

STANDING COMMITTEE ON PUBLIC ACCOUNTS

June 13, 2001

MINUTE NO. 16

9:00 a.m. - Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Allchurch*, Harper, Higgins, Jones, Junor, Kwiatkowski, Stewart, Wakefield and Wartman.

Substituting Members

Mr. Allchurch for Mr. Gantefer

Provincial Auditor's Office

Fred Wendel, Acting Provincial Auditor

Brian Atkinson, Acting Assistant Provincial Auditor

Rodd Jersak, Principal

Glen Nyhus, Principal

Jeff Kress, Manager

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Lori Taylor, Manager, Financial Management Branch

Elaine Wood, Analyst, Financial Management Branch

Jeannette Lowe, Treasury Board Analyst, Budget and Program Review Section

2. The Committee proceeded to consider Chapter 4 (Justice) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)*, Chapter 16 (Justice) of the *Spring 2000 Report of the Provincial Auditor* and Chapter 7 (Justice) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. Mr. Kress of the Office of the Provincial Auditor provided an overview of these chapters.

The following Department of Justice officials appeared before the Committee and answered questions:

Witnesses

John D. Whyte, Deputy Minister of Justice and Deputy Attorney General

Keith Laxdal, Associate Deputy Minister, Finance and Administration

Rod Crook, Executive Director, Registry Services

Barb Hookenson, Executive Director, Court Services

Doug Moen, Executive Director, Public Law and Community Justice

Ron Kruzeniski, Public Trustee

Kevin Kuntz, Financial Administrator, Corrections

Mike Pestill, Acting Director, Administrative Services

Stella LaRocque, Assistant Director, Administrative Services

3. The Committee concurred with recommendation 7-1 made at page 239 of Chapter 7 (Justice) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that the Department's annual report should describe: how the Department manages the key risks it faces; the Department's performance measures and targets and actual results compared to plans; and what the Department owns and controls. The Committee noted that the Department is making progress towards complying with the recommendation.

4. The Committee noted that the two recommendations in Chapter 4 of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* had been considered and dealt with in an earlier Committee report and that the Provincial Auditor would comment on the Department's progress towards complying with them in his next report.
5. The Committee proceeded to consider Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor*. Mr. Nyhus of the Office of the Provincial Auditor provided an overview of these chapters.
6. The Committee recessed from 10:28 a.m. until 10:50 a.m.
7. The Committee concurred with recommendation 2-1 made at page 51 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should ensure that future changes to the computer system's requirements are properly justified. The Committee noted that the Department is making progress towards complying with the recommendation.
8. The Committee concurred with recommendation 2-2 made at page 51 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should strengthen its processes to ensure that: the contractor delivers all the approved system requirements; and that the Office realizes the benefits it planned to receive from the system. The Committee noted that the Department has complied with the recommendation.
9. The Committee concurred with recommendation 2-3 made at page 53 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should hire an expert consultant to help strengthen its project management processes. The Committee noted that the Department's willingness to comply with the recommendation if funds become available.
10. The Committee concurred with recommendation 2-4 made at page 55 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that management should obtain the information to determine whether its system of controls for protecting clients' assets is effective, and whether staff follow the Office's rules and procedures for administering clients' affairs. The Committee noted that the Department is making progress towards complying with the recommendation.
11. The Committee concurred with recommendation 2-5 made at page 56 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should strengthen its policies for limiting the access to its computer system and data. The Committee noted that the Department is making progress towards complying with the recommendation.
12. The Committee concurred with recommendation 2-6 made at page 57 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should: develop rules and procedures to ensure that it correctly record clients' investment earnings and administration fees; and seek to recover the \$270,000 from former clients' or from the Government's General Revenue Fund. The Committee noted that the Department's effort to recover the overpayments and to reimburse the common fund, and that it is making progress towards complying with the recommendation.

13. The Committee concurred with recommendation 2-7 made at page 58 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should promptly: prepare accurate records of the financial and personal items owned by clients; balance its general ledger; and reconcile its bank account. The Committee noted that the Department is making progress towards complying with the first point and that it has complied with the second and third points of the recommendation.
14. The Committee concurred with recommendation 2-8 made at page 59 of Chapter 2 (Justice) of the *Spring 2001 Report of the Provincial Auditor* that the Office of the Public Trustee should provide additional training to staff in using the computer system to manage the affairs of clients, and that it should update the staff's procedure manual. The Committee noted that the Department is making progress towards complying with the recommendation.
15. The Committee discussed the arrangements for hosting the 22nd Annual Conference of Canadian Council of Public Accounts Committees, to be held in Regina from September 16th to 18th, 2001.
16. The Committee considered its future meeting dates. It was agreed that meetings would be tentatively scheduled for September 25th to 27th, 2001.
17. The Committee adjourned at 12:05 p.m. to the call of the Chair.

Margaret A. Woods
Committee Clerk

Ken Krawetz
Committee Chair