

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 9, 2008

### MINUTE NO. 6

10:00 a.m. – Room 8

1. **PRESENT:** Mr. Harry Van Mulligen in the Chair and Members Fred Bradshaw, Michael Chisholm, Warren Michelson, John Nilson, Laura Ross\* and Jim Reiter.

#### **Substituting Member**

Laura Ross for Jeremy Harrison

#### **Other Member**

Kevin Yates

#### **Provincial Auditor's Office**

Fred Wendel, Provincial Auditor

Judy Ferguson, Deputy Provincial Auditor

Rod Grabarczyk, Principal

Kim Lowe, Principal

Leslie Wendel, Principal

#### **Provincial Comptroller's Office**

Terry Paton, Provincial Comptroller

2. The committee proceeded to consider Chapter 9 (Finance) of the 2007 Report of the Provincial Auditor (Volume 3). Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

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

#### Witnesses

Doug Matthies, Deputy Minister

Brian Smith, Assistant Deputy Minister, Public Employees Benefit Agency

Margaret Johannsson, Assistant Deputy Minister, Revenue Division

Terry Paton, Provincial Comptroller, Provincial Comptroller's Branch

Raelynn Douglas, Director, Performance Management Branch

Scott Giroux, Director, Audit Branch, Revenue Division

Louise Usick, Director, Financial Services Branch

3. The committee concurred with recommendation 9-1 made at page 123 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should follow its established rules and procedures and reconcile recorded bank balances to the bank's records promptly. The committee noted that the Ministry of Finance has complied with the recommendation.
4. The committee concurred with recommendation 9-2 made at page 123 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should adequately review the payroll for accuracy prior to paying its employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*. The committee noted that the Ministry of Finance has complied with the recommendation.

5. The committee concurred with recommendation 9-3 made at page 129 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Public Service Superannuation Board should have a complete business continuity plan. The committee noted that the Public Service Superannuation Board is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 9-4 made at page 136 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should set the desired outcomes of the provincial sales tax audit selection process in measureable terms. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
7. The committee concurred with recommendation 9-5 made at page 138 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should analyze the risks that businesses are not complying with provincial sales tax laws and rank identified risks according to their potential significance. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 9-6 made at page 138 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should document its audit strategy to address identified risks that businesses are not complying with provincial sales tax laws. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
9. The committee concurred with recommendation 9-7 made at page 139 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should direct its audit efforts based on an overall risk analysis of businesses not complying with provincial sales tax laws. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
10. The committee concurred with recommendation 9-8 made at page 140 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should require its senior management to receive reports on the effectiveness of the provincial sales tax audit selection process. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
11. The committee does not concur with recommendation 9-9 made at page 148 of Chapter 9 (Finance) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should prepare an implementation schedule for bringing its *Public Performance Reporting Guidelines* in line with CCAF reporting principles.
12. It was moved by Mr. Bradshaw:

That this committee do now adjourn.

The question being put, the motion was carried.
13. The committee adjourned at 10:50 a.m. to the call of the chair.