Chapter 22
Finance—Oversight of Information Technology Follow Up

1.0   MAIN POINTS

This is the second follow-up of recommendations from our *2009 Report – Volume 3*, Chapter 7, regarding the Ministry of Finance's (Finance) processes for oversight of information technology (IT) where we made two recommendations. At March 14, 2013, Finance has partially implemented these two outstanding recommendations. Finance has not completed its work to develop an IT risk management plan based on an analysis of IT risks and has not yet implemented an IT strategic plan.

2.0   INTRODUCTION

In carrying out its mandate, Finance makes extensive use of IT. In 2011-12, Finance spent $7.2 million on IT and the Ministry estimates spending of $6.3 million for 2012-13.[1]

In 2009, we assessed Finance's processes for oversight of IT. Our *2009 Report – Volume 3*, Chapter 7, concluded that Finance had adequate processes for oversight of its IT for the twelve-month period ending September 30, 2009, except Finance needed to develop an IT risk management plan based on an analysis of IT risks and implement an IT strategic plan. We made two recommendations. Our *2011 Report – Volume 2*, Chapter 9, reported that Finance had made some progress towards implementing our 2009 recommendations and had more work to do.

Finance works with its service providers, including the Information Technology Office (ITO), in using IT. Nevertheless, Finance is ultimately responsible for its own use of IT, and thus must maintain effective oversight.

Effective oversight of IT is crucial to achieving Finance's overall strategies for efficient financial systems and processes to support good governance and effective delivery of programs and services to the public.

This chapter describes our second follow-up of management's actions on the recommendations we made in 2009.

To conduct this review, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook - Assurance*. To evaluate Finance's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Finance's management agreed with the criteria from the original audit.

3.0   STATUS OF RECOMMENDATIONS

This section sets out each recommendation, Finance's actions up to March 14, 2013, and the status of each recommendation. We found that Finance has made some progress, but still has work to do.

---

[1] Ministry of Finance accounting records.

3.1   IT Risk Analysis and Risk Management Plan

We recommended the Ministry of Finance develop an information technology risk management plan based on an analysis of information technology risks. (2009 Report – Volume 3; Public Accounts Committee agreement June 25, 2010)

Status – Partially Implemented

As reported in our *2011 Report – Volume 2*, Chapter 9, Finance continues to have a risk register of identified, analyzed, and evaluated risks relating to the Ministry's IT strategy for effective delivery of programs and services to the public.[2]

Finance had not used the risk register to develop responses to identified risks and complete a risk management plan. Management indicates that it plans to draft an IT risk management plan in 2013-14.

3.2   IT Strategic Plan

We recommended the Ministry of Finance implement a strategic information technology plan that aligns with its strategic business objectives. (2009 Report – Volume 3; Public Accounts Committee agreement June 25, 2010)

Status – Partially Implemented

Consistent with our *2011 Report – Volume 2*, Chapter 9, Finance has a draft IT strategic plan (plan) which includes planned IT initiatives for all of its divisions. Finance has updated this draft plan since our 2011 Report. The plan aligns with the Ministry's overall priorities and action plans.

Finance also continues to maintain a five-year plan for proposed IT projects categorized by priority, determined by informal assessments of business risk.

Management plans to finalize and approve the IT strategic plan before the summer of 2013.

---

[2] Ministry of Finance. (2012). *Plan for 2012-13*.