



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Ms. Danielle Chartier, Chair
Saskatoon Riversdale

Mr. Larry Doke, Deputy Chair
Cut Knife-Turtleford

Ms. Jennifer Campeau
Saskatoon Fairview

Mr. Herb Cox
The Battlefords

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Warren Michelson
Moose Jaw North

Ms. Nicole Sarauer
Regina Douglas Park

Mr. Randy Weekes
Biggar-Sask Valley

[The committee met at 08:00.]

The Chair: — Good morning, everyone. Welcome to Public Accounts. Today on our agenda we have the consideration of Provincial Auditor's reports, looking at chapters on the Public Employees Benefits Agency and the Public Service Commission. Welcome to our Provincial Auditor, Ms. Judy Ferguson, and our officials. At the moment right now we have PEBA, or the Public Employees Benefits Agency, and as well Ms. Clare Isman, who is the deputy minister of Finance.

Welcome to my colleagues here today: Mr. Herb Cox, Fred Bradshaw, Jennifer Campeau, Mr. Doke, and Mr. Weekes and Ms. Sarauer. Welcome today on this blustery March morning. And today we also have, as always, folks from the Provincial Comptroller's office. We've got Terry Paton and Chris Bayda. Welcome, as always. And with that I would like to kick . . . Ms. Sarauer.

Ms. Sarauer: — Thank you, Madam Chair. Before we get started on the agenda of the day, I do want to table a motion. When we met last Friday, or last time on February 13, the Sask Party members of the committee chose to shut down debate on the auditor's report about the GTH [Global Transportation Hub] land deal after we were blocked from calling key witnesses and with a lot of questions still unanswered. I understand now that we've concluded considerations on the report, but there's a number of information pieces and clarification that remain outstanding that the officials have promised to bring back to the committee.

I want to ensure that we have the opportunity not just to review that documentation and have that done in a timely manner, but if members of the committee, myself included, are doing our job correctly, we should be reviewing that documentation, and we should likely have questions to the officials in relation to that documentation as we normally do in Public Accounts.

When we had spoken a bit about continuing consideration of the auditor's report last February, members opposite insisted that this information would be provided to the committee and had said things, I quote, that they're going to get back to us with the information and they can table those reports. And officials have come back to committee, I believe, in the past.

So with this in mind and since we do have several Public Accounts meetings scheduled this month, I'd like to work with the members opposite to ensure that we have this opportunity to not only receive this documentation but have the opportunity to ask questions to these officials.

I'm sure that once we see that documentation it will be likely that we will have questions related to those documents. So I'd like to work with the members opposite to add this to the agenda for March 21st. I think that would be a reasonable time frame, and allow for the witnesses from the Ministry of Highways and the GTH to come back and present this outstanding information and be available to answer any questions that arise with this new information. So with that, I do have a formal motion that I'm hoping that the government members will agree to, and I'll just read it now:

That the Standing Committee on Public Accounts requests that officials from both the GTH and the Ministry of Highways present the outstanding information and documentation proposed to the committee throughout the questioning of officials on the auditor's *Special Report: Land Acquisition Processes, The Global Transportation Hub Authority and Ministry of Highways and Infrastructure* to the committee on March 21st, 2017.

The Chair: — Thank you, Ms Sarauer. If we could see the motion? Okay, Ms. Sarauer has moved:

That the Standing Committee of Public Accounts requests that officials from both the GTH and the Ministry of Highways present the outstanding information and documentation promised to the committee throughout the questioning of officials on the auditor's *Special Report: Land Acquisition Processes, The Global Transportation Hub Authority and Ministry of Highways and Infrastructure* to the committee on March 21st, 2017.

Is the committee ready for the question? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. I guess I'll just reiterate what he said last time. We've voted off all the recommendations here, and I think we have dealt with this information that is still coming. I believe both sides of government will be able to see that information. And if something arises from that, we'd have a look at this time. But to support this motion at this time, we will not be supporting.

The Chair: — Okay. And is the committee ready for the question?

An Hon. Member: — Ready.

The Chair: — All those in favour of this motion, say aye.

An Hon. Member: — Agreed.

The Chair: — Agreed.

An Hon. Member: — Recorded division.

The Chair: — Recorded division. All those in favour of this motion, please raise your hand. Those opposed? That motion is defeated, seven to one . . . Six to one. Sorry.

An Hon. Member: — Did you vote?

The Chair: — Yes. I did not. Sorry. That motion is defeated, six to one. Thank you for that.

Now moving on, I will pass this off to the Provincial Auditor for the first chapters on the Public Employees Benefits Agency.

Public Employees Benefits Agency

Ms. Ferguson: — Thank you very much, Madam Chair, Deputy Chair, members, and officials. With me today, I've got Ms. Carolyn O'Quinn. Carolyn's a deputy in our office responsible for the finance portfolio. And behind her is Ms.

Kim Lowe. Kim is our office's committee liaison.

Before we launch into our presentations — as the Chair indicated, there's two chapters before the committee this morning — I just want to take a moment and thank the officials, the deputy minister of Finance, along with the associate deputy minister of the Public Employees Benefits Agency for the co-operation extended to the work that's before the committee today.

So we're going to present the chapters in the order presented on the agenda. We'll pause after each presentation to allow for the committee's discussion and consideration. I'm going to be presenting the first chapter and Ms. O'Quinn will present the second. The second chapter contains new recommendations for the committee's consideration. The first does not.

So without further ado, I'm just going to launch into the first chapter. So chapter 29 of our 2016 report volume 1, and it starts on page 281, reports the results of our third follow-up of one recommendation we first made in 2010 relating to the Public Employees Benefits Agency's processes to secure its information systems and data. By March of 2016 they've implemented the outstanding recommendation. With that it developed and implemented a plan to periodically test its IT [information technology] security. And that concludes our presentation for that first chapter.

The Chair: — Thank you, Ms. Ferguson. Ms. Isman, do you have any comments?

Ms. Isman: — Not specifically with regard to that chapter.

The Chair: — Okay. I'd like to open up the floor for questions. Ms. Sarauer.

Ms. Sarauer: — Thank you, and thank you to the auditor for her work on this and the officials for coming this morning.

I just have one quick question. This talks a little bit about IT security. So it triggered in my mind, and it's something that I've asked other ministry officials that have come to committee since December, it wasn't an IT breach, I don't believe, but there was a bit of a system crash that occurred in December. I think you probably know what I'm talking about. I'm wondering if your ministry was affected by it and if there's steps that have been taken since to prevent this from happening in the future.

Ms. Isman: — Thank you, Madam Chair. Yes, we certainly were impacted by the system being down. I don't recall, off the top of my head, for exactly how long it was. I think it was in excess of about 24 hours. A couple of our systems were affected in terms of our revenue collection system as well as our main accounting system. However all the protocols that were in place, in terms of bringing it back up, did that promptly. We had good support from Central Services in terms of bringing it back up, keeping us up to date in terms of what was going on.

And we have continued to work with Central Services subsequent to that in terms of what impact it had on the ministry and their follow-up, in terms of ensuring that the things that were problematic would be addressed into the future.

Ms. Sarauer: — So are you confident that the specific issues that were problematic in the past are now being addressed? Is this something that has been resolved? Has the actual cause of the system crash been rectified?

Ms. Isman: — I think the technical side of that is probably addressed better by Central Services in terms of the IT support. Certainly from our perspective we haven't had enduring challenges as a result of that situation with regard to the Ministry of Finance. Dave might be able to have more specifics with regard to the impact on the Public Employees Benefits Agency.

Mr. Wild: — Just for clarification of the committee, the Public Employees Benefits Agency is stand-alone in terms of IT. We have our own IT shop; we have our own servers. We're not dependent upon Central Services to provide IT support, so we were not affected by that outage.

Ms. Sarauer: — Thank you.

The Chair: — Are there any further questions on chapter 29? Seeing none, that was an outstanding recommendation, so this committee can conclude consideration. Can I have a motion to that effect?

Mr. Doke: — So moved, Madam Chair.

The Chair: — Thank you. Mr. Doke has moved that for the 2016 report volume 1, chapter 29 that this committee conclude considerations. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, moving on to the 2016 report volume 2, chapter 26.

Ms. O'Quinn: — Thank you. Chapter 26 of our 2016 report volume 2, which starts on page 143, reports the results of our 2016 audit at PEBA's processes to secure pension and benefit plan participants' personal information. PEBA maintains a significant amount of personal information in order to operate and administer various government pension and benefit plans.

We found that PEBA's processes to secure the participants' personal information were effective, except two areas. We made two new recommendations for the committee's consideration.

First, PEBA did not maintain all its procedures used to secure personal information in a readily accessible manner. It did not include in its privacy policy guidance for providing participants with physical access to their personnel file. Rather, informal guidance existed in a 2010 email that was not readily available or known to all staff. Not making those expected procedures readily accessible increases the risk that employees are not aware of or will not follow process. On page 149 we recommended that the Public Employees Benefits Agency maintain its procedures used to secure personal information in a manner that's readily accessible to all of its staff.

Second, PEBA did not have an established process to periodically review and update its non-IT security policies, for example, its clean desk policy. Not periodically updating those

policies for changes in risk, for the changes in information collected, where information is stored, or other administrative processes increases the risk that PEBA may no longer appropriately secure that personal information. On page 153 we recommended that the Public Employees Benefits Agency require periodic review and update of its non-IT security policies to keep personal information secure. That concludes our remarks.

The Chair: — Thank you very much. Ms. Isman, do you have any comments on this chapter?

Ms. Isman: — Thank you, Madam Chair. I'm just going to let Mr. Wild address the points raised in the auditor's report.

Mr. Wild: — Thank you. We certainly accepted both recommendations. In terms of access to this particular policy of our staff, we ensure that our policies are known to our staff in several ways.

First we do have a posting of our privacy policy on our intranet site — PEBA has its own intranet site. Staff have full access to all of our privacy policies and procedures that are needed by them to do their job. Secondly we offer periodic training to our staff in terms of privacy and security issues. By periodic I mean at least annually, if not more frequently than that. Thirdly we do have an acknowledgement that each staff person must sign annually to acknowledge that they have read and understand our privacy policies. So there's an attestation of our employees that they get it.

This particular policy was not included in our privacy policy. Frankly the incident of a plan member coming in to ask for physical access to their file is pretty uncommon. I think we've had it maybe twice in 10 years kind of thing, and so it was an oversight on our part that we hadn't included it. Last October we did add it to our privacy policies. So now you will find a section in our privacy policy that addresses the circumstances raised by the Provincial Auditor.

In terms of the annual testing, our annual review and update of our policies, we have had a long-standing process for examining IT security policies. We've identified our non-IT policies and have added those to our review, our annual review. So we simply haven't come up to a year-end since we've got this recommendation, but the first time we pass through the year-end, we will review the non-IT privacy policies and ensure that they still meet our needs.

[08:15]

The Chair: — Thank you, Mr. Wild. I'd like to open up the floor for questions. Ms. Sarauer.

Ms. Sarauer: — Sure, thank you and I appreciate the answers. It answered a couple of my questions. So it sounds like for the first recommendation that you have now, you would feel that you have implemented that recommendation?

Mr. Wild: — That's correct.

Ms. Sarauer: — Okay. In the auditor's report they did mention a few examples of some instances where personal information

was breached. Could you speak a little bit to that specifically and exactly what's been done to ensure that hopefully it doesn't happen again?

Mr. Wild: — Sure. Sure. You can imagine with 95,000 plan participants we have a lot of private, personal information and a lot of transactions. There's a lot of inflows and outflows of information: monies and personal data coming into to us, and payments and, you know, option letters and termination letters going out from us. So there's a lot of activity that we have to manage.

There was an instance last year where we mis-stuffed an envelope. We put one person's letter in another person's envelope. It was caught immediately. We contacted all parties, made sure they understood what had gone on. The process that we had in place, we strengthened in that we dedicated staff to the stuffing process. And that turned out to be the issue, that staff were starting to stuff envelopes and then were pulled off to cover telephone calls or deal with a process issue. So we focused our staff's attention on particular tasks.

We also have instituted a batching process where we prepare a certain number of letters, have those checked by a supervisor to make sure that they're stuffed accurately, and then released before we move on to the next batch of letters. So it really is a case of bringing greater focus to it. We always will have a human element to our processes and will make sure we have appropriate controls, but errors do happen.

The Chair: — Are there any further questions on these two recommendations? Seeing none, could I have a motion with respect to these two? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2016 report volume 2, chapter 26, recommendation no. 1, we would concur with the recommendation and note compliance.

The Chair: — Thank you. Mr. Doke has moved that for the 2016 report volume 2, chapter 26, that this committee concur with the recommendation and note compliance. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Mr. Doke.

Mr. Doke: — Yes, Madam Chair, in regards to the 2016 report volume 2, chapter 26, recommendation no. 2, we would concur with the recommendation and note progress towards compliance.

The Chair: — Thank you. Mr. Doke has moved for the 2016 report volume 2, chapter 26, recommendation 2, that this committee concur with the recommendations and note progress to compliance. Any further questions? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. Well thank you. We're finished with the Public Employees Benefits Agency here this morning. Thank you very much to officials for your time here

today. And we'll just take a brief recess while we change up for the next set of witnesses.

[The committee recessed for a period of time.]

Public Service Commission

The Chair: — Welcome back, everybody, and welcome to the officials from the Public Service Commission this morning. Thank you for getting here in this really awful weather. We have two PSC [Public Service Commission] chapters to review, and I shall pass it off to the Provincial Auditor to give some remarks and then you'll have an opportunity as well.

Ms. Ferguson: — Thank you very much, Madam Chair, Deputy Chair, committee members, and government officials. With me today I've got Ms. Regan Sommerfeld. Regan is the deputy provincial auditor who is responsible for the Public Service Commission audit. And behind her is Ms. Kim Lowe. Kim is our office's committee liaison. Before I make this very brief presentation, I just want to extend our thanks to the co-operation that's been extended to our office from your officials.

So this morning, this agenda item focuses on two chapters related to the Public Service Commission. Both are the result of our annual integrated audit. These chapters contain a recommendation that relates to the prompt removal of unneeded user access. We first made this recommendation in 2011.

On chapter 16 of our 2015 report volume 2 beginning on page 87, and chapter 14 of our 2016 report volume 2 beginning on page 75, each report reports the results of that annual audit for the years ended March 31st, 2015 and March 31st, 2016 respectively. In each of these years we have reported one item. While the Public Service Commission had made progress towards following its established processes for promptly removing user access to its computer systems and data, we continued to identify instances of non-compliance. Not removing user access to Public Service Commission's systems promptly increases the risk of inappropriate access to systems and data. So that concludes our presentation.

The Chair: — Thank you, Ms. Ferguson. Ms. Aulie, who is the Chair of the Public Service Commission, again welcome to you and your officials today. With respect to chapter . . . 2015 report, the 2015 report volume 2, chapter 16, do you have any comments that you'd like to make?

Ms. Aulie: — Certainly. Good morning, everyone. I'm pleased to be here today to provide an update on the progress that the Public Service Commission has made in addressing the recommendations of the Provincial Auditor in 2016 report volume 2, chapter 14 and 2015 report volume 2, chapter 16.

First, I'd like to introduce the officials from the PSC with me here today. Behind me is Ray Deck, the assistant Chair. Beside me is Glenda Francis, executive director of corporate services, and to my left Scott Kistner, executive director of the human resource service centre. And Giselle Marcotte is just joining us now. We started a little bit early and I didn't want to hold the committee up.

I'd also like to acknowledge the work of the Provincial Auditor and extend our appreciation and thanks for your recommendations, and we will continue to improve the areas identified in the reports.

The PSC recognizes the importance of timely removal of user access. The actions that we've taken to date include a communication reminder to managers and administrative staff of the importance of timely removal and the expectations set out in the auditor's report.

The Government of Saskatchewan wide, of course, we have some responsibility there. And PSC-specific manager checklists have been updated to include this task in their list of things to do when an employee leaves the organization.

Computer access reports are reviewed regularly to determine what action is required, and a monthly audit process has been established. The PSC-specific checklists will be implemented early in the new fiscal year.

The PSC acknowledges that timely removal of user access has not yet been fully implemented. However, we continue to work on improving this. Timely removal has been a matter of discussion for many ministries and collaboration has begun to look at proactive and standard approaches to improve. And we at the PSC can play a role in that.

The PSC is pleased with the progress that we've made in these recommendations and we will continue to work to improve in these areas. With that, I will be happy to answer any questions the committee members may have of us.

The Chair: — Thank you, Ms. Aulie. I'd like to open up the floor. Ms. Sarauer.

Ms. Sarauer: — Sure. Thank you for your response to this particular recommendation by the auditor. I appreciate your comments. I just have one quick question. You've mentioned a few steps you've taken to implement the recommendation, including sending emails to managers reminding them of the importance of removing users from their access. Have you monitored the implementation of the recommendation? So for example, if you've been emailing managers, have you then monitored whether or not they've actually taken that step that you've requested of them since this report?

Ms. Aulie: — Yes. That's actually one of the things that we've done this year, or are in the process of doing. That's sort of a more aggressive step than we took last year, which is around auditing the computer access reports to see if the actions have actually been taken. And that's just in the process of being implemented.

Ms. Sarauer: — So just to clarify, you're actually working on that step right now.

Ms. Aulie: — Yes.

Ms. Sarauer: — Okay. Thank you.

The Chair: — Mr. Michelson.

Mr. Michelson: — Yes, thank you, Madam Chair. When I look at this . . . and you say you're pleased with the progress, but this report goes back to 2010-2011. To me, removing user access is a no-brainer. When somebody leaves, you remove it. And then to have the auditor come back the second time and say it's not being done, and now you tell us that it won't be implemented until the new fiscal year, I don't think that's satisfactory.

I think in the private sector there would be people that would be dismissed because of this. And I would hope that there would be better action taken than being pleased at this point and not action taken until the new fiscal.

Ms. Aulie: — Yes. So if I left the impression that we weren't taking action until new fiscal, I should correct that. We've been taking action all along. Communication with managers, having a checklist in place, continuing to communicate the responsibility. What we're implementing this year is a more aggressive check and balance of that audit report, which we've now deemed to be necessary because what we've discovered is that, despite all our communication efforts, there are times when managers forget that step in the process. So we've taken that very seriously.

The Chair: — Any further questions on these two chapters? Seeing none, as these were outstanding recommendations, this committee can conclude consideration on these recommendations. Could I have a motion to that effect?

Mr. Doke: — I so move, Madam Chair.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that this committee conclude consideration of the 2015 report volume 2, chapter 16, the 2016 report volume 2, chapter 14. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, well that concludes our agenda. Thank you so much, Ms. Aulie, and to your officials here today and to everybody else for your time. Could I have a motion to adjourn? Mr. Weekes.

Mr. Weekes: — I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until 8 a.m. on March 14th. Thank you. Thank you for your time.

[The committee adjourned at 08:29.]