

**Responses to Questions Raised
Standing Committee on Public Accounts
Ministry of Advanced Education
December 6, 2016**

Ms. Miller: What are the processes in place for department officials to brief the Minister when issues take place such as the ones discussed this morning? (Page PA-278)

The Deputy Minister meets with the Minister on a frequent basis to discuss issues affecting the post-secondary sector. Depending on the nature of the issue, the process is ad hoc via phone call, email, or meeting. The department also has a more formal process whereby an action request is initiated and department officials prepare a briefing note on the issue for the Minister.

Mr. Gotfried: Does the ministry feel that the post-secondary institutions should be subject to the full PIPA legislation? (Page PA-278)

The public post-secondary institutions, including NorQuest College, are “public bodies” under the *Freedom of Information and Protection of Privacy Act* (FOIP). As they are subject to FOIP, they are not subject to the *Personal Information Protection Act* (PIPA). Section 4(2) of PIPA expressly states that the Act does not apply to a public body under FOIP or any personal information that is in the custody or under the control of a public body. Accordingly, in answer to your question, no, it would not be appropriate or statutorily permitted for public post-secondary institutions to be subject to PIPA.

Mr. Barnes: Is the Department of Advanced Education satisfied that NorQuest has made all necessary public disclosure of the alleged fraud and privacy breach and if they are satisfied with the controls they’ve implemented to ensure this won’t happen again? (Page PA-279)

Yes, the Department of Advanced Education is satisfied that NorQuest has made all necessary public disclosure of the alleged fraud and privacy breach. In terms of

the privacy breach, the data was secured, and the college had to balance protecting the two individuals targeted as well as being open and transparent to its employees and stakeholders. There was broad public disclosure after the college was advised by the Edmonton Police Service in September 2016 that broad disclosure would not impede the criminal investigation.

In terms of the litigation for alleged fraud, in order to settle the legal action, NorQuest signed a confidential settlement agreement restricting disclosure of the terms of settlement. The alternative to signing a settlement agreement would have been to see the litigation through to judgment. This would likely have involved a significant investment of the institution's time and money. In deciding the best course of action, NorQuest would have weighed several factors, including likely length of litigation, cost, chance of success, and maximum that could be recovered. Therefore, depending on all those factors, it may well have been in the public interest to settle. The department is satisfied that NorQuest's actions were appropriate.

The department is satisfied that NorQuest has adequate internal controls and processes in place to reasonably mitigate the risk of fraud and error. The college has implemented all its outstanding internal control auditor general recommendations. However, while well-designed and effective internal controls and processes can substantially reduce the risk of fraud, they cannot eliminate it.

The department has been in touch with all public post-secondary institutions to review information security programs. The department will continue to work closely with institutions to share best practices and learnings in order to ensure that information security programs continue to evolve and incidents such as these are mitigated.