. 2022	10 Nov. 2022	10 Nov. 2022
Crown Investments Corporation of Saskatchewan: CIC Asset Management Inc. financial statements for the year ended March 31, 2022	211	7 Jul. 2022	10 Nov. 2022	10 Nov. 2022
Crown Investments Corporation of Saskatchewan: 2020–21 CIC and subsidiary Crowns payee disclosure report	Tabled in CCA (CCA 14-29)	16 Nov. 2021	10 Nov. 2022	10 Nov. 2022
Saskatchewan Gaming Corporation				
Saskatchewan Gaming Corporation: <ul style="list-style-type: none"> • 2021–22 annual report • SGC Holdings Inc. financial statements for the year ended March 31, 2022 	193	4 Jul. 2022	10 Nov. 2022	10 Nov. 2022

Saskatchewan Government Insurance				
Saskatchewan Government Insurance Superannuation Plan: 2021 annual report	151	27 Apr. 2022	13 Dec. 2022	13 Dec. 2022
Saskatchewan Auto Fund: 2021–22 annual report	194	5 Jul. 2022	13 Dec. 2022	13 Dec. 2022
SGI Canada: 2021–22 annual report	195	5 Jul. 2022	13 Dec. 2022	13 Dec. 2022
SGI Canada Insurance Services Ltd.: 2021 annual report	196	5 Jul. 2022	13 Dec. 2022	13 Dec. 2022
Coachman Insurance Company: 2021 annual report	197	5 Jul. 2022	13 Dec. 2022	13 Dec. 2022
Saskatchewan Opportunities Corporation				
Saskatchewan Opportunities Corporation: 2020–21 annual report addendum	159 (29-1)*	30 Sep. 2021	13 Dec. 2022	13 Dec. 2022
Saskatchewan Power Corporation				
Saskatchewan Power Corporation: 2021–22 annual report	200	6 Jul. 2022	20 Dec. 2022	20 Dec. 2022
Power Corporation Superannuation Plan: 2021 annual report	201	6 Jul. 2022	20 Dec. 2022	20 Dec. 2022
NorthPoint Energy Solutions Inc.: 2021–22 financial statements	202	6 Jul. 2022	20 Dec. 2022	20 Dec. 2022
Saskatchewan Telecommunications Holding Corporation				
SaskTel: 2021–22 annual report	203	7 Jul. 2022	20 Dec. 2022	20 Dec. 2022
Saskatchewan Telecommunications: Financial statements for the year ended March 31, 2022	204	7 Jul. 2022	20 Dec. 2022	20 Dec. 2022
Saskatchewan Telecommunications International Inc.: Financial statements for the year ended March 31, 2022	205	7 Jul. 2022	20 Dec. 2022	20 Dec. 2022

*Saskatchewan Opportunities Corporation: 2020–21 annual report was tabled as sessional paper no. 159 on September 30, 2021, in the first session of the twenty-ninth legislature. Accordingly, the addendum was filed as part of the same sessional paper when it was tabled in the second session of the twenty-ninth legislature.

Saskatchewan Telecommunications Holding Corporation continued	Sessional Paper No.	Date Tabled	Date(s) Considered	Date Concluded
DirectWest Corporation: Financial statements for the year ended March 31, 2022	206	7 Jul. 2022	20 Dec. 2022	20 Dec. 2022
SecurTek Monitoring Solutions Inc.: Financial statements for the year ended March 31, 2022	207	7 Jul. 2022	20 Dec. 2022	20 Dec. 2022
Saskatchewan Telecommunications Pension Plan: Annual report for the year ended March 31, 2022	208	7 Jul. 2022	20 Dec. 2022	20 Dec. 2022
Saskatchewan Water Corporation				
Saskatchewan Water Corporation: 2021–22 annual report	192	4 Jul. 2022	10 Nov. 2022	10 Nov. 2022
SaskEnergy Incorporated				
SaskEnergy: 2021–22 annual report	198	6 Jul. 2022	20 Dec. 2022	20 Dec. 2022
SaskEnergy: 2021–22 SaskEnergy Incorporated and subsidiaries financial statements <ul style="list-style-type: none"> • SaskEnergy Incorporated • TransGas Limited • Bayhurst Gas 	199	6 Jul. 2022	20 Dec. 2022	20 Dec. 2022

Review of Provincial Auditor Reports

The Standing Committee on Crown and Central Agencies considered six chapters in two Provincial Auditor report volumes. It considered seven recommendations and concurred with them all, noted compliance with five recommendations, and noted progress towards compliance on two recommendations. The committee concluded consideration of five chapters that did not have any new recommendations.

Table 2 provides a summary of the chapters the committee reviewed, along with the dates of consideration. Table 3 lists the Provincial Auditor report chapters committed to the committee and currently awaiting committee consideration. The tables are followed by the details of decisions made by the committee, based on its review of the chapters listed in Table 2.

Table 2 — Summary of Provincial Auditor Reports Considered

Report and Chapter of the Provincial Auditor	Date(s) Considered
2021 Report Volume 2 (committed to CCA on 8 Dec. 2021) <ul style="list-style-type: none"> • Chapter 17: Saskatchewan Gaming Corporation — Preventing Cyberattacks • Chapter 39: Standing Committee on Crown and Central Agencies 	10 Nov. 2022 10 Nov. 2022
2022 Report Volume 1 (committed to CCA on 7 Jun. 2022) <ul style="list-style-type: none"> • Chapter 16: Saskatchewan Government Insurance — Confirming Only Qualified Drivers Remain Licensed • Chapter 17: Saskatchewan Government Insurance — Monitoring Automated Speed Enforcement Fines • Chapter 24: SaskEnergy — Keeping Existing Transmission Pipelines Operating Safely • Chapter 25: SaskPower — Maintaining Above-Ground Assets Used to Distribute Electricity 	13 Dec. 2022 13 Dec. 2022 20 Dec. 2022 20 Dec. 2022

Table 3 — Provincial Auditor Reports Awaiting Consideration

Report and Chapter of the Provincial Auditor
2022 Report Volume 2 (committed to CCA on 6 Dec. 2022) <ul style="list-style-type: none"> • Chapter 11: Saskatchewan Government Insurance — Licensing Commercial Drivers • Chapter 26: Standing Committee on Crown and Central Agencies

Saskatchewan Gaming Corporation

2021 Report Volume 2

Chapter 17: Saskatchewan Gaming Corporation — Preventing Cyberattacks

Considered November 10, 2022

More Detailed Analysis and Planning For Cybersecurity Risks Needed

The committee concurred with recommendation 1 made at page 134 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation maintain well-defined action plans clearly addressing all significant risks of cyberattacks that may affect IT systems and data used to support and deliver casino games.

The committee noted that Saskatchewan Gaming Corporation has complied with the recommendation.

Stronger Network and IT Device Controls Needed to Restrict Access

The committee concurred with recommendation 2 made at page 136 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation adequately configure its network, servers, and workstations to better protect them from security threats and vulnerabilities.

The committee noted that Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.

User Access Review and Password Requirements Need Strengthening

The committee concurred with recommendation 3 made at page 137 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation include all privileged-user groups in its quarterly user access reviews.

The committee noted that Saskatchewan Gaming Corporation has complied with the recommendation.

The committee concurred with recommendation 4 made at page 137 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation update all user account passwords as often as required by its password policy.

The committee noted that Saskatchewan Gaming Corporation has complied with the recommendation.

The committee concurred with recommendation 5 made at page 137 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation implement further use of multifactor authentication to reduce, to an acceptable level, the risk of unauthorized access to IT systems and data.

The committee noted that Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.

Security Assessments and Analysis Need Improvement

The committee concurred with recommendation 6 made at page 140 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation update its IT security assessment plan to reflect changes in its practice and to align with IT industry standards.

The committee noted that Saskatchewan Gaming Corporation has complied with the recommendation.

The committee concurred with recommendation 7 made at page 140 of the Provincial Auditor's 2021 report volume 2, chapter 17, Saskatchewan Gaming Corporation — Preventing Cyberattacks:

We recommend Saskatchewan Gaming Corporation analyze information from security assessments and attempted cyberattacks to better identify and address cybersecurity risks.

The committee noted that Saskatchewan Gaming Corporation has complied with the recommendation.

Saskatchewan Government Insurance

2022 Report Volume 1

Chapter 16: Saskatchewan Government Insurance — Confirming Only Qualified Drivers Remain Licensed

Considered December 13, 2022

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

2022 Report Volume 1

Chapter 17: Saskatchewan Government Insurance — Monitoring Automated Speed Enforcement Fines

Considered December 13, 2022

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

SaskEnergy Incorporated

2022 Report Volume 1

Chapter 24: SaskEnergy — Keeping Existing Transmission Pipelines Operating Safely

Considered December 20, 2022

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

SaskPower

2022 Report Volume 1

Chapter 25: SaskPower — Maintaining Above-Ground Assets Used to Distribute Electricity

Considered December 20, 2022

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

Standing Committee on Crown and Central Agencies

2021 Report Volume 2

Chapter 39: Standing Committee on Crown and Central Agencies

Considered November 10, 2022

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

Status Updates

Prior to committee consideration of Provincial Auditor report chapters, Crown corporations and subsidiaries are required to submit updates to the committee, through CIC, describing the implementation status of the Provincial Auditor's recommendations. Information required includes any actions planned or taken and progress made towards implementing the recommendations, as well as the timeline for completion. The status updates allow committee members to familiarize themselves with the work completed to date so they may better formulate questions to ask during committee proceedings.

Since this requirement was adopted in 2019, the deadline for the submission of status updates had been 48 hours prior to a committee meeting. However, if that 48-hour period fell over the course of a weekend, committee members did not have sufficient time to review the status updates prior to the meeting. On October 19, 2022, the Standing Committee on Public Accounts changed its status update deadline requirement to three business days rather than 48 hours. Accordingly, on December 13, 2022, the Standing Committee on Crown and Central Agencies passed the following motion:

That status updates be provided to the committee three business days prior to a CCA meeting; and further,

That the *CCA Status Update Guide for Officials* be updated to reflect this change in process.

The *CCA Status Update Guide for Officials* has accordingly been updated, and a copy was provided to CIC.

Appendix — Officials and Witnesses

Office of the Provincial Auditor Officials

Tara Clemett, Provincial Auditor
Jason Shaw, Deputy Provincial Auditor
Trevor St. John, Deputy Provincial Auditor
Jason Wandy, Deputy Provincial Auditor
Charlene Drotar, Principal
Kim Lowe, Principal

Ministry and Agency Officials and Witnesses

Crown Investments Corporation of Saskatchewan

Hon. Don Morgan, Minister
Kent Campbell, President and Chief Executive Officer
Cindy Ogilvie, Senior Vice-President and Chief Financial Officer
David Brock, Vice-President, Energy Security
Tim Highmoor, Vice-President, Crown Sector Initiatives
Kyla Hillmer, Vice-President, Crown Services
Joanne Johnson, Executive Director, Communications
Melanie Guraluick, Assistant Controller
Chris Buchan, Director, Strategic Policy and Stakeholder Engagement
Brad Hunt, Senior Analyst, Finance and Administration

Saskatchewan Gaming Corporation

Hon. Don Morgan, Minister
Susan Flett, President and Chief Executive Officer
Steve Tunison, Senior Vice-President, Marketing and Communications
Kama Leier, Vice-President, Finance and Risk
Blaine Pilatzke, Vice-President, Corporate Services
Rick Finnie, Director, Corporate Systems and Technology
Shanna Schulhauser, Director, Communications

Saskatchewan Government Insurance

Hon. Don Morgan, Minister
Penny McCune, President and Chief Executive Officer
JP Cullen, Chief Operating Officer, Auto Fund
Robert Osicki, Chief Insurance Officer
Jeff Stepan, Chief Financial Officer
Tamara Therrien, Chief Human Resources Officer
Kwei Quaye, Vice-President, Traffic Safety
Randy Stoneham, Vice-President, Auto Fund Operations
Tara Boutin, Director, Driver Programs

Saskatchewan Power Corporation

Hon. Don Morgan, Minister
Rupen Pandya, President and Chief Executive Officer
Troy King, Vice-President, Finance and Business Performance and Chief Financial Officer
Tim Eckel, Vice-President, Asset Management Planning and Sustainability
Kory Hayko, Vice-President, Transmission and Industrial Services
Shawn Schmidt, Vice-President, Distribution and Customer Services

Saskatchewan Telecommunications

Hon. Don Morgan, Minister
Doug Burnett, President and Chief Executive Officer
Charlene Gavel, Chief Financial Officer
Jamie Patterson, Associate Corporate Counsel
Scott Smith, Senior Director, Finance
Michelle Englot, Director, Corporate and Government Relations

Saskatchewan Water Corporation

Hon. Don Morgan, Minister
Doug Matthies, President
Jacquie Gibney, Vice-President, Corporate and Customer Service
Eric Light, Vice-President, Operations and Engineering
Danny Bollinger, Director, Financial Services

SaskEnergy Incorporated

Hon. Don Morgan, Minister
Mark Guillet, Acting President and Chief Executive Officer
Christine Short, Executive Vice-President and Chief Financial Officer
Kevin Adair, Executive Vice-President, Customer Service Operations
Derrick Mann, Executive Vice-President, Infrastructure Delivery and Reliability