

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Wednesday, May 18, 2011

MINUTE NO. 34
9:45 a.m. – Room 8

1. **Present:** Trent Wotherspoon in the Chair and Members Pat Atkinson, Michael Chisholm*, Dan D'Autremont, Rod Gantefer, Glen Hart, and Lyle Stewart.

Substituting Members

Michael Chisholm for Warren Michelson

Provincial Auditor's Office

Bonnie Lysyk, Provincial Auditor
Judy Ferguson, Deputy Provincial Auditor
Kim Lowe, Principal
Glen Nyhus, Principal
Carolyn O'Quinn, Principal

Provincial Comptroller's Office

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

2. The committee considered Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Karen Layng, Deputy Minister
Rae Haverstock, Assistant Deputy Minister, Treasury and Debt Management Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Ann Mackrill, Executive Director, Public Employees Benefits Agency
Brent Hebert, Director, Audit, Revenue Division
Louise Usick, Director, Financial Services Branch
Nancy Perras, Manager, Business Systems Planning, Financial Services Branch

3. It was moved by Ms. Atkinson:

That PAC recommends that the General Revenue Fund's financial statements record pension costs and transfers in accordance with Canadian generally acceptable principles for the public sector.

A debate arising and the question being put, the motion was defeated on the following Recorded Division:

YEAS – 2

Atkinson

Wotherspoon

NAYS – 4

Chisholm

D'Autremont

Gantefoer

Stewart

4. The committee concurred with recommendation 8-1 made at page 91 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance maintain a current service level agreement with the Public Service Commission for the provision of payroll services. The committee noted that the Ministry of Finance has complied with the recommendation.
5. The committee concurred with recommendation 8-2 made at page 92 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance require the Information Technology Office (ITO) to give it, each year, information on the adequacy of ITO's controls for keeping Finance's computer systems and data secure and available. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 8-3 made at page 93 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance follow its processes for removing unneeded user access to its information technology systems and data promptly. The committee noted that the Ministry of Finance has complied with the recommendation.
7. The committee concurred with recommendation 8-4 made at page 99 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency follow its policies for the timely review and approval of bank reconciliations and journal entries for the Public Service Superannuation Plan. The committee noted that the Ministry of Finance has complied with the recommendation.
8. The committee concurred with recommendation 8-5 made at page 105 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency periodically review the completeness of its information technology policies. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
9. The committee concurred with recommendation 8-6 made at page 105 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency periodically test the effectiveness of its information technology security. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
10. The committee concurred with recommendation 8-7 made at page 106 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency comply with its security policy of monitoring software developers' access to its information systems and data. The committee noted that the Ministry of Finance has complied with the recommendation.
11. The committee concurred with recommendation 8-8 made at page 107 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency implement and test its disaster recovery plan. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
12. The committee concurred with recommendation 8-9 made at page 108 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency implement its approved policies and procedures for making changes to its information technology

infrastructure. The committee noted that the Ministry of Finance has complied with the recommendation.

13. The committee considered its representation at the Canadian Council of Public Accounts Committees (CCPAC) and Canadian Council of Legislative Auditors (CCOLA) Annual Conference in Halifax, Nova Scotia on August 28 to 30, 2011.

14. It was moved by Mr. Hart:

That the Standing Committee on Public Accounts authorize the attendance of the Chair and Deputy Chair at the Canadian Council of Public Accounts Committees (CCPAC) and Canadian Council of Legislative Auditors (CCOLA) Annual Conference to be held in Halifax, Nova Scotia on August 28th to 30th, 2011, and further that if the Chair or Deputy Chair cannot attend, they be authorized to designate another committee member to attend in their place.

A debate arising and the question being put, the motion was agreed to.

15. It was moved by Mr. Gantefer:

That this committee do now adjourn.

The question being put, it was agreed to.

16. The committee adjourned at 11:01 a.m. to the call of the Chair.

Kathy Burianyk
Committee Clerk

Trent Wotherspoon
Committee Chair