

STANDING COMMITTEE ON PUBLIC ACCOUNTS

March 13, 2007

MINUTE NO. 43

10:30 a.m. - Room 8

1. **PRESENT:** Mr. Hermanson in the Chair and Members Borgerson, Cheveldayoff, Chisholm, Crofford, Iwanchuk and Trew.

Provincial Auditor's Office

Bashar Ahmad, Deputy Provincial Auditor
Judy Ferguson, Deputy Provincial Auditor
Mike Heffernan, Deputy Provincial Auditor
Rod Grabarczyk, Principal
Kim Lowe, Principal
Rosemarie Volk, Principal
Leslie Wendel, Principal

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller
Chris Bayda, Executive Director, Financial Management Branch

2. The following document was tabled:

PAC 52/25 - Department of Advanced Education and Employment: Response to question raised at the October 4, 2006 meeting of the committee, re: departmental awareness of fraud, dated March 6, 2007.

3. The committee proceeded to consider Chapter 9 (Public Accountability Systems) of the *2005 Report of the Provincial Auditor (Volume 3)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

The following Department and Crown corporation officials appeared before the committee and answered questions:

Witnesses

Department of Executive Council officials:

Dan Perrins, Deputy Minister to the Premier
John McLean, Director, Senior Management Services
Bonita Cairns, Director, Corporate Services

Crown Investments Corporation officials:

Ron Styles, President and CEO
Blair Swystun, Vice-President and Chief Financial Officer, Finance & Administration

Department of Finance officials:

Doug Matthies, Deputy Minister

4. The committee proceeded to consider Chapter 15 (Finance) of the *2006 Report of the Provincial Auditor (Volume 3)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Department of Finance officials appeared before the committee and answered questions:

Witnesses

Doug Matthies, Deputy Minister

Terry Paton, Provincial Comptroller

Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency

Raelynn Douglas, Director, Performance Management Branch

5. The committee concurred with recommendation 15-1 made at page 357 of Chapter 15 (Finance) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Public Employees Pension Plan should prepare a complete business continuity plan. The committee noted that the Public Employees Pension Plan is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 15-2 made at page 357 of Chapter 15 (Finance) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Department of Finance should confirm, in writing, processes and policies that the Information Technology Office uses to address its specific information and technology security and disaster recovery requirements, and then identify and set up additional policies unique to the Department of Finance as necessary. The committee noted that the Department of Finance is making progress towards complying with the recommendation.
7. The committee concurred with recommendation 15-3 made at page 358 of Chapter 15 (Finance) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Department of Finance should revise its human resource plan to:
- Set out human resource priorities that link to its strategic direction;
 - Document its future human resource needs (e.g., number, type, location of employees and required competencies) to meet the goals and objectives; and
 - Assign responsibility to staff to implement planned strategies.
- The committee noted that the Department of Finance is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 15-4 made at page 362 of Chapter 15 (Finance) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Public Employees Pension Plan should reconcile regularly the investments reported by the investment managers to the investments reported by the custodian, and investigate significant differences. The committee noted that the Public Employees Pension Plan is making progress towards complying with the recommendation.
9. The committee adjourned at 11:50 a.m. until 10:30 a.m. on Tuesday, March 20, 2007.

Margaret A. Woods
Committee Clerk

Elwin Hermanson
Committee Chair