Chapter 36
Finance—Oversight of Information Technology

1.0 MAIN POINTS

This chapter reports the results of our fourth follow-up of two recommendations we initially made in our *2009 Report – Volume 3*, Chapter 7, on the Ministry of Finance's (Finance) processes for overseeing IT. At September 30, 2016, Finance had implemented both recommendations. During 2015-16, Finance assessed its IT risks and implemented its IT strategic plan.

2.0 INTRODUCTION

Effective oversight of IT is crucial in achieving Finance's goals for delivering high quality, timely and accurate reporting, and providing services that meet client needs in the most effective and efficient manner to support its overall goal of delivering responsive and responsible government. Finance uses IT extensively to carry out its mandate. For example, it uses IT for revenue, investment, and debt management. In 2015-16, Finance spent $6.8 million on IT and estimates spending $7.0 million for 2016-17.[1]

In our *2009 Report – Volume 3*, Chapter 7, we concluded that Finance had adequate processes for IT oversight for the 12-month period ended September 30, 2009, except it needed to develop an IT risk management plan based on analysis of IT risks, and implement an IT strategic plan. We made two recommendations.

Our *2011 Report – Volume 2*, Chapter 9; *2013 Report – Volume 1*, Chapter 22; and *2015 Report – Volume 1*, Chapter 21 reported that Finance had made some progress in implementing these recommendations but had more work to do.

To conduct this review, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Finance's progress towards meeting our recommendations, we used the relevant criteria from the 2009 audit. Finance's management agreed with the criteria in the 2009 audit. We discussed with management actions taken by Finance to implement our recommendations and reviewed related documentation (e.g., IT strategic plan).

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 30, 2016, and Finance's actions up to that date. We found that Finance had implemented both recommendations.

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[1] Ministry of Finance records.

3.1   IT Risk Management Plan in Place

We recommended that 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 – Implemented

During 2015-16, Finance completed its IT environmental scan and risk assessment to assess the current state of its IT environment. It identified key risks related to the Ministry's IT systems and applications and assessed the likelihood and impact of those risks. Finance used this environmental scan and risk assessment to develop its IT strategic plan. The IT strategic plan includes mitigation strategies to address the key risks identified.

3.2   IT Strategic Plan Implemented

We recommended that 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 – Implemented

During 2015-16, Finance implemented its IT strategic plan (plan). In September 2015, Finance's senior management approved the plan and communicated it to staff. The plan aligns with Finance's overall strategic plan. It includes strategic objectives, which reflect significant IT risks identified, and action plans to achieve the objectives. The plan also includes target dates for implementing these action plans.