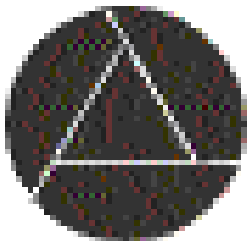


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OFFICE OF THE
Auditor General
of British Columbia

Follow-up of Performance Reports

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OFFICE OF THE
Auditor General
of British Columbia

**The Honourable Claude Richmond
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8V 1X4**

Dear Sir:

**I have the honour to transmit herewith to the Legislative Assembly of
British Columbia my 2002/03 Report 8: Follow-up of Performance Reports.**

**Wayne Strelhoff, CA
Auditor General**

**Victoria, British Columbia
January 2003**

**copy: Mr. E. George MacMinn, Q.C.
Clerk of the Legislative Assembly**

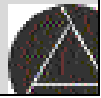
Follow-up of Performance Reports



Table of Contents

| | |
|--|-----|
| Auditor General's Comments | 1 |
| Summary of Status of Recommendations..... | 3 |
| Follow-up of Performance Reports | |
| Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development 1999/2000: Report 3 | 5 |
| Managing Interface Fire Risks 2001/2002 Report 1 | 47 |
| Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure 2001/2002 Report 2 | 91 |
| Monitoring Credit Unions and Trust Companies in British Columbia 2000/2001 Report 5 | 111 |
| Protecting Drinking-Water Sources 1998/1999 Report 5 | 129 |
| Appendices | |
| A Select Standing Committee on Public Accounts – Legislative Assembly of British Columbia: Guide to the Follow-up Process | 149 |
| B Office of the Auditor General: Follow-up Objectives and Methodology..... | 153 |
| C Follow-up Reviews to be Reported in the next Summary Report | 156 |
| D Office of the Auditor General: 2002/2003 Reports Issued to Date | 157 |

Follow-up of Performance Reports



Auditor General's Comments

I am pleased to present in this report the results of my Office's follow-up work on five performance reports issued in 1999 and 2001.

We perform follow-up reviews to provide the Legislative Assembly and the public with an update on the progress made by management in implementing our recommendations and those made by the Select Standing Committee on Public Accounts. Our recommendations are designed to improve public sector performance, and are an important value-added component of our work.

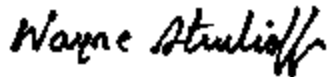
We follow a process in our review that was agreed to with the Select Standing Committee on Public Accounts. As we complete a follow-up review, we provide a report to the Committee. Periodically, all of the reports provided to the Committee are assembled into a report for the Legislative Assembly.

Our approach to completing our follow-up reviews is to ask management of the organizations with responsibility for the matters examined to provide us with written representations describing action taken with respect to the recommendations. We then review these representations to determine if the information reported, including an assessment of the progress made in implementing the recommendations, was presented fairly in all significant respects (Appendix B). For four of the reports we reviewed, we concluded that it was. We do not offer an opinion for the fifth report, Protecting Drinking Water Sources. There were substantial changes in government policy regarding the protection of drinking water sources since our last follow-up and we were unable to perform our normal follow-up procedures. We are planning to carry out a new audit on this topic in 2004.

In this report, we provide a summary of each of our original reports, our overall conclusions, a summary of the overall status of recommendations and each organization's response to our request for an accounting of progress.

I am pleased that management has accepted our recommendations and has taken action to implement 97% of them as illustrated in the Summary of Status of Recommendations. I encourage the government organizations concerned to complete the implementation of all of these recommendations as I believe it is important that they be implemented on a timely basis.

I wish to express my appreciation to the staff and senior management of the organizations we reviewed for their cooperation in preparing the follow-up reports, providing the appropriate documentation and assisting my staff throughout the review process.



Wayne Streliaff, CA
Auditor General

Victoria, British Columbia
January 24, 2003

Summary of Status of Recommendations

The following table summarizes the status of recommendations included in the original reports and the recommendations made by the Select Standing Committee on Public Accounts.

| Report | Total Number of Recommendations | Fully Implemented | Substantially Implemented | Partially Implemented | Alternative Action | No Action | Further Follow-up Required |
|---|---------------------------------|-------------------|---------------------------|-----------------------|--------------------|-----------|----------------------------|
| Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development | 27 | 10 | 12 | 5 | - | - | - |
| Managing Interface Fire Risks | 37 | 15 | - | 20 | - | 2 | 22 |
| Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure | 24 | 6 | - | 17 | - | 1 | 18 |
| Monitoring Credit Unions and Trust Companies in British Columbia | 9 | 7 | - | 1 | 1 | - | - |
| Protecting Drinking Water Sources* | 28 | 3 | - | 24 | 1 | - | 25 |
| Total OAG | 123 | 41 | 12 | 65 | 2 | 3 | 65 |
| Total PAC | 2 | - | - | 2 | - | - | - |
| Grand Total | 125 | 41 | 12 | 67 | 2 | 3 | 65 |
| Percentage | | 33% | 10% | 54% | 1% | 2% | 52% |

*Status at the date of last follow-up, October 2000. No follow-up was carried out on this report, since the program has significantly changed. A new audit will be carried out in the future.

Office of the Auditor General of British Columbia

Information provided to the Select Standing Committee
on Public Accounts regarding
the follow-up of recommendations in

1999/2000 Report 3:

Maintaining Human Capital
in the British Columbia Public Service:
The Role of Training and Development

December 2002



OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

We have carried out a follow-up review of the implementation of the recommendations in our report of 1999/2000: *Report 3: Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development* and enclose the following:

- My opinion on the status provided by management.
- A summary of the original report showing the audit purpose, scope and overall conclusion.
- A summary of the status of recommendations.
- Management's representations on the status of recommendations.
- Timetable of Reports Issued and Public Accounts Committee Meetings on Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development.

As the majority of the recommendations have been fully or substantially implemented, we will not carry out any further follow-up of this report.

Wayne Streliaff, CA
Auditor General

January 20, 2003



OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

This is our report on our follow-up of our recommendations from our *1999/2000: Report 3: Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development*.

Information as to the status of the recommendations was provided to us by the Public Service Employee Relations Commission, and the Ministries of Transportation, Agriculture, Food and Fisheries, and Attorney General and Minister Responsible for Treaty Negotiations. We reviewed these responses in November/December 2002 regarding their progress in implementing the recommendations. Our review was made in accordance with standards for assurance engagements established by the Canadian Institute of Chartered Accountants and, accordingly, consisted primarily of enquiry, document review and discussion.

Based on this review, nothing has come to our attention to cause us to believe that the various organizations' progress reports do not present fairly, in all significant respects, the progress made in implementing the recommendations contained in our August 1999 Report.

Wayne Streliaff, CA
Auditor General

January 2003

Summary of Original Report: 1999/2000: Report 3: Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development

Audit Purpose and Scope

The purpose of this audit was to assess whether training and development was being used strategically to maintain human capital in British Columbia's public service. We also examined whether government evaluates the value for money it receives from its investment in training and development.

The audit addressed both formal and informal training within the public service. It included employees of ministries, but not agencies, boards and commissions. We also excluded employees of Crown corporations.

There were three parts to our work. First we examined how well the Public Service Employee Relations Commission provides corporate direction, monitors training and development activities, and reports to the Legislative Assembly on the outcome of these activities. Second, we conducted a government-wide survey of employees. And third, we completed in-depth reviews in three ministries.

Our cross-government findings were based largely on a survey of a representative random sample of regular full-time employees who had been in their current ministry for a minimum of 12 months. The survey sought the respondents' views on, and experience of, training and development within the provincial government. The cross-government study was supplemented by in-depth reviews within three ministries: Transportation and Highways, Agriculture and Food, and Attorney General.

For the cross-government audit, in addition to the survey, we interviewed over 200 government employees and reviewed over 300 documents. We sent questionnaires to 3,500 public service employees in the cross-government survey, and received a 76% response rate. The survey findings included in Chapter I of the report are considered statistically to be accurate generally within 5%, 19 times out of 20. Unless otherwise stated, there were no statistically valid differences between ministries and occupational groups across the public service. Additional surveys were completed for each of the in-depth reviews. (Statistics Canada assisted the audit team in the survey development and analysis of results.)

The findings and conclusions included in this report are based on evidence available up to December 31, 1998. In preparing the report, we discussed our findings and conclusions with the Public Service Employee Relations Commission, the Ministries of Transportation and Highways, Agriculture and Food, and Attorney General.

... continued

Continued . . .

Overall Conclusion

The human capital of the British Columbia public service is at risk. Ministries have experienced downsizing, spending freezes on training and development, and an exodus of experienced employees. There has also been considerable movement within the public service and, as a result, many employees are performing new and unfamiliar duties. These factors heighten the need for training and development.

We concluded that government has not managed its training and development dollars strategically to protect its human capital. The central problem is that decisions about training and development are being made in the absence of a strategic plan for maintaining human capital. Instead, they tend to be made at an individual level, with no consistent criteria, and therefore may not represent the best use of scarce training dollars. The amount of training and development being provided indicates to us that the British Columbia public service is not sufficiently committed to training its employees. This is underscored by the lack of proper evaluation of whether the results of training are bringing about improvements in the performance of the public service.

We concluded that the public service should be providing the Legislative Assembly with accountability information about training and development, and about the state of its human capital generally. Currently the Assembly receives no such information.

Summary of Status of Recommendations

Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development

Original Issue Date: August 1999

Year Followed Up: 2002

| Summary of Status as at Dec 5, 2002 | Ministry | | | | |
|--|--|---|---|---|--|
| | Public Service Employee Relations Commission | Ministry of Agriculture and Food | Ministry of Transportation and Highways | Ministry of Attorney General: Management (Levels 3 - 8) | Ministry of Attorney General Deputy Sheriffs |
| Total Recommendations | 13 | 4 | 4 | 3 | 3 |
| Fully Implemented | 6 | 0 | 1 | 0 | 3 |
| Substantially Implemented | 6 | 2 | 1 | 3 | 0 |
| Partially Implemented | 1 | 2 | 2 | 0 | 0 |
| Alternative Action | 0 | 0 | 0 | 0 | 0 |
| No Action | 0 | 0 | 0 | 0 | 0 |
| Follow-up Required | 0 | 0 | 0 | 0 | 0 |

Public Service Employee Relations Commission (PSERC)
 Summary of Status of Implementation by Recommendation 1999/00 Report 3:
 Maintaining Human Capital in the British Columbia Public Service:
 The Role of Training and Development As at November 30, 2002

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| <p>1. We recommend that the British Columbia government develop and implement a strategy for managing its human capital, to determine where the shortfalls and risks are and to ensure that sufficient numbers of appropriately skilled employees are available. We believe that "core competencies" for all government employees need to be established as the first step in developing this strategy. The strategy should also address:</p> <ul style="list-style-type: none"> ■ development of employees for the future; ■ training required for specific jobs; ■ recruitment and selection strategies; ■ compensation issues; and ■ barriers to improved performance—such as whether employees believe the steps and procedures required to do their job make sense; whether they have the tools and resources to do their job adequately; and whether they receive proper feedback and recognition. | ✓ | | | | |
| <p>2. To maintain its human capital and acquire the knowledge, skills and abilities required for the future, we recommend that the British Columbia government make a commitment to the development of a culture of learning. To become a learning organization, government should use training and development a strategic tool in the management of human capital, foster a culture that encourages learning, and incorporate training and development needs into operational plans. This cultural shift should be monitored and reported on by the Public Service Employee Relations Commission.</p> | | ✓ | | | |
| <p>3. Just as there are standards and policies for the management of financial and physical assets within the public service, we recommend the Public Service Employee Relations Commission develop similar standards and policies for the management of human capital. Roles, responsibilities and reporting expectations with regard to human capital training and development in the public service should be more clearly defined and the performance monitored. Senior management should be clear on its responsibilities for managing the human capital within ministries.</p> | | ✓ | | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| 4. We recommend that the British Columbia government determine the level of investment in training and development that is necessary to protect the collective skills and knowledge in the public service, and to use this as a benchmark in assessing the adequacy of investment in future years. The benchmark should be based on a needs assessment that takes into account the long-term goals of government, service quality objectives, and the shift to a more knowledge-intensive public service. | | ✓ | | | |
| 5. We recommend that resources allocated for implementing a human resource strategic plan not be singled out for cutbacks during freezes in operational spending. | | ✓ | | | |
| 6. The Public Service Employee Relations Commission should make full use of its investment in CHIPS by requiring that all training (not just cross-government) be recorded in the system as a means of providing better information on the amount and type of training provided to the different occupational groups across government. In addition, ministries should have a consistent means of recording spending on training and development. | | ✓ | | | |
| 7. We recommend that, to ensure its skill base for the future, the British Columbia government place a much stronger focus on the development of government employees, particularly in the area of management. The amount of development currently provided employees, and who it is targeted at, should be reviewed in relation to the overall future requirements of government. | ✓ | | | | |
| 8. To ensure the wise expenditure of public funds, we recommend that ministries determine the results of training and development through systematic evaluations of activities in relation to individual, program and overall ministry performance. | | ✓ | | | |
| 9. We recommend that the annual report of the Public Service Employee Relations Commission to the Minister Responsible for the Public Service include an overview of human capital in the British Columbia public service, including periodic evaluations of the cost-effectiveness of training and development. In addition, we recommend that ministry annual reports include information about the management of human capital. | | | ✓ | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| 10. We recommend that a formal management training and development program be developed based on identified management competencies, and that all managers be provided such training. | | ✓ | | | |
| 11. We recommend that managers be accountable for the development of their staff. The focus should be on creating an environment that values employees, providing appropriate recognition and feedback, promoting training and development as an investment that is linked to the achievement of business objectives, and providing quality service to the public. | ✓ | | | | |
| 12. We recommend that ministries develop strategies for managing the effect of significant organizational change on employees, and that training and development requirements be incorporated into the strategies. | ✓ | | | | |
| 13. Many services previously delivered by government are now being delivered through the private and non-profit sectors. To protect the government's credibility as a contract manager and to ensure value for money, we recommend that a minimum standard of contract management training be mandatory for all employees managing contracts. | ✓ | | | | |

Progress on Implementing the Recommendations
on 1999/00 Report 3: Maintaining Human Capital
in the British Columbia Public Service As at November 30, 2002
Public Service Employee Relations Commission

I am pleased to respond to your request for a progress report on the implementation of the recommendations in the *1999/2000 report, Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development*.

Of the 13 recommendations, six have been fully implemented, six substantially and one partially implemented. Because of the ongoing nature of training, many of these recommendations will be subject to continuous improvement.

Since our last response to this report in May 2000, significant changes in human resource management across government have begun. These changes are congruent with the report's recommendations. Because of this, I am not including a separate work plan for each recommendation. The initiatives listed below comprise an integrated approach for addressing a number of human resource issues, including the recommendations in your report.

In the fall of 2001, the government launched the Public Service renewal Project, with a goal to "rebuild and sustain a professional public service that provides quality services to meet the needs of British Columbians." The renewal project resulted in the development of a Corporate Human Resource Plan, to be released in December 2002. This Plan will address virtually all of the recommendations in the report that fall under the responsibility of the Public Service Employee Relations Commission (PSERC).

The Plan includes leadership development, and employee performance and development plans, with an emphasis on training and development of employees across government.

A Public Service Learning Fund of \$8 Million per fiscal year was established in 2001/2002, to protect government's commitment to training. This fund is used for training that is corporate in nature.

An IT learning fund of \$2.5 Million is collected from ministries and administered by PSERC. It is a percentage of the benefit vote.

At the same time, a Corporate Learning Strategy for the public service was developed. The goal is to “build a learning and innovative organization and thereby contribute to professional excellence in the British Columbia public service.”

The Corporate Learning Strategy has three objectives:

- creating a learning culture;
- training that meets stakeholder needs; and
- efficient delivery of learning programs.

One of the most significant changes on the horizon is the creation of a consolidated human resource (HR) organization. The consolidation of HR services will increase accountability, reduce costs, and increase the quality of services provided. One of the key services provided by the new human resource organization will be a comprehensive training program that focuses on competencies that are required for employees to perform their current jobs and train for career advancement.

The move to a consolidated HR organization, and related changes to HR management began with the new administration in May 2001. Because of this, some strategies for implementing the recommendations underwent substantial changes or shifts in focus.

We look forward to our organizational transition as an opportunity to apply new and innovative solutions to the challenge of training and development of employees for the public service of the future.

Recommendation # 1

We recommend that the British Columbia Government develop and implement a strategy for managing its human capital, to determine where the shortfalls and risks are and to ensure that sufficient numbers of appropriately skilled employees are available. We believe that “competencies” for all government employees need to be established as the first step in developing this strategy. The strategy should also address:

- *development of employees for the future;*
- *training required for specific jobs;*
- *recruitment and selection strategies;*
- *compensation issues; and*
- *barriers to improved performance—such as whether employees believe steps and procedures required to do their job make sense; whether they have the tools and resources to do their job adequately; and whether they receive proper feedback and recognition.*

Similar strategies should be incorporated into ministry strategic and operational plans.

Implementation Status: **Fully Implemented**

We have developed a Corporate Human Resource Plan, to be announced in December. The goals of the plan are:

- Effective people strategy
- Proactive and visionary leadership
- Performance-focussed workplace
- Learning and innovative organization
- Flexible and motivating work environment
- Progressive employee – employer relations

Each strategy has project charters with projects, deliverables, outcomes and measures.

Recommendation # 2

To maintain its human capital and acquire the knowledge skills and abilities required for the future, we recommend that the British Columbia government make a commitment to the development of a culture of learning. To become a learning organization, government should use training and development as a strategic tool in the management of human capital, foster a culture that encourages learning, and incorporate training and development needs into operational plans. This cultural shift should be monitored and reported on by the Public Service Employee Relations Commission.

Implementation Status: **Substantially Implemented**

The Corporate Learning Strategy, which is nearing completion, was created by a cross-government senior management team. It addresses the issue of developing a “culture of learning.” It has not yet been approved by the Deputy Ministers’ Council on Shared Services.

Recommendation # 3

Just as there are standards and policies for the management of financial and physical assets within the public service, we recommend the Public Service Employees Relations Commission develop similar standards and policies for the management of human capital. Roles, responsibilities and reporting expectations with regard to human capital including training and development in the public service should be more clearly defined and the performance monitored. Senior management should be clear on its responsibilities for managing human capital within the ministries.

Implementation Status: **Substantially Implemented**

The structure of the new HR organization will give managers increased accountability for the management of human resources on the ministry level. At the same time, the new HR organization will provide a policy structure, along with advisory and transactional

services to enable ministries to apply best practices in their HR management. The accountabilities for the delivery of human resource services will be spelled out in Service Level Agreements. The Corporate Human Resource Plan, being released in December 2002, provides a framework to address human resource issues, including:

- performance measures to determine the effectiveness of various strategies of the plan;
- training of public service leaders in people management; and
- The introduction of Employee Performance and Development Plans (EPDP) to be used across government. One aspect of the EPDP is a career development plan for employees.

Recommendation # 4:

We recommend that the British Columbia government determine the level of investment in training and development that is necessary to protect the collective skills and knowledge in the public service, and to use this as a benchmark in assessing the adequacy of investment in future years. The benchmark should be based on a needs assessment that takes into account the long-term goals of government, service quality objectives, and the shift to a more knowledge-intensive public service.

Implementation Status:

Substantially Implemented

As part of the approval process for the Corporate Learning Strategy, the Deputy Ministers' Council on Shared Services will be presented with a 3-year budget proposal for corporate learning and development. A needs assessment was not performed for fiscal 2002 – 2003 at the request of ministries because of pressures due to workforce adjustment. Preparations are underway to conduct a training needs assessment for the coming fiscal year 2003/04. Training will be linked to Employee Performance and Development Plans, which in turn are linked to Ministry Service Plans.

Recommendation # 5:

We recommend that resources allocated for implementing a human resource strategic plan not be singled out for cutbacks during freezes in operational spending.

Implementation Status:

Substantially Implemented

One of the strategies in the Corporate Learning Strategy is: to secure a commitment from government for centralized funding that will be “adequate, predictable and stable.” This will ensure equal access to corporate training by all ministries. A Corporate Learning fund of \$8 M per year was established in fiscal 2001/2002. This fund is being used for any training that is corporate in nature.

Recommendation # 6: *The Public Service Employee Relations Commission should make full use of its investment in CHIPS by requiring that all training (not just cross-government) be recorded in the system as a means of providing better information on the amount and type of training provided to the different occupational groups across government. In addition, ministries should have consistent means of recording spending on training and development.*

Implementation Status: **Fully Implemented**

The Deputy Ministers' Quarterly Report on government-wide training includes both Corporate and ministry-specific training and development attendance and costs. It is mandatory that all training that is ½ day or longer be recorded in CHIPS. The report is posted on the PSERC web site.

Recommendation # 7: *We recommend that, to ensure its skill base for the future, the British Columbia government place a much stronger focus on the development of government employees, particularly in the area of management. The amount of development currently provided to employees, and who it is targeted at, should be reviewed in relation to the overall future requirements of government.*

Implementation Status: **Fully Implemented**

Through Public Service Renewal, a two-day "Leadership in the New Era" workshop was offered to over 200 senior managers across government. The workshop was sponsored and hosted by Ken Dobell and Brenda Eaton, Deputy Ministers to the Premier. As a follow up to this workshop, 26 one-day leadership workshops were delivered to over 1800 managers and supervisors from June to October 2002. Another 3 workshops are scheduled for October 2002. A follow up series of leadership development workshops are planned and will begin in December 2002. An integrated management development program is currently being planned, and will begin in fiscal 2002/2003. This program will offer both leadership and management training for employees from the supervisory to executive management levels. A Leadership Centre is to be established as a dedicated office for the recruitment, selection, development, and retention of senior managers in government. The program will apply to Management Level 6 and up.

Recommendation # 8: *To ensure the wise expenditure of public funds, we recommend that ministries determine the results of training and development through systematic evaluations of activities in relation to individual, program and overall ministry performance.*

Implementation Status: **Substantially Implemented**

The Corporate Learning Strategy will address the evaluation of learning activities. A separate training evaluation implementation plan is presently being developed for delivery through the new HR organization. The Employee Performance and Development Plans will have built in measurement to show how well employee development plans were implemented, as well as a measurement of employee performance.

Recommendation # 9: *We recommend that the annual report of the Public Service Employee Relations Commission to the Minister Responsible for the Public Service include an overview of human capital in the British Columbia public service, including periodic evaluations of the cost-effectiveness of training and development. In addition, we recommend that ministry annual reports include information about the management of human capital.*

Implementation Status: **Partially Implemented**

The PSERC annual report provides an overview of the Public Service and of the amount and type of training provided to employees. The measures of the Corporate HR Plan and the Corporate Learning Strategy will provide additional measures for the management of human capital. Ministries have not yet included information on their human capital in their annual reports.

Recommendation # 10: *We recommend that a formal management training and development program be developed based on identified management competencies, and that all managers be provided such training.*

Implementation Status: **Substantially Implemented**

The Competency Framework for the BC Public Service is nearing completion. The draft Executive, Manager, and Supervisor competencies include the Change Leadership and Change Management competencies. As indicated above, the Corporate Learning Strategy has identified management development as a critical issue. ELS is currently developing a management Development program with a consortium from Camosun College, UVic, and RRU. Delivery of this program is scheduled for the fall and winter of 2002/03.

Recommendation # 11: *We recommend that managers be accountable for the development of their staff. The focus should be on creating an environment that values employees, providing appropriate recognition and feedback, promoting training and development as an investment that is linked to the achievement of business objectives, and providing quality service to the public.*

Implementation Status: **Fully Implemented**

The Employee Performance and Development Plan was created to hold managers accountable for the development and performance of their staff. It will enable managers to work with their staff to develop a training and career development plan that is linked to ministry service plans. The Corporate Learning Strategy will reinforce this requirement and will offer tools and strategies to assist managers with this responsibility.

Recommendation # 12: *We recommend that ministries develop strategies for managing the effect of significant organizational change on employees, and that training and development requirements be incorporated into the strategies.*

Implementation Status: **Fully Implemented**

Change Management programs for Executive and Senior Managers will be offered in fiscal 2002/2003. Change Management programs as part of the Management Development Program curriculum will be offered in fiscal 2002/2003. Twenty-three offerings of 3 different “change” courses are scheduled for fiscal 2002/2003. Fifty “Leading Change in the Workplace” workshops were offered in fiscal 2001/2002.

Recommendation # 13: *Many services previously delivered by government are now being delivered through the private and non-profit sectors. To protect the government’s credibility as a contract manager and to ensure value for money, we recommend that a minimum standard of contract management training be mandatory for all employees managing contracts.*

Implementation Status: **Fully Implemented**

Thirteen offerings of *Managing Government Contracts* and sixteen offerings of *Advanced Contract Management* are scheduled for fiscal 2002/2003. A working group was established in late 2001 to assist in the identification of competencies required for contract managers. The Procurement Competency Initiative (co-managed by the Purchasing Commission and ELS) will be expanding the current contract management curriculum and implement a certification program for employees involved with contract procurement.

Ministry of Transportation

Audit Purpose and Scope

The purpose of the audit was to assess whether the Ministry of Transportation and Highways is using training and development strategically to maintain its human capital in two key areas: positions responsible for contract management and positions requiring a professional engineering designation. We also examined whether the ministry evaluates the value for money it receives from its investment in training and developing these employees. Where appropriate, we also incorporated findings for the ministry as a whole from our cross-government survey.

For the purpose of our audit, we defined the tasks of contract management as follows:

- deciding whether to purchase a service rather than to use internal resources,
- establishing the terms of the contract,
- hiring the appropriate contractors,
- monitoring the work during the contract period, and
- evaluating the work and the process at the end of the contract period.

Contract management is emerging as a core competency across government for a significant cross-section of employees — in the case of Transportation and Highways, these include senior managers, middle managers, scientific/technical staff, administrative officers and professional engineers. This audit of training for contract managers provided us with a case study of how government in general is preparing employees for this increasingly important skill. The audit of training for positions requiring a professional engineering designation provided us with a case study of government's ability to ensure that employees maintain and develop the professional and technical skills for which they were hired.

The audit fieldwork was carried out between January and December 1998 and involved a review of ministry documents, as well as interviews and surveys of all positions responsible for managing contracts and those requiring a professional engineering designation. We received a 75% response rate on our survey of contract managers and an 82% response rate from the engineers (Statistics Canada assisted the audit team in the survey development and analysis of results).

Overall Conclusion

The current training and development activities for contract managers and professional engineers has some strengths, but not enough to adequately maintain the ministry's skill base, and there is a risk it will be eroded.

The ministry has a number of building blocks in place to assist it in making more strategic decisions around training. However, these efforts need to be brought together to develop an overall human resource strategy for maintaining the ministry's human capital.

There is also no evaluation of whether or how training results are improving performance. However, the ministry is currently developing an evaluation tool that will link training to ministry and on-the-job performance.

We also concluded that the Legislative Assembly should be receiving accountability information about training and development and about the human capital of the ministry. Currently it receives none.

Ministry of Transportation

Summary of Status of Implementation by Recommendation 1999/00

Report 3: Maintaining Human Capital in the British Columbia Public

Service: The Role of Training and Development As at November 30, 2002

Training and Development of Contract Managers and Professional Engineers in the Ministry of Transportation

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| We recommend that the ministry should: | | | | | |
| 14. Develop an overall human resource strategy for managing its human capital. The ministry has a number of building blocks in place, which it can bring together to form the basis of its strategy. The strategy should also include actions to address the identified barriers that may impede performance. | | ✓ | | | |
| 15. Review contract management training to ensure that those who manage contracts are adequately trained to do so, and that the policies and procedures in place support decision-making and guidance. | ✓ | | | | |
| 16. Establish competencies for its professional Engineering staff. The ministry should then evaluate its training to ensure that the level and type of training provided is in keeping with the competencies and ensures that staff are current in their field and able to evaluate changes in technologies. | | | ✓ | | |
| 17. Assess the amount of development it is providing its professional engineers to ensure that these staff are able to accept additional responsibilities and future job assignments. | | | ✓ | | |

Progress on Implementing the Recommendations on 1999/00 Report 3:
Maintaining Human Capital in the British Columbia Public Service
As at November 30, 2002
Ministry of Transportation

The Ministry of Transportation has experienced many changes within the last eighteen months. While these changes have in some cases interrupted the usual day to day activities, including some of our training initiatives, it has helped us focus the organization and give direction in the area of our human capital. The ministry's Service Plan and Strategic Human Resource Plan are reflective of our commitments to effectively manage these resources.

Recommendation # 14:

The ministry should develop an overall human resource strategy for managing its human capital. The ministry has a number of building blocks in place, which it can bring together to form the basis of its strategy. The strategy should also include actions to address the identified barriers that may impede performance.

Implementation Status:

Substantially Implemented

In March 2001, a review was commissioned to gather input from the ministry's management teams to identify skills and competencies that ministry staff would require in order for them to move into the next generation. The report that followed was named "The Next Generation." This was only one of a number of reviews that were taking place within the ministry, at that time. Other reviews included a review of best practises, and a review of costing activities. The ministry also participated in the Core Services Review, which included a human resource management plan. Following this work, and in support of Public Service Renewal, the ministry developed what is now termed "The People Plan." All ministry staff were involved in the design, development and implementation. Individual Performance and Development Plans will have a direct linkage to the Ministry Service Plans and People Plan.

Recommendation # 15: *The ministry should review contract management training to ensure that those who manage contracts are adequately trained to do so, and that policies and procedures in place support decision-making and provide guidance.*

Implementation Status: **Fully Implemented**

Contract administration training is regularly provided on both a local and as needed basis. In addition, a contract administration training package was developed by the Finance and Administration Branch in 2001 and delivered in headquarters and four regional locations in the past year. There were 20 to 30 attendees at each of the regional training sessions and 20 in headquarters. The Finance and Administration Branch of the Ministry has developed and published a web-based contract administration manual. The manual provides relevant policies, procedures and documents necessary for employees to plan, advertise, implement and monitor ministry contracts. The manual is comprehensive and regularly updated. While we believe this item to be fully addressed in response to the audit, ongoing training will continue to support this activity.

Recommendation # 16: *The ministry should establish competencies for its professional engineering staff. The ministry should then evaluate its training to ensure that the level and type of training provided to its engineers is in keeping with the competencies and ensures that staff are current in their field and able to evaluate changes in technologies.*

Implementation Status: **Partially Implemented**

The Public Service Employee Relations Commission (PSERC) has purchased the Hay Dictionary of Competencies. The ministry is working with PSERC to implement competencies for all positions, including professional engineering staff. The ministry has already begun the implementation of the new Employee Performance and Development Plan process, which introduces competencies in the workplace, as well as identifying learning opportunities to increase individual competencies.

Recommendation # 17:

The ministry should assess the amount of development it is providing its professional engineers to ensure that these staff are able to accept additional responsibilities and future job assignments.

Implementation Status:

Partially Implemented

As a result of the Core Review the ministry has undergone a significant restructuring and downsizing. Currently a review of work processes is under-way. All staff are being called upon to prepare for and accept additional responsibilities and new work assignments. Recommendation 16 & 17 are linked. As we implement the ministry Employee Planning and Development Program, competency gaps will be identified and addressed. In addition to direct professional development opportunities nine individuals were sponsored in the Executive Program in Public Sector Leadership in 2001/2002; an additional eight individuals are participating in the revised offering of this program, at Royal Roads University, in the fall of 2002. The ministry supports a variety of learning and development opportunities, utilising both the Public Service Learning Fund and own ministry training and development funds.

Ministry of Agriculture, Food and Fisheries

Audit Purpose and Scope

The purpose of the audit was to assess whether the Ministry of Agriculture and Food is using training and development strategically to maintain its human capital. We also examined whether the ministry is evaluating the value for money it receives from its investments in training and development for its employees.

The audit fieldwork was carried out between September 1997 and March 1998 and involved a review of ministry documents, interviews and a survey of all employees (with the exception of management levels 10 – 12) who had worked in the ministry for one year or more. We received an 80% response rate. (Statistics Canada assisted the audit team in the survey development and analysis of results.) The findings in this report are accurate generally to within 4% of the true values, 19 times out of 20.

Overall Conclusion

The human capital in the Ministry of Agriculture and Food is at risk. The ministry has experienced a significant reorganization, resulting in considerable downsizing and an exodus of experienced employees. In terms of human capital—and, in particular, staff morale—these changes have not been managed well. Training and development has not been used to assist in the management of the change and the preparation of staff for new roles. Decisions around training and development are made in the absence of a strategic plan for maintaining the ministry's human capital. Training is delivered in an uncoordinated manner and therefore may not be providing the best use of scarce training dollars. The ministry's level of training and, especially, development is not enough to ensure that the ability of its managers and professional staff to meet the new challenges facing the ministry will be maintained.

We also concluded that the Legislative Assembly should be receiving accountability information about training and development and about the human capital of the Ministry of Agriculture and Food. Currently it receives none.

Ministry of Agriculture, Food and Fisheries (At the time of the Audit was the Ministry of Agriculture and Food) Summary of Status of Implementation by Recommendation 1999/00 Report 3: Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development As at November 30, 2002

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|-----------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| We recommend that the ministry should: | | | | | |
| 18. Develop an overall human resource strategy for managing its human capital. The strategy should also include actions to address the identified barriers in the work environment to ministry performance. | | | ✓ | | |
| 19. Develop a strategy for managing the effect of significant organizational change on employees, and that it incorporate training and development requirements into the strategy. | | ✓ | | | |
| 20. Review its human and financial investment in the maintenance of its human capital through training development. This should be done in conjunction with a thorough needs assessment as to the future skill requirements in the ministry. | | | ✓ | | |
| 21. Establish clear lines of accountability for training and development both at a strategic level within the ministry and operationally through a service level agreement with the Ministry of Transportation and Highways. | | ✓ | | | |

Progress on Implementing the Recommendations on 1999/00 Report 3:
Maintaining Human Capital in the British Columbia Public Service
As at November 30, 2002
Ministry of Agriculture, Food and Fisheries

Recommendation # 18: *The ministry should develop an overall human resource strategy for managing its human capital. The strategy should also include actions to address the identified barriers in the work environment to ministry performance.*

Implementation Status: **Partially Implemented**

The Ministry of Agriculture, Food and Fisheries (MAFF) is well underway in implementing a employee Leadership and Performance Planning Process. Work to date includes the development of a series of goals that capture what a committee of employees believes is important for MAFF to focus on in improving our ministry as a workplace. These goals address people excellence, workplace environment, and service excellence. The goals are currently being vetted across the Ministry in a series of consultations with staff from all levels and from all geographic areas so that staff have an opportunity to speak to the appropriateness of the goals and to strategies for implementation they believe need to be considered as the Ministry works toward the development of its Leadership and Performance Plan.

Recommendation # 19: *The ministry should develop a strategy for managing the effect of significant organizational change on employees, and that it incorporate training and development into the strategy.*

Implementation Status: **Substantially Implemented**

The ministry has worked through significant organizational and staffing changes over the past eight months. This change was facilitated by a series of Change Management forums involving directors and senior managers to assist them in implementing change in their individual workplaces. This work continues in connection with the Ministry's work with all levels of staff in designing and determining implementation requirements of its Leadership and Performance Planning process, which will focus on the changed work of the ministry in the context of its staff's capabilities and training/development needs.

Recommendation # 20:

The ministry should review its human and financial investment in the maintenance of its human capital through training and development. This should be done in conjunction with a thorough needs assessment as to the future skill requirements in the ministry.

Implementation Status:

Partially Implemented

The Ministry has decentralized its funding for training to enable each program area to address the needs of staff in the context of staff capabilities and their changing responsibilities in the context of the new focus on core business areas. We expect this work will become more formalized as each area of the Ministry works towards further implementation of local program service plans and delineates their staffing needs through the HR planning process facilitated by the Leadership and Performance Planning process.

Recommendation # 21:

The ministry should establish clear lines of accountability for training and development both at a strategic level within the ministry and operationally through a service level agreement with the Ministry of Transportation and Highways.

Implementation Status:

Substantially Implemented

The Ministry has tasked the Ministry of Transportation (MoT) with facilitating our training planning, in a model that allows MoT to work directly with each service area of the ministry. MoT assists with needs assessments, defining general training requirements, and identifying training contractors etc. This model requires each manager or director to be accountable for the training needs of their staff in the context of their work needs. Again, this accountability will become more formalized as the ministry finalizes its Leadership and Performance Planning process and determines strategies for implementation.

Ministry of Attorney General

Audit Purpose and Scope

The purpose of this audit was to assess whether the Ministry of Attorney General is using training and development strategically to maintain its human capital in the key area of management. We also examined whether the ministry is evaluating the value for money it receives from its investment in training and developing its management staff.

The ministry has 327 employees classified as managers in levels 3-8. There are 271 middle managers (levels 3-5) and 56 senior managers (levels 6-8). In general, individuals in middle management positions are in support functions, such as human resources, finance and policy development. They may manage small numbers of staff and usually have limited financial and program responsibilities. Senior managers occupy director and executive director level positions. These individuals usually have responsibility for a number of programs and their corresponding financial and human resources.

The audit fieldwork was carried out between December 1997 and December 1998, and involved a review of ministry documents, interview and a survey of all managers in levels 3-8. We achieved a 72% response rate (Statistics Canada assisted the audit team in the survey development and analysis of results). Findings are accurate 19 times out of 20, generally to within 3.5% of the true values.

Overall Conclusion

The current training and development provided to managers in the Ministry of Attorney General will not adequately maintain the skill base the ministry needs now and in the future.

The central problem is the lack of commitment to management training and development. Decisions about training and development for management staff are being made in the absence of a strategic plan for maintaining the management skill base. This means that decisions are made in isolation, with no consistent criteria, and therefore may not make the best use of training dollars or be focused on ministry objectives. There is also no evaluation of whether or how the training and development offered management is improving performance. However, the ministry has recently introduced a human resource strategy, and this should assist it in making more strategic decisions about training and development.

We also concluded that the Legislative Assembly should be receiving accountability information about training and development and about the human capital of the ministry. Currently it receives none.

Ministry of Attorney General

Summary of Status of Implementation by Recommendation 1999/00

Report 3: Maintaining Human Capital in the British Columbia Public

Service: The Role of Training and Development As at November 30, 2002

Training and Development of Management (Levels 3 – 8)

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| We recommend that the ministry should: | | | | | |
| 22. Assess the amount of development it is providing its managers and adjust it as needed to ensure that they will be able to accept additional responsibilities and future job assignments. | | ✓ | | | |
| 23. Review its management training in conjunction with the management competencies being developed by the Curriculum Advisory Committee for Supervisors, Managers and Executives, to ensure that the level and type of management training provided is in keeping with the competencies and will adequately maintain the management skill base. | | ✓ | | | |
| 24. Ensure that decisions about who receives training and development and about the allocation of training funds are based on a ministry-wide needs assessment. | | ✓ | | | |

Progress on Implementing the Recommendations on 1999/00 Report 3:
Maintaining Human Capital in the British Columbia Public Service
As at November 30, 2002
Ministry of Attorney General, Management (Levels 3–8)

Please be advised that Government reorganized ministries in 2001. The former Ministry of Attorney General was split into two ministries: the Ministry of Attorney General and the Ministry of Public Safety and Solicitor General. The Treaty Negotiations Office also became part of the Ministry of Attorney General.

The two Ministries continue to receive personnel services from one management services unit, including support and coordination of training and development. Accordingly this follow-up to the report's recommendations is for both ministries.

Training and development has been an ongoing priority for the Ministries focusing on corporate training and training and development.

An important element of the Ministries' Human Resource Strategy has been corporate training. This strategy focuses the Ministries' budget towards making investments in training by:

- Establishing performance standards and core competencies that would be used to determine training requirements,
- Improving access to and delivery of training for employees throughout the province, and
- Setting evaluation mechanisms that test the effectiveness of training.

A training and development policy has also been implemented to:

- Ensure that training and developmental activities support ministry and branch strategic direction and performance plans,
- Provide the framework, process and roles and responsibilities for training and development,
- Increase access to training by ensuring all staff within the two Ministries are afforded opportunities for training and development, and
- Establish guidelines and give direction to managers and staff on the approval of training activities.

In summary, the Ministries have undertaken a number of initiatives that support the training and development of all staff. In fiscal year 2001/02 the Ministry of Attorney General recorded a total of 23, 990 hours of staff training, while the Ministry of Public Safety and Solicitor General undertook 47, 956 hours of staff training. (these numbers understate the extent of training as some staff training is invariably not recorded in CHIPS)

Recommendation # 22: *The ministry should assess the amount of development it is providing its managers and adjust it as needed to ensure that they will be able to accept additional responsibilities and future job assignments.*

Implementation Status: **Substantially Implemented**

Branch consultations identified the need for a management development program focussing on the generic skills and abilities required by managers at all levels, but specifically targeted to supervisors and mid-level managers considered to have the capacity to advance to more senior levels.

Recommendation # 23: *The ministry should review its management training in conjunction with the management competencies being developed by the Curriculum Advisory Committee for Supervisors, Managers and Executives, to ensure that the level and type of management training provided is in keeping with the competencies and will adequately maintain the management skill base.*

Implementation Status: **Substantially Implemented**

Branch consultations identified the need to build on the work done in developing ministry core competencies, by moving toward developing Branch specific management competencies for the purpose of training, performance development and succession planning.

Recommendation # 24: *The ministry should ensure that decisions about who receives training and development and about the allocation of training funds are based on a ministry- wide needs assessment.*

Implementation Status: **Substantially Implemented**

Training and Development of Deputy Sheriffs

Audit Purpose and Scope

The purpose of this part of the audit was to assess whether the Ministry of Attorney General is using training and development strategically to maintain the knowledge, skills and abilities of its deputy sheriffs. The audit also examined whether the ministry is evaluating the value for money it received from its investment in training and development for its deputy sheriffs.

The audit fieldwork was carried out between December 1997 and March 1998 and involved a review of ministry documents, interviews and a survey of all deputy sheriffs who had worked for the ministry for one year or more. We received a 67% response rate. (Statistics Canada assisted the audit team in the survey development and analysis of results.) The findings are accurate generally to within 5% of the true values, 19 times out of 20. The regional results have a somewhat higher margin of error, ranging from 7% to 10% of the true values.

Overall Conclusion

The job of a deputy sheriff requires a variety of skills, including the ability to deal effectively with potentially dangerous situations. We found that new deputy sheriffs receive adequate basic training, but that little training or development is provided after that. We are particularly concerned at the inconsistent training in firearms and infectious disease control.

We also found that the branch does not effectively assess training needs, nor does it measure the effectiveness of the training that is provided. Overall, the branch's investment in training for deputy sheriffs is not enough to maintain their skill base, and we believe this could place the deputy sheriffs, the branch, prisoners and other stakeholders at risk.

Ministry of Attorney General

Summary of Status of Implementation by Recommendation 1999/00

Report 3: Maintaining Human Capital in the British Columbia Public

Service: The Role of Training and Development As at November 30, 2002

Training and Development of Deputy Sheriffs

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| We recommend that Court Services Branch should: | | | | | |
| 25. Develop a human resource strategy for managing its human capital and link it to the ministry's human resource plan. The strategy should also address the identified issues in the work environment. | ✓ | | | | |
| 26. Review its human and financial investment in training and developing deputy sheriffs to ensure it maintains the current skill base and complies with the Workers' Compensation Board regulations on infectious disease control and the branch's policy on handgun re-qualification. This review should also be done in conjunction with a thorough needs assessment as to the skill requirements of deputy sheriffs. | ✓ | | | | |
| 27. Determine a communications plan for improving the deputy sheriffs' awareness of the branch strategic direction. | ✓ | | | | |

Progress on Implementing the Recommendations on 1999/00 Report 3:
Maintaining Human Capital in the British Columbia Public Service
As at November 30, 2002
Ministry of Attorney General, Deputy Sheriffs

This is the second Branch update to the report. The Court Services Branch has made significant strides and has made changes that exceed the Auditor General's recommendations.

Organizational and Human Resource Management

In 2000/01, the Branch created the position of Director, Training and Development to address training issues arising from the report.

The Branch has been actively involved in competency based processes and an exercise to develop management and sheriff competencies has been completed. The Branch is conducting performance management reviews for all Branch managers and reviews are regularly completed for all excluded managers.

In addition, an organization and classification review of all court administration staff and statutory exclusions impacting approximately 900 employees has been completed and implemented, bringing standardized classifications and organizations to all court locations in the province.

There are approximately 480 full and part-time sheriff staff who provide court security and transport prisoners in the Province. The Auditor General's audit identified the need to improve training and standards for Deputy Sheriffs. In October 2001, in the interest of enhancing security, standards and program management, Lower Mainland court administration was amalgamated into one region and the Sheriff Services Division was created. The Executive Director, Sheriff Services has direct responsibility for Lower Mainland Sheriff Operations, which represents approximately 60% of court activity, and has provincial authority over sheriff policy, standards and best practices. The Director, Policy, Standards and Development has provincial responsibility for developing a training infrastructure and maintaining certification standards for all Branch programs.

Sheriff Training and Development

Firearms Training: The Branch has completed the transition from the revolver to the 9mm pistol and a corresponding provincial training program. An annual re-qualification program and structured practice program has been implemented. Approximately 960 student training days are provided annually to maintain firearm standards through provincially certified Branch instructors.

Control Tactics: A three day refresher program was developed and implemented. Deputies are now required to take refresher training every 2 years. In 2000/02, approximately 210 sheriffs completed the refresher, representing approximately 630 student training days. A cycle has been established and in 2002/03, 240 deputies will receive training (720 student training days).

TASER: The TASER has been adopted for use by deputies as a risk management/risk avoidance tool. It has been implemented in 30 sites with 150 staff receiving operator training.

Crowd Management: A crowd management program was developed and training has been delivered to all major court locations.

Advanced Driving / High Security Escorts: A three day program for managing high risk and multi-vehicle escorts was developed and has been delivered to eight escort teams. All major court locations will receive this training.

Command and Control Systems: A security operational planning tool has been developed along with a trial planning guide. The BCERMS/Command Structure and related operational planning tool is the centrepiece for this process. Training has been developed and an advanced management program in command and control systems is being developed.

DSER Program: The Deputy Sheriff Employment Readiness program curriculum was reviewed and updated. A two-week practicum was added to the program.

Competency Project: A competency based review was conducted to review the job skills and tools required by entry level deputies and other levels as they progress through the ranks. A task analysis has been completed and, when finalized, will benchmark a comprehensive curriculum review of the training program.

Instructor Development: An instructor certification program has been developed and put in place at the Justice Institute of BC. Training is underway for additional firearms, control tactics and employment readiness instructors.

Works in Progress: The following represent training programs in development:

- Non violent crisis intervention;
- Coaching and mentoring;
- Weapons awareness;
- Mental disorder awareness.

Occupational Health and Safety

The Branch has planned and is in the process of developing a comprehensive Occupational Health and Safety program. The program will address issues relating to risk assessment and risk management in the workplace and structural issues, and documentation and training in local policies and procedures.

Standard (Universal) Precautions: Training has been delivered to a significant portion of sheriff staff and ongoing training continues. In addition training and orientation has been developed and delivered to staff for anthrax and biological contaminants.

Joint Union Management Committee: An active joint “3.1” committee has been established to discuss training, equipment and occupational issues.

Sheriff Advisory Committee: ‘Best practices’ committees exist in various locations. The sheriff advisory committee is actively involved in review and development of policies and procedures.

Communications

- Court Services Branch has implemented a comprehensive Intranet system. All manuals, bulletins, directives, items of interest and strategic plans are posted and are available for all staff.
- A newsletter for Sheriff Services has been developed.
- The Branch now produces an annual report which is circulated to all staff and is posted on the Inter/Intranet.

Recommendation # 25:

We recommend the Court Services Branch develop a human resource strategy for managing its human capital and link it to the ministry's human resource plan. The strategy should also address the identified issues in the work environment.

Implementation Status:

Fully Implemented

Recommendation # 26:

We recommend that the branch review its human and financial investment in training and developing deputy sheriffs to ensure it maintains the current skill base and complies with the Workers' Compensation Board regulations on infectious disease control and the branch's policy on handgun re-qualification. This review should also be done in conjunction with a thorough needs assessment as to the skill requirements of deputy sheriffs.

Implementation Status:

Fully Implemented

The Branch has planned and is in the process of developing a comprehensive Occupational Health and Safety program. The program will address issues relating to risk assessment and risk management in the workplace and structural issues, and documentation and training in local policies and procedures. Training on Standard (Universal) Precautions has been delivered to a significant portion of sheriff staff and ongoing training continues. In addition training and orientation has been developed and delivered to staff for anthrax and biological contaminants. The Branch has completed the transition from the revolver to the 9 mm pistol and a corresponding provincial training program. An annual re-qualification program and structured practice program has been implemented. Approximately 960 student training days are provided annually to maintain firearm standards through provincially certified Branch instructors.

Recommendation # 27:

We recommend that the branch determine a communications plan for improving the deputy sheriffs' awareness of the branch strategic direction.

Implementation Status:

Fully Implemented

Court Services Branch has implemented a comprehensive Intranet system. All manuals, bulletins, directives, items of interest and strategic plans are posted and are available for all staff. As well, a newsletter for Sheriff Services has been developed and the Branch now produces an annual report which is circulated to all staff and is posted on the Inter/Intranet.



Appendix

Timetable of Reports Issued and Public Accounts Committee Meetings on Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development

August 1999

Office of the Auditor General issues *1999/2000 Report 3: Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development*. The report included 27 recommendations.

*October and
November 1999*

The Select Standing Committee on Public Accounts reviews our report.

March 2001

The Select Standing Committee on the Public Accounts' review of the report tabled in the Legislative Assembly.

January 2003

Office of the Auditor General issues its first follow-up report on *Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development*.



Office of the Auditor General of British Columbia

Information provided to the Select Standing Committee
on Public Accounts regarding
the follow-up of recommendations in

2001/2002 Report 1:

Managing Interface Fire Risks

November 2002





OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

We have carried out a follow-up review of the implementation of the recommendations in our *2001/2002 Report 1: Managing Interface Fire Risks* and enclose the following:

- My opinion on the status provided by management.
- A Summary of the original report showing the audit purpose, scope and overall conclusion.
- A Summary of the status of recommendations.
- A list of recommendations that have not yet been fully implemented.
- Response from the Provincial Emergency Program—Ministry of Public Safety and Solicitor General, Office of the Fire Commissioner—Ministry of Community, Aboriginal and Women's Services and the Protection Branch—Ministry of Forests on the status of recommendations.
- Timetable of Reports Issued and Public Accounts Committee Meetings on Managing Interface Fire Risks.

Since there are still 22 significant recommendations that have not been fully implemented, we will carry out a follow-up in about a year's time and report to the committee after completion of our review.

Wayne Streliaff, CA
Auditor General

November 27, 2002



OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

This is our report on our September 2002 follow-up of the recommendations contained in our *2001/2002 Report 1: Managing Interface Fire Risks*.

Information as to the status of outstanding recommendations was provided to us by the Provincial Emergency Program (PEP) who coordinated the responses made by the Ministry of Forests, The Office of the Fire Commissioner and PEP as of September 2002.

We have reviewed the representations provided by the Provincial Emergency Program in October and November 2002 regarding progress in implementing the recommendations. The review was made in accordance with standards for assurance engagements established by the Canadian Institute of Chartered Accountants, and accordingly consisted primarily of enquiry, document review and discussion.

Based on our review, nothing has come to our attention to cause us to believe that the progress report prepared jointly by the Ministry of Forests, the Office of the Fire Commissioner and the Provincial Emergency Program does not present fairly, in all significant respects, the progress made in implementing the recommendations contained in our June 2001 report.

Wayne Streliaff, CA
Auditor General

November 27, 2002

Summary of Original Report on Managing Interface Fire Risks

Audit Purpose and Scope

The purpose of our audit was to assess the degree to which governments in British Columbia are prepared for major interface fires.

The audit focused on the following provincial government entities with responsibilities for managing interface fire risks (either directly or in support of local governments):

- Protection Branch in the Ministry of Forests;
- Office of the Fire Commissioner in the Ministry of Municipal Affairs; and
- Provincial Emergency Program in the Ministry of Attorney General.

The audit also included local governments (cities, districts, regional districts, municipalities, towns and villages) in order to assess the extent to which local and provincial government activities have been effective at managing interface fire risks.

We assessed the degree to which governments are prepared by looking for answers to the following questions:

- Have the responsibilities relating to the management of interface fire risks been clearly assigned through legislation or otherwise?
- Have adequate steps been taken to prevent interface fires and mitigate their effects if they occur?
- Have adequate steps been taken to prepare to respond to and recover from interface fires if they occur?
- Is adequate information being gathered about interface fire risks in order to assess the magnitude of the issue in the province, raise awareness, plan the appropriate provincial actions, and report on the levels of preparedness of provincial communities?

Our audit was carried out between December 1999 and July 2000. Our examination was performed in accordance with assurance standards established by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures we considered necessary in the circumstances. We obtained evidence from three main sources: interviews, surveys and document reviews.

Our provincial government interviews focused on staff of the Ministry of Forests, Office of the Fire Commissioner, and the Provincial Emergency Program in both head office and field locations throughout the province. As well, we interviewed local authority staff such as chief administrative officers, fire chiefs, development/planning directors, and emergency coordinators in areas of the province with significant interface fire risks.

We designed and conducted four surveys targeting local authorities including chief administrative officers, fire chiefs, development/planning directors, and emergency coordinators (Appendix A). The purpose of the surveys was to obtain the recipients' assessments of the interface fire risks their communities face and the adequacy of interface fire risk management in their immediate locations.

... continued

Continued . . .

During the course of the audit, we also collected and analyzed more than 200 documents containing research results and information about factors related to the management of interface fire risks.

We did not review the adequacy or appropriateness of the methods and approaches used to fight interface fires. (For details about the Office's performance auditing objectives and methodology, see Appendix B. A list of reports issued to date in 2000/2001 by the Office is provided in Appendix C.)

Overall Conclusion

We concluded that governments in British Columbia need to do more to be better prepared for major interface fires. A significant problem is that there is a lack of complete and reliable information about the issue-number of fires, locations, and the costs and losses associated with these events. In our opinion, the lack of information hampers efforts by provincial agencies whose role it is to raise the level of awareness of the issue among provincial and local governments. This, in turn, leads to limited attention being given to the issue by both levels of government.

Another important problem is the lack of clarity in the allocation of roles and responsibilities among provincial agencies for managing interface fire risks. Provincial emergency legislation and policies indicate that local governments are responsible for managing risks within their boundaries, while the provincial government is expected to provide material support, advice, expertise or other assistance as requested. The provincial government is also responsible for managing the risks in unorganized areas. These arrangements work reasonably well when it comes to responding to an interface fire, but response is only one element of sound risk management. The remaining elements—prevention, preparedness and recovery—must also be addressed. At present, there is a lack of clarity about which government agency (or agencies) should do the work. The presence of federal and First Nations lands also add to the lack of clarity in roles and responsibilities. Overall, the number of agencies and levels of government involved makes managing interface fire risks a relatively complex task.

Interface fire prevention requires raising awareness among local governments and their residents about the risks of these fires and encouraging them to take actions to mitigate the risks. Provincial agencies, particularly Protection Branch in the Ministry of Forests, work hard each year to help raise awareness in communities at risk. However, fire and emergency experts say the levels of awareness continue to need improvement. Protection Branch and the Office of the Fire Commissioner in the Ministry of Municipal Affairs have also produced and made available to communities information that can be used to identify and mitigate interface fire risks. But again, fire and emergency experts believe that interface fire prevention work has been insufficient in many communities with high or moderate risks, and that even when measures are put in place to help control the risks, compliance is a problem.

Preparing to respond to interface fires involves taking action ahead of time to ensure that fire and emergency experts, other emergency response agencies and residents will be ready to react effectively when a fire emergency occurs. Many aspects of response planning are done well in the

. . . continued

Continued . . .

province, and this has helped limit the number of interface fires involving major costs and property damage. For example, the province has highly trained and well-equipped wildland firefighters strategically located around the province and supported by sophisticated systems for their deployment. Many communities also have highly trained and well-equipped structural firefighters. Agreements are in place to coordinate efforts of the two groups so that effective fire response is assured and resources are added when required. Many communities also have highly-trained emergency responders. Despite all these strengths, there are still areas for improvement. A priority is the need to improve the state of local emergency planning. Not only do many jurisdictions lack emergency plans, but even those that exist often do not deal adequately with interface fires and most do not address recovery planning. Some jurisdictions periodically exercise their fire and emergency response personnel and systems to test their ability to respond to a significant interface fire, but more testing is required and more agencies need to be involved.

Local firefighters and emergency responders both see a need to improve their training and equipment to deal with interface fire situations, and both groups believe their communities are inadequately prepared to deal with major evacuations. Continued efforts are needed to find ways to reduce risks in small communities that have no structural fire services or only small volunteer groups.

Summary of Status of Recommendations

Managing Interface Fire Risks

Original Issue Date: June 2001

Year Followed Up: 2002

| Summary of status at July 2002 | OAG | PAC | Further Follow-up Required |
|--------------------------------|-----------|----------|----------------------------|
| Total Recommendations | 37 | 0 | 22 |
| Fully Implemented | 15 | 0 | 0 |
| Substantially Implemented | 0 | 0 | 0 |
| Partially Implemented | 20 | 0 | 20 |
| Alternative Action | 0 | 0 | 0 |
| No Action | 2 | 0 | 2 |

Recommendations that have not yet been fully implemented

Part I: General

- The provincial government should establish an Interface Fire Committee under the provisions of the Emergency Program Act to develop strategies and action plans to improve the management of interface fire risks in the province. The committee should be adequately funded and consist of representatives from the Provincial Emergency Program, the Ministry of Forests, and the Office of the Fire Commissioner. The Provincial Emergency Program—the provincial government’s emergency coordinating agency and leader in emergency management—should chair the committee.

Part II: Assigning Responsibilities

- The Ministry of Forests should formalize in legislation its response priorities relating to the protection of human life, property and natural resources.

Part III: Raising Awareness of the Risks

- The Interface Fire Committee should work to raise awareness of interface fire risks in the province, with emphasis in high and moderate risk locations.
- The Ministry of Forests should continue to have a significant role in developing and delivering programs to raise community awareness about interface fire risks, and should formalize its plans for doing this work.

Part IV: Assessing the Risks

- The Interface Fire Committee should encourage organized areas of the province to assess interface fire risks in their communities.
- The Ministry of Forests should complete hazard mapping of unorganized areas of the province over a reasonable time period, with emphasis on high and moderate risk areas.
- The Provincial Emergency Program should complete the development of a BC Hazard Risk Vulnerability Assessment model and encourage its use at the local level to assess interface fire risks.

Part V: Mitigating the Risks

- The Interface Fire Committee should encourage high and moderate risk communities to take practical steps to mitigate interface fire risks.

Part VI: Establishing Working Relationships Among Response Agencies

- The Ministry of Forests should work with local fire departments to address the concerns they have with the Ministry of Forests Operating Guidelines.
- The Ministry of Forests should work with local fire departments and emergency response staffs in high and moderate interface fire risk areas to improve the application of unified command.
- The Office of the Fire Commissioner should work with local fire departments to identify practical solutions to the current impediments to fire department response outside prescribed boundaries.
- The Office of the Fire Commissioner should work with communities to identify practical ways to improve public safety in populated areas of the province that lack fire department services.

Part VII: Accessing Additional Firefighting and Emergency Response Resources

- The Office of the Fire Commissioner should identify the impediments to mutual aid agreements in some fire departments in the province and recommend practical solutions.

Part VIII: Planning Community Emergency Response

- The Provincial Emergency Program should finalize development of a formal process for assessing the preparedness level of local authorities and assess each community's level of preparedness on a regular basis.
- The Provincial Emergency Program should develop a detailed implementation plan to provide support at the community level where assessments reveal emergency preparedness deficiencies.

Part XI: Planning to Evacuate Communities

- The Provincial Emergency Program should develop a strategy for improving the provincial capability to provide emergency warnings and alerts, including conducting a review of current provincial capabilities in this regard and researching best practices.

Part XII: Testing the Ability to Respond to Major Interface Fires

- The Provincial Emergency Program should develop an annual exercise schedule and encourage communities to follow it.

Part XIII: Recovering From Major Interface Fires

- The Provincial Emergency Program should develop guidelines and examples of recovery planning and make this material available to provincial communities.
- The Provincial Emergency Program should include an assessment of recovery planning as part of the proposed overall assessment of the preparedness level of each local authority.

Part XIV: Gathering and Reporting Information

- The Interface Fire Committee should gather complete and reliable information about the nature and extent of the interface fire issue in the province and use the information to report on the management of the risks in communities with high or moderate risk associated with this hazard.

No Action

- **The Interface Fire Committee should work with communities to improve training of local firefighters and other emergency responders, with emphasis in high and moderate risk locations.**
- **The Interface Fire Committee should identify local fire departments in high and moderate risk locations that lack suitable firefighting and communications equipment, and work with the communities to resolve the deficiencies.**

Response from The Provincial Emergency Program
—Ministry of Public Safety and Solicitor General,
Office of the Fire Commissioner—Ministry of Community, Aboriginal
and Women's Services and The Protection Branch—Ministry of Forests

September 2002 Progress Report

The Local Government Act delegates considerable autonomy to local governments with respect to the provision of services and, as such, makes the coordination and sharing of interface fire preparedness and response challenging.

Fire suppression is a discretionary service of local governments and the level of that service is a function of the council's willingness and ability to pay. Many communities do not have the resource tax base to allocate the necessary funds to fire protection or to emergency preparedness to the extent anticipated by the province.

Some recommendations assume that the Interface Fire Committee as an entity has some ability to act independently. The reality is that the committee has no dedicated funding and is primarily engaged in the sharing of subject matter expertise and coordinating the individual activities of Ministry of Forests (MOF), Office of the Fire Commissioner (OFC) and Provincial Emergency Program (PEP) as they relate to emergency preparedness in general and interface fire specifically.

It must be acknowledged that the fiscal reality will continue to affect our ability to fully implement the recommendations. Implementation of expenditure and workforce reductions is scheduled to continue though to the end of fiscal year 04/05.

Regardless of the resource limitations, numerous public awareness and prevention activities continued throughout the province. For example, numerous inter-agency committees have been formed and are actively working to mitigate, prevent and prepare for interface fires.

Summary of Status of Implementation by Recommendation
 2001/02 Report 1: Managing Interface Fire Risks
 As at September 30, 2002

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|-----------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| Part I: General 1. The provincial government should establish an Interface Fire Committee under the provisions of the Emergency Program Act to develop strategies and action plans to improve the management of interface fire risks in the province. The committee should be adequately funded and consist of representatives from the Provincial Emergency Program, the Ministry of Forests, and the Office of the Fire Commissioner. The Provincial Emergency Program—the provincial government's emergency coordinating agency and leader in emergency management—should chair the committee. | | | ✓ | | |
| Part II: Assigning Responsibilities 2. The Interface Fire Committee should clarify roles and responsibilities related to managing interface fire risks. 3. The Ministry of Forests should formalize in legislation its response priorities relating to the protection of human life, property and natural resources. | ✓ | | ✓ | | |
| Part III: Raising Awareness of the Risks 4. The Interface Fire Committee should work to raise awareness of interface fire risks in the province, with emphasis in high and moderate risk locations. 5. The Ministry of Forests should continue to have a significant role in developing and delivering programs to raise community awareness about interface fire risks, and should formalize its plans for doing this work. 6. The Provincial Emergency Program should encourage emergency program coordinators to discuss interface fire risks with local emergency planning committees and to seek the involvement of the committees in raising public awareness about the risks. | ✓ | | ✓ ✓ | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|------------------------------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| <p>Part IV: Assessing the Risks</p> <p>7. The Interface Fire Committee should encourage organized areas of the province to assess interface fire risks in their communities.</p> <p>8. The Ministry of Forests should complete hazard mapping of unorganized areas of the province over a reasonable time period, with emphasis on high and moderate risk areas.</p> <p>9. The Provincial Emergency Program should complete the development of a BC Hazard Risk Vulnerability Assessment model and encourage its use at the local level to assess interface fire risks.</p> | | | ✓ ✓ ✓ | | |
| <p>Part V: Mitigating the Risks</p> <p>10. The Interface Fire Committee should encourage high and moderate risk communities to take practical steps to mitigate interface fire risks.</p> | | | ✓ | | |
| <p>Part VI: Establishing Working Relationships Among Response Agencies</p> <p>11. The Ministry of Forests should:</p> <ul style="list-style-type: none"> ■ Work with local fire departments to address the concerns they have with the Ministry of Forests Operating Guidelines. ■ Work with local fire departments and emergency response staffs in high and moderate interface fire risk areas to improve the application of unified command. <p>12. The Office of the Fire Commissioner should:</p> <ul style="list-style-type: none"> ■ Work with local fire departments to identify practical solutions to the current impediments to fire department response outside prescribed boundaries. ■ Work with communities to identify practical ways to improve public safety in populated areas of the province that lack fire department services. | | | ✓ ✓ ✓ ✓ | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| <p>Part VII: Accessing Additional Firefighting and Emergency Response Resources</p> <p>13. The Office of the Fire Commissioner should identify the impediments to mutual aid agreements in some fire departments in the province and recommend practical solutions.</p> | | | ✓ | | |
| <p>Part VIII: Planning Community Emergency Response</p> <p>14. The Provincial Emergency Program should:</p> <ul style="list-style-type: none"> ▪ Encourage all areas of the province with high or moderate interface fire risks to put plans in place to deal with such emergencies, and to develop the ability to enact the plans when needed. ▪ Review community emergency plans periodically, giving specific attention to interface fire planning. ▪ Finalize development of a formal process for assessing the preparedness level of local authorities and assess each community's level of preparedness on a regular basis. ▪ Develop a detailed implementation plan to provide support at the community level where assessments reveal emergency preparedness deficiencies. | ✓ | | ✓ | | |
| <p>Part IX: Training Firefighters and Other Emergency Responders</p> <p>15. The Interface Fire Committee should work with communities to improve training of local firefighters and other emergency responders, with emphasis in high and moderate risk locations.</p> <p>16. The Provincial Emergency Program should:</p> <ul style="list-style-type: none"> ▪ Finalize the training aspects of the British Columbia Emergency Response Management System as quickly as possible and communicate the standard to all local authorities and regional districts. ▪ Devise practical ways to speed the delivery of Emergency Response Management System training to fire departments and local emergency response staffs. | ✓ | | | | ✓ |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| <p>Part X: Equipping Firefighters and Other Emergency Responders</p> <p>17. The Interface Fire Committee should identify local fire departments in high and moderate risk locations that lack suitable firefighting and communications equipment, and work with the communities to resolve the deficiencies.</p> <p>18. The Provincial Emergency Program should encourage local fire and emergency response agencies to test radio communications annually and to acquire access to key frequencies.</p> | | | | | ✓ |
| <p>Part XI: Planning to Evacuate Communities</p> <p>19. The Provincial Emergency Program should:</p> <ul style="list-style-type: none"> ▪ Develop clear guidelines on evacuation planning and make them available to community officials. ▪ Include an assessment of evacuation planning as part of the proposed overall assessment of the preparedness level of each local authority. ▪ Offer training courses on evacuation planning. ▪ Develop a strategy for improving the provincial capability to provide emergency warnings and alerts, including conducting a review of current provincial capabilities in this regard and researching best practices. | ✓ | | | | |
| <p>Part XII: Testing the Ability to Respond to Major Interface Fires</p> <p>20. The Provincial Emergency Program should:</p> <ul style="list-style-type: none"> ▪ Develop a program to guide local fire departments and emergency responders in developing realistic scenarios for interface fire exercises. ▪ Encourage provincial communities to conduct interface fire exercises. ▪ Encourage its own representatives, key provincial response agencies and other affected provincial and local agencies to participate, whenever possible, in interface fire exercises conducted by communities. ▪ Actively support local communities in the design, conduct and evaluation interface fire exercises. ▪ Maintain a database of lessons learned and best practices. ▪ Develop an annual exercise schedule and encourage communities to follow it. | ✓ | | | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|------------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| <p>Part XIII: Recovering From Major Interface Fires</p> <p>21. The Provincial Emergency Program should:</p> <ul style="list-style-type: none"> ▪ Develop guidelines and examples of recovery planning and make this material available to provincial communities. ▪ Include an assessment of recovery planning as part of the proposed overall assessment of the preparedness level of each local authority. | | | ✓ ✓ | | |
| <p>Part XIV: Gathering and Reporting Information</p> <p>22. The Interface Fire Committee should gather complete and reliable information about the nature and extent of the interface fire issue in the province and use the information to report on the management of the risks in communities with high or moderate risk associated with this hazard.</p> | | | ✓ | | |

Summary of Progress

The lessons learned from the 1998 Salmon Arm fire and other interface fires have been vigorously applied. The three ministries have worked in partnership to develop a “Wild Land Urban Interface Fire Consequence Management Plan,” which details an across government integrated response to wild land fires that threaten or impact urban communities. While local authorities have primary responsibility for urban fires, the province has dramatically improved its capability for response and recovery from all hazards including interface fires.

The Interface Fire Committee is now functional and is being chaired by the Provincial Emergency Program. Some of the new initiatives being undertaken by the committee are:

- BC will adopt the “Fire Smart, Protecting Your Community from Wildfire” replacing the original “Beware and Prepare” program;
- The Kootenay Interface Fire Steering Team has developed an interface fire operational training course which can be adopted as the provincial standard for training local firefighters in wild land fire fighting;
- The Ministry of Forests is testing a web-based values at risk database for tracking hazard and risk;
- PEP has developed two web-based applications to assist communities to conduct an all-hazard self-assessment and to help communities review and determine the level of preparedness for their community.

Supporting Documentation Binder

A binder containing supporting documentation has been prepared and will be provided directly to the Auditor General.

Part I: General

1. **The provincial government should establish an Interface Fire Committee under the provisions of the Emergency Program Act to develop strategies and action plans to improve the management of interface fire risks in the province. The committee should be adequately funded and consist of representatives from the Provincial Emergency Program, the Ministry of Forests, and the Office of the Fire Commissioner. The Provincial Emergency Program—the provincial government’s emergency coordinating agency and leader in emergency management—should chair the committee.**

Partially implemented

An Interface Fire Committee has been formed under the provisions of the Emergency Program Act. The Committee, chaired by the Provincial Emergency Program, is currently comprised of six members, including two from Ministry of Forests, Office of the Fire Commissioner and Provincial Emergency Program.

No specific funding for the committee is currently available. Ability to fund committee activities by individual ministries is at present limited because of budget pressures.

Work Action

The committee will once again review funding options in fiscal year 03/04.

Part II: Assigning Responsibilities

2. The Interface Fire Committee should clarify roles and responsibilities related to managing interface fire risks.

Fully Implemented

The Emergency Program Management regulation places responsibility within the provincial government for wild land (forest) fires with the Ministry of Forest (MOF) and for structural fires with the Ministry of Community, Aboriginal and Women's Services/Office of the Fire Commissioner (OFC). Whereas MOF is actively engaged in the suppression of fires, the OFC's role is primarily one of advice and assistance. While not specifically legislated, responsibility for the actual suppression of structural fires rest with the property owner or by arrangement and established fire department. However, notwithstanding that, local authorities (municipalities) are required by the Emergency Program Act to have emergency plans and the provision of fire services at the municipal level is discretionary.

Education on the prevention of fire and wild-land urban interface fire, and measures taken to prevent wild-land interface forest fires, is the role of OFC, MOF and local governments. PEP supports local governments with respect to general all hazard public awareness and education.

To provide guidance in the management of the interface fire risk, PEP, in conjunction with MOF and OFC, has facilitated the publication of a provincial "Wild Land-Urban Interface Fire Consequence Management Plan" (refer to the supporting documentation binder). The plan delineates the responsibility of both provincial agencies and local authorities in a manner that clearly addresses responsibility and expectation.

3. The Ministry of Forests should formalize in legislation its response priorities relating to the protection of human life, property and natural resources.

Partially implemented

New Wild Land Fire Act is under development

Work Action

Implementation is planned for the spring of 2004.

Part III: Raising Awareness of the Risks

4. The Interface Fire Committee should work to raise awareness of interface fire risks in the province, with emphasis in high and moderate risk locations.

Partially implemented

The Interface Fire Committee is demonstrating provincial level leadership in supporting regionally and locally based working groups, many of which in turn have been in operation for years. The local committees are dedicated to promoting public education/awareness, co-ordination inter-agency cooperation and the conduct of multi-agency exercises.

Work Action

- The committee is considering the development of a unified committee Web site (hosted by MOF) with a link to individual ministry Web sites. The development work should be completed within this fiscal year. The Web site will share best practices, new research and innovative provincial initiatives with the general public and fire protection practitioners.
- PEP distributed a public information sheet during the 2001 fire season informing people about the need for fire preparedness. In addition, PEP funded the placement of advertisements (cost \$25,000) in approximately 100 local newspapers, located in high-risk areas, which encouraged people at risk to purchase fire insurance. PEP also distributes the Red Cross "One Step at a Time Guide to Fire Recovery." In partnership with the other ministries, PEP developed a public activity communications plan for emergency public information in preparation for the fire season.

5. The Ministry of Forests should continue to have a significant role in developing and delivering programs to raise community awareness about interface fire risks, and should formalize its plans for doing this work.

Partially implemented

MOF has adopted the *Fire Smart Program* (refer to the supporting documents binder) to replace an out-of-date “Beware and Prepare” initiative. The Fire Smart product is more current and user friendly.

Work Action

MOF is participating as a partner, with other jurisdictions across Canada, in editing the current product for a news release in early 2003. The finished product has the potential to become a national standard for interface issues.

A template for fire prevention planning is currently under development, which will assist in the enhancement of community awareness.

The committee is pleased to find that a wide variety of interface fire protection work is being performed at the regional level. The committee does not have a satisfactory procedure for tracking this work and proposes to develop a tracking process.

6. The Provincial Emergency Program should encourage emergency program coordinators to discuss interface fire risks with local emergency planning committees and to seek the involvement of the committees in raising public awareness about the risks.

Fully Implemented

PEP staff, particularly the PEP Regional Managers, have frequent direct contact with community emergency planners and continuously encourage, provide subject matter expertise and support in the development of emergency plans in general and interface fire plans specifically.

PEP staff conducts an annual emergency preparedness survey to assess the level of preparedness of local authority and regional district. The existence of a local interface fire plan is a component of this survey.

- 25 out of 106 communities surveyed included a specific reference to interface fire in their emergency plan. Those communities being ones with a potential interface risk.
- A number of work action initiatives flow from the survey results.

- The Regional Managers take into account the level of individual community preparedness in the development of a three year training matrix.
- The projects flow directly from a needs analyses of the survey results.

PEP staff are active participants on numerous regional interface committees.

The interface fire hazard will continue to be a focus of the PEP program.

Part IV: Assessing the Risks

- 7. The Interface Fire Committee should** encourage organized areas **of the province to assess interface fire risks in their communities.**

Partially implemented

MOF has provided hazard-mapping services in some organized areas.

PEP has and will continue to actively encourage the conduct of a Hazard Risk and Vulnerability Assessment by every local authority as required by the Emergency Program Act regulations.

Risk assessment is a critical emergency planning tool and as such, PEP has demonstrated national leadership in the development of a Hazard Risk and Vulnerability Analysis (HRVA) self-assessment, which includes an interface fire hazard section. This tool is now available province-wide as an interactive web application and can be used by municipal emergency planning committees to prioritize local risks and identify opportunities for risk reduction.

Work Action

A more comprehensive HRVA Tool Kit has also been developed which will be made available to local authorities within the next 12 months.

- 8. The Ministry of Forests should** complete **hazard mapping of unorganized areas of the province over a reasonable time-period, with emphasis on high and moderate risk areas.**

Partially implemented

The majority of hazard mapping work throughout the high risk southern portions of the Province (Kamloops, Coastal and South East Fire Centres) was done prior to the release of the Auditor General's report.

Current Status

Coastal Fire Centre (FC) — all Coastal Fire Centre areas were mapped in 1996/97. Information was updated in 2000 with plans to update every 2-3 years. The information has been digitized and is available on the protection dispatch system.

South East FC — all South East Fire Centre areas were mapped in 1998. Updates are scheduled for the winter of 2002/03.

Prince George FC — portions of the Prince George Fire Centre have been mapped, the Prince George zone was mapped in 1997/98; however, the information is unpolished and currently requires updating. Some older, outdated mapping exists for Tumbler Ridge, One Island Lake, Moberly Lake and Hudson's hope. Robson Valley has the most recent information for Crescent Spur to the Alberta border, including the Robson area and Valemount, under the McGregor Forest modeling project. A number of communities and unorganized areas remain unmapped.

Cariboo FC — most of the Cariboo fire centre was hazard mapped on paper in the early 1990's. Updating and digitization is required.

Kamloops FC — all primary and secondary areas have been assessed and mapped. Digitization of the information is on going.

North West FC — the higher hazard areas of the Bulkley Valley, Lakes, and Terrace zones have predominantly been completed during 1996/99. There is no central GIS map database of the information at the Fire Centre and the Plans reside at the Zone offices. More work is required to complete the hazard mapping but, generally, the remaining areas would fall into a low to moderate hazard rating. Feedback from the communities mapped to this point has been very low.

The work done to date was done as and when resources were available and focused on working with municipalities that had a developing interface fire problem. Efforts within the interface have been relatively successful in the highest priority areas in southern portions of the province. Protection staff and members of their respective interagency working groups are credited for the work done to date.

Work Action

The mandate of the Protection Program has been refined to “protecting lives and government assets, particularly timber,” within the Ministry of Forests Service Plan. Cost sharing mechanisms are currently being explored in order to determine the level of continued program participation in the wild-land/urban interface.

9. The Provincial Emergency Program should complete the development of a BC Hazard Risk Vulnerability Assessment model and encourage its use at the local level to assess interface fire risks.

Partially implemented

The online Hazard Risk Vulnerability Assessment (HRVA) product is accessible at <http://www.pep.bc.ca/hrva/hazard.html> The online tool is interactive and gives immediate results.

While there is no requirement for any community to forward their HRVA results to PEP, 15 entities have shared their HRVA analyses with PEP for review.

An HRVA toolkit binder is currently being reviewed by a sample of local community emergency coordinators and the PEP Regional Managers.

Work Action

Complete community consultation, review and incorporate suggestions as appropriate.

Test the product by conducting at least two pilots in fiscal year 03.

Part V: Mitigating the Risks

10. The Interface Fire Committee should encourage high and moderate risk communities to take practical steps to mitigate interface fire risks.

Partially implemented

Fire risk mitigation includes:

- species conversion;
- working with land managers to reduce fuel loading;
- thinning and pruning;
- perimeter fire guarding; and
- use of fire resistant building material.

The committee has continued to research best practices and learn from the activities of other jurisdictions.

Communities that have taken mitigation measures compiled by the Ministry of Forests include areas around Merritt, Kamloops, Barnhartvale, Kelowna, West Kelowna, Okanagan Mission, Peachland, Summerland, Penticton, Olalla, Cranbrook, Kimberly, Invermere, Panorama, Fairmont, Creston, Grand Forks and Christina Lake.

Work Action

The introduction of a BC fire risk mitigation strategy would require a commitment of significant funds by both the provincial government and local governments. The committee will endeavour to complete the development of a framework discussion paper for consideration by government, within the 03/04 fiscal year.

Part VI: Establishing Working Relationships among Response Agencies

11. The Ministry of Forests should:

- **Work with local fire departments to address the concerns they have with the Ministry of Forests Operating Guidelines.**

Partially Implemented

MOF currently provides an opportunity for local fire departments to address concerns through ongoing liaison.

A resolution passed at the Fire Chief's Association of BC annual meeting confirmed support for maintaining the current operating guidelines and rate compensation.

- **Work with local fire departments and emergency response staffs in high and moderate interface fire areas to improve the application of unified command.**

Partially Implemented

The MOF continues to have numerous ongoing annual exercises across the province to improve the application of unified command between fire departments and wild land fire fighters. For example, this spring the Coastal Fire Centre conducted interface fire simulations that promoted the use of unified command with over 20 fire departments.

The Incident Command System (ICS) based, BC Emergency Response Management System (BCERMS) has been mandated for use by all provincial ministries and agencies and is recommended for adoption by local governments and other organizations operating within the province.

12. The Office of the Fire Commissioner should:

- **Work with local fire departments to identify practical solutions to the current impediments to fire department response** outside prescribed boundaries.

Partially Implemented

Under the new Local Government Act fire protection and suppression is a discretionary service of local governments and the level of that service is a function of the council's willingness and ability to pay. Many communities do not have the tax base to allocate the necessary funds to fire protection or to emergency preparedness to the extent anticipated by the province.

While a local government/fire protection area may pass a bylaw authorizing a response outside of boundaries in special circumstances, the Local Government Act, requires them to have agreements with all parties for service delivery outside their jurisdiction. Many service providers/supporters therefore consider the provision of fire services outside normal jurisdiction as an unacceptable concession to those citizens who have already chosen not to fund the service. Furthermore, most municipalities are reluctant to leave their own jurisdiction due to liability, insurance and funding issues.

As a pro-active measure, the OFC published a manual entitled *Establishing and Operating a Fire Department*. This manual has been distributed to all fire departments and Local Government Administrators in the province. The content of the manual discusses response outside prescribed boundaries (mutual aid) and makes recommendations for implementation of bylaws in such cases.

PEP has had some success in encouraging fire service department response outside of jurisdiction for the purposes of road rescue and fire suppression where there is an actual or imminent threat to life. PEP encourages this action by reimbursing local fire services groups for operational expenditures and providing WCB and third party liability insurance.

PEP and the OFC will continue to encourage a response outside of boundaries and will provide advice and support whenever possible.

Work Action

OFC is currently reviewing and rewriting *Establishing and Operating a Fire Department*. A copy will be sent to all fire departments and Local Government Administrators in the province once completed.

- **Work with communities to identify practical ways to improve public safety in populated areas of the province that lack fire department services.**

Partially implemented

The Interface Fire Committee as an entity has some ability to act independently. The reality is that the committee has no dedicated funding and is primarily engaged in the sharing of subject matter expertise and coordinating the individual activities of MOF, OFC and PEP as they relate to emergency preparedness in general and interface fire specifically.

The Office of the Fire Commissioner (OFC) and the committee are actively engaged in public education and awareness, which includes those areas of the province that currently lack fire protection services.

The OFC public education program provides leadership in fire safety education, with provincial initiatives such as the Learn Not to Burn program, National Fire Prevention Week activities and a Juvenile Fire Setter Intervention program. In addition, the office provides regular public safety announcements and publishes brochures covering fire and life safety.

Establishing and Operating a Fire Department is sent to all Local Government Administrators in the province. This would cover all regional areas as well as municipal jurisdictions. Fire departments are generally established under bylaw. There is no requirement for the local government to notify the provincial government or OFC of its bylaws or the services provided under bylaw. A few fire departments are established as societies and may not have defined boundaries. These fire departments do not have to report their boundaries, even if defined, to the OFC. This being said, the OFC does have a list of fire departments posted on its Web page.

OFC does not have a list of areas not protected, as fire protection is a local government responsibility. However, the OFC participates in all regional interface committees and, through these committees, encourages fire prevention information be distributed to all areas within the region, whether protected by a fire department or not. An example of such an initiative is the manual *Fire Safe Inside and Out*, jointly prepared and produced by the OFC and MOF, Forest Protection Branch.

The South East Region Kootenay Interface Steering Team (KIST) is an excellent example of a fully functional committee. In this area, every building permit issued in an interface area includes a public education information bulletin regarding Fire Smart suggestions for construction materials, fuel modification programs and land clearing. Regional Interface Fire Committees have been established throughout the province.

This prevention manual was widely distributed throughout the province and placed in local libraries.

OFC has also completed publication of a new education manual called *Getting to Know Fire*. This manual is a comprehensive fire and life safety curriculum created for use by fire services members. Everyone in the fire service can use *Getting to Know Fire*. The curriculum provides accurate messages on a variety of fire and life safety topics for preschool aged children through to seniors. The curriculum is intended to assist the fire service to meet the public fire and life safety education needs of their communities. *Getting to Know Fire* can be used to enhance existing public education programs or as the foundation for creating a new one. It is simple, easy to use and provides a source for consistent message delivery. Although this manual has broad-based application, it does not presently focus on wild-land interface forest fires.

Work Action

OFC has provided resources to help develop and include in the *Getting to Know Fire* a component that specifically addresses all aspects of wild-land interface forest fires. Working together, PEP and MOF will be compiling relevant information and working directly with OFC staff in this development. It is envisioned that this component will be completed by April 1, 2003.

The provision of interface fire public information along with building permits will be considered as a possible province wide initiative.

Public education and awareness will continue to be a major focus of both the committee and the individual ministries.

Part VII: Accessing Additional Firefighting and Emergency Response Resources

13. The Office of the Fire Commissioner should identify the impediments to mutual aid agreements in some fire departments in the province and recommend practical solutions.

Partially implemented

Under the new Local Government Act, local governments must have agreements with all parties for service delivery outside their jurisdiction.

While there are many very good mutual aid agreements in place in the province there are areas where they do not exist because one or more of the departments do not see a benefit to such an agreement.

Trying to convince a department that there is a benefit when there clearly is not may be a dangerous area to tread. An example of this may be; Department A has good equipment, lots of water carrying capabilities and well-trained seasoned fire fighters. Department B has very poor equipment very limited water carrying capabilities and poorly trained fire fighters. There may be a benefit to Department B to have a mutual aid agreement with Department A, but little or no benefit to Department A. (This is a very real example, as there are no specific requirements or enforced standards for a fire department in the province.) Another example where there is limited benefit in developing a mutual aid agreement is when an unacceptable travel distance exists between departments.

Note: MOF has a blanket agreement with fire departments for suppressing wild land and interface fires.

Work Action

The OFC will continue to work with local authorities to promote the benefits of mutual aid agreements.

Part VIII: Planning Community Emergency Response

14. The Provincial Emergency Program should:

- Encourage all areas of the province with high or moderate interface fire risks to put plans in place to deal with such emergencies, and to develop the ability to enact the plans when needed.

Fully implemented

A good example of how PEP provides subject matter expertise that supports communities in both the development and enactment of emergency plans is the distribution of the *Emergency Declaration Guidelines* in July 2002.

All municipal governments are required by legislation to have an emergency program, emergency plans and the ability to implement the plans; PEP provides subject matter expertise and support in accordance with existing workload priorities and resource limitations.

PEP has encouraged all communities to develop their readiness capability and adopt an all-hazard response to disaster events and will continue to do so as part of the emergency program service delivery.

Between September 2002 and March 2003 there are a variety of exercise training courses being funded by PEP and delivered by the Justice Institute throughout the province.

There are three 2-day introductory training courses to initiate participants to the concept of analyzing the need for an exercise in their community or agency. The training, in Castlegar, New Aiyansh/Nisga and Victoria, provides the basics on the various types of exercises and exercise development.

There are six 2-day table top exercise training courses taking place in: Kamloops, Fernie, Bella Colla, Prince George, Valemont, and New Westminster. Municipalities and agencies are encouraged to send several members so they can work as a group on practice disaster scenarios and exercise materials that will be useful to their municipality or agency. The training provides a hands-on opportunity at the table top exercise level to develop materials, participate in planning, facilitate an exercise and evaluate an exercise.

There is also a 2-day training session on full scale exercises being held in New Westminister in February 2003. This training provides an opportunity for hands-on participation on an exercise planning team, chairing an exercise planning team, conducting an exercise, arranging the logistics and administrative support for an exercise, and evaluating and preparing evaluation reports.

The above are courses specific to exercises; there are many other courses available such as emergency evacuation, introduction to emergency management, etc. that will help communities and agencies as they practice and prepare for disasters.

■ **Review community emergency plans periodically, giving specific attention to interface fire planning.**

Fully implemented

PEP staff conduct an annual emergency preparedness survey to assess the level of preparedness of local authorities and regional districts. The existence of an interface fire plan is a component of this survey.

Twenty five out of 106 communities surveyed included a specific reference to interface fire in their emergency plan. Those communities were ones with a potential interface risk.

The Regional Managers take into account the level of individual community preparedness in the development of a three year training matrix.

A number of work action initiatives flow from the survey results.

- Finalize **development of a formal process for assessing the preparedness level of local authorities and assess each community's level of preparedness on a regular basis.**

Partially implemented

A Community Emergency Preparedness Review (CEPR) template document has been completed in draft and a software assessment tool is currently in beta format.

Two pilot assessments have been conducted and additional assessments will be completed within the 02/03 fiscal year.

Work Action

After the application of lessons learned from the pilot, PEP Regional Managers will develop a regional schedule that supports the application.

- **Develop a detailed implementation plan to provide support at the community level where assessments reveal emergency preparedness deficiencies.**

Partially Implemented

It is PEP's view that support and guidance needs to be broadly based on an all hazard model and not narrowly focused on interface fire only.

Local Authorities continue to have access to federal Joint Emergency Preparedness (JEPP) funding for emergency program development, including response plans and infrastructure.

PEP's plan to support communities, where emergency preparedness deficiencies are revealed, was officially launched last November at the Emergency Preparedness conference as the Disaster Resilient Communities Initiative.

Since then, PEP has formed a joint steering committee with representatives from the Canadian Association of Fire Chiefs, the Partnerships for Safer Communities and others to help guide the Disaster Resilient Communities Program.

The nature of this support to communities is the provision of tools to develop and improve community emergency management programs. These tools include: the HRVA online tool, the HRVA Toolkit (in development), a Local Authority Emergency Management Guide (in revision), and the Community Emergency Program online tool.

All these tools empower a community to help itself, backed up by support from PEP Regional Managers and staff. PEP Regional Managers, in areas with interface fire risk, meet with community leaders/emergency coordinators regularly to facilitate expert

presentations on interface fire risk, weather and current and forecast threats. These working groups discuss interface fire mitigation, preparedness options and current activities in the community.

It must be clearly understood that PEP recognizes the need to support and provide subject matter expert advice to communities, and the Service Delivery Strategy #2, is a multi-year plan to move forward in this regard. Progress is and will continue to be impacted by other workload priorities and resource limitations.

Part IX: Training Firefighters and Other Emergency Responders

15. The Interface Fire Committee should work with communities to improve training of local firefighters and other emergency responders, with an emphasis on high and moderate risk locations.

Not Implemented

The committee, although supportive of this activity, does not see itself as having the resources to work directly with communities. The committee does however see itself providing provincial level leadership to regionally and locally based working groups in this regards.

An S-205 training course (refer to supporting documentation binder) is under development to specifically address training local fire fighters about wild land fire suppression techniques. Other courses including S100 - Basic Fire Suppression & Safety Training, S10A— annual S100 re-currency training, and Incident Command System training, also providing further background information for local fire fighters.

16. The Provincial Emergency Program should:

- **Finalize the training aspects of the British Columbia Emergency Response Management System as quickly as possible and communicate the standard to all local authorities and regional districts.**

Fully Implemented

The British Columbia Emergency Response Management System (BCERMS) is complete and signed off by provincial agencies. BCERMS Overview documentation and all supporting documentation are available on the PEP Web site. BCERMS continues to be entrenched in local government planning, preparedness, training, response, and recovery.

In recent incident activity (i.e. 2002 Freshet flooding), use of BCERMS at both the local and provincial levels has clearly proven its worth.

- Devise practical ways **to speed the delivery of Emergency Response Management System training to fire departments and local emergency response staff.**

Fully Implemented

The Office of the Fire Commissioner has delivered the BCERMS model of ICS 100 to over 600 structural fire fighters in the Kootenay and Interior regions of the province.

The Office of the Fire Commissioner has also delivered this program at the BC Fire Chief's Association annual conference in 2001. The BC Fire Chief's Association has endorsed the BCERMS model of ICS as their recommended standard.

Additional training is available on a fee-for-service basis.

Part X: Equipping Firefighters and Other Emergency Responders

- 17. The Interface Fire Committee should identify local fire departments in high and moderate risk locations that lack suitable firefighting and communications equipment, and work with the communities to resolve the deficiencies.**

Not Implemented

The committee does not feel they are in a position to implement this recommendation as fire protection under the Local Government Act is a discretionary local government service and as such, the type and quantity of firefighting and communications equipment depends on local taxpayer support.

- 18. The Provincial Emergency Program should encourage local fire and emergency response agencies to test radio communications annually and to acquire access to key frequencies.**

Fully Implemented

PEP does not generally interface with the 400 plus local fire departments as this is the responsibility of the OFC. PEP does interface with all local community emergency managers.

PEP is fully cognizant of the fact that communication is a critical component of every emergency response and that every emergency plan must take into account a hierarchy of communication options and the possibility of degradation of capacity due to the impact of the emergency or disaster.

Provincial Emergency Radio Communication Service (formerly known as Amateur Radio) has 1,400 volunteers who provide emergency radio communication services during emergencies and exercises. This is one of five Public Safety lifeline programs supported by PEP.

Radio Communications Exercises

The volunteers and PEP staff verify the functionality of the amateur radio capability every Wednesday.

There is a major amateur radio exercise conducted in the lower mainland each year, known as TOPHAT. This exercise provides an opportunity to test radio communication capabilities.

PEP recognizes the need to validate its radio capability to make contact with primary stakeholders and practice the transmission of scenario messages on a regular bases. Refer to work action.

Frequency Issues

In regards to frequencies, fire departments who request access to PEP frequencies are provided limited access, depending on the purpose of their request. For example, some departments are involved in road rescue or swift water rescue and specifically request frequencies common with local SAR teams.

PEP has issued a total of 18 letters of permission for fire departments accessing PEP frequencies issued from 1991 to the present. This would not include fire departments equipped under the umbrella of their local emergency program (e.g. Saanich).

We do not encourage fire departments to request permission for PEP frequency access due to current concerns around frequency congestion.

Because these frequencies only provide short range VHF communication, any testing must be organized at the local community level.

The Office of the Fire Commissioner has made its radio frequency available to all fire departments who have requested it as well as MOF. It has been used successfully in many areas of BC.

Work Action

PEP, in partnership with the volunteers, will validate its radio capability to make contact with primary stakeholders, for example, Washington State EMO, BC Hydro, BC Gas, and other primary stakeholders.

PEP, in partnership with the volunteers, will establish a process to test the capability to transmit scenario messages by radio and document the results on a regular bases.

Work action plan targeted Nov/Dec 2002.

Part XI: Planning to Evacuate Communities

19. The Provincial Emergency Program should:

- **Develop clear guidelines on evacuation planning and make them available to community officials.**

Fully Implemented

The Provincial Emergency Program, in conjunction with the Justice Institute of BC (JIBC)-Emergency Management Division, has developed a tool for local authorities entitled “Operational Guidelines for Evacuation.” The guidelines are available province-wide on the PEP Web site.

- **Include assessment of evacuation planning as part of the proposed overall assessment of the preparedness level of each local authority.**

Fully Implemented

Is included as part of the general community emergency preparedness review.

- **Offer training courses on evacuation planning.**

Fully Implemented

The JIBC offers evacuation training on a fee-for-service basis.

- **Develop a strategy for improving the provincial capability to provide emergency warnings and alerts, including conducting a review of current provincial capabilities in this regard and researching best practices.**

Partially Implemented

While there is currently no comprehensive provincial public alert and warning systems, MOF is proactive in alerting local governments and residents of any impending interface fire threat by means of media public service announcements and door-to-door contact. In addition, both the MOF and PEP Web sites provide up-to-date information on the fire threat province-wide.

Work Action

Ensure that web based information is readily accessible by the public through intuitive links.

Research the natural disaster alert and warning systems used by other jurisdictions and determine if they can be applied within the province. Completion expected during fiscal year 03/04.

Part XII: Testing the ability to respond to Major Interface Fires

General Comment

An emergency plan that has not been validated by testing is simply a paper document. PEP proactively participates and supports the conduct of all validation exercises.

PEP takes an all-hazard approach to the conduct of exercises, however, where a community is at “high risk,” PEP works with MOF and OFC to encourage the conduct of a fire hazard exercise.

20. The Provincial Emergency Program should:

- Develop a program to guide local fire departments and emergency responders in developing realistic scenarios for interface fire exercises.

Fully Implemented

It should be noted that MOF takes a leadership role in the conduct of interface fire exercises and the development of scenarios for this hazard. Although PEP is a major player in this regards, MOF utilizes significant resources in this regards.

PEP funds the provision of three levels of exercise training for local authorities, currently provided by the Justice Institute of BC (JIBC)-Emergency Management Division.

The training includes the development of scenarios.

PEP affords priority to Joint Emergency Preparedness Program (JEPP) funding application for the purposes of conducting local emergency exercises.

In those areas which have an historically high risk of interface fires, PEP Regional Managers work closely with local authorities and other provincial government agencies in conducting exercises to train responders in the provision of a coordinated response.

- Encourage provincial communities to conduct interface fire exercises.

Fully Implemented

PEP, through its regional staff, and staff under contract with the Justice Institute PEP Academy, encourage provincial communities to conduct interface fire exercises. The committee and all ministries encourage, and will continue to encourage, the conduct of exercises.

In exercise training, participants are encouraged to analyze their needs and develop realistic scenarios for their exercises—fire is a universal one. They are also encouraged to test all of their emergency response capabilities.

Encouragement to emergency response agencies is most often verbal, in briefings, presentations and at inter-agency meetings. Importantly, this encouragement, and at many times advice and assistance, is done not just by PEP, but MOF and OFC staff as well.

Numerous exercises or briefing/training sessions are held throughout the province to provide info, discuss response, etc.—many of these are under the guise of inter-agency meetings.

The regional Temporary Emergency Assignment Management System (TEAMS) training which occurred prior to the 2002 FRESHET included local area emergency managers. While this training focused on the flood hazard, it was applicable to all hazards including interface fire.

Between September 2002 and March 2003 there are a variety of exercise training courses being funded by PEP and delivered by the JI throughout the province. Although the training is not specifically aimed at wild-land urban interface forest fires, it is generic in content, and applicable in an all-hazards context (i.e. evacuation planning). Local governments also contract separately for similar training.

In regards to exercises in an all-hazards context, there are three 2-day introductory training courses to initiate participants to the concept of analyzing the need for an exercise in their community or agency. The training, in Castlegar, New Aiyansh/Nisga and Victoria, provides the basics on various types of exercises and exercise development.

There are six 2-day table top exercise training course taking place in: Kamloops, Fernie, Bella Colla, Prince George, Valemont, and New Westminster. Municipalities and agencies are encouraged to send several members so they can work as a group on practice disaster scenarios and exercise materials that will be useful to their municipality or agency. The training provides a hands-on opportunity at the table top exercise level to develop materials, participate in planning, facilitate an exercise and evaluate an exercise.

There is also a 2-day training session on full scale exercises being held in New Westminster in February 2003. This training provides an opportunity for hands-on participation on an exercise planning team, chairing an exercise planning team, conducting an exercise, arranging the logistics and administrative support for an exercise and evaluating and preparing evaluation reports.

The above are courses specific to exercises; as mentioned, there are many other courses available such as emergency evacuation, introduction to emergency management, etc. that will help communities and agencies as they practice and prepare for disasters, including wild-land urban interface forest fires.

Fully Implemented

- Encourage **its own representatives, key provincial response agencies and other affected provincial and local agencies to participate whenever possible, in interface fire exercises conducted by communities.**

In the past, interface fire exercises have primarily been lead by MOF and have involved a multiple of local and provincial government ministries and non government agencies. Two examples are: the Squamish and Nelson exercises — a list of participants can be supplied if necessary.

PEP provides provincial level leadership in encouraging its own representatives, key provincial response agencies and other affected provincial and local agencies to participate, whenever possible, in interface fire exercise conducted by communities.

The PEP Director has stated publicly, including conferences, workshops and working group meetings, that PEP (and the provincial integrated response model), will participate in any exercise. Headquarters and regional staff have reiterated the same statement. Interface fire exercises are included in this broad-based statement.

The committee and all ministries encourage, and will continue to encourage, the conduct of exercises.

- Actively support **local communities in the design, conduct and evaluation interface fire exercises conducted by communities.**

Fully Implemented

PEP in addition to its partner agencies, strongly and pro-actively supports local governments in the design, conduct, and evaluation of interface fire exercises conducted by communities. The Justice Institute PEP Academy is under contract to work directly with and support local governments.

NOTE: the expenditure reductions scheduled for April 2004 will result in an end to contracting for JIBC services.

- Maintain a **database of lessons learned and best practices.**

Fully Implemented

PEP conducts a review and develops lessons learned from every event and exercise.

PEP does not have a separate database, nor does it post lesson learned on the web. Some local governments would be offended by the publication of this information and the public or media may misinterpret the intent. PEP maintains an electronic Lessons Learned folder with all relevant material.

The Provincial Emergency Program has standardized the manner in which “lessons learned” are gathered and archived, and action plans are produced for both exercise and operational activities. PEP ensures that all plans and guidelines are placed on the PEP Web site for general review.

The PEP Corporate Service Delivery Plan, for instance, takes into account these lessons and, where appropriate, incorporates action items into program initiatives. For instance, lessons learned from previous incidents, such as the 1998 fire season and 1999 flood season, have resulted in significant changes in the readiness status of the province.

Work action items from these incidents solidified four major initiatives that PEP, in some cases working with representatives from across provincial and local governments, has subsequently completed, including the development and implementation of:

- the British Columbia Emergency Response Management System (BCERMS) to standardize response at all levels, including site support, regional and central;
- Provincial Regional Emergency Operations Centres (PREOCS) and a mobile Provincial Emergency Operations Centre (PEOC) to maximize response times and provide permanent regional and headquarters operations centres to train in;
- TEAMS to provide well trained and highly skilled emergency managers to staff PREOCs around the province and the PECC; and
- EM/2000, emergency management software that creates significant efficiencies in the management of emergency management information in PREOCs and the PECC.

These major initiatives have been completed and resulted in what has been deemed one of the best provincial-level flood responses ever. These initiatives were a result of post operational work action items from previous incidents, including flooding and fire. These initiatives have created a much improved readiness status that can be applied to all hazards, including wild-land urban interface fire.

- **Develop an annual exercise schedule and encourage communities to follow it.**

Partially Implemented

PEP has prepared a discussion paper on the need to develop a multi-year (all hazard) validation exercise calendar.

An annual exercise schedule has been developed. It will be updated quarterly. For now it is being shared with all PEP staff

and critical stakeholders; it will eventually be posted to the Web (likely next version).

Work Action

PEP will continue to encourage those areas with a high wild land-urban interface threat to conduct exercises regularly with an appropriate interface fire scenario.

Part XIII: Recovering from Major Interface Fires

General Comment

Local governments are required by the Emergency Program Act to undertake both response and recovery planning and are encouraged to undertake business continuation planning to mitigate the potential impact of an emergency or disaster on critical community systems/services.

21. The Provincial Emergency Program should:

- Develop guidelines **and examples of recovery planning and make this material available to provincial communities.**

Partially Implemented

The provincial Strategy for Recovery/Reconstruction, which is available on the PEP Web site, provides a clear indication of the responsibility of all levels of government. Guidelines for Disaster Recovery Services are also available on the PEP Web site.

Work Action

PEP is jointly working with the Joint Emergency Liaison Council (GVRD) to develop a template recovery plan. Assistance in the development of recovery plans will be included in the Local Authority Emergency Program Management Guide.

- Include an assessment **of recovery planning as part of the proposed overall assessment of the preparedness level of each local authority.**

Partially Implemented

PEP has developed a Community Emergency Review (CEPR) self-assessment software tool to enable communities to assess their own level of preparedness. Recovery planning is a component of this assessment tool.

The status of recovery planning will be part of the criteria in which the overall preparedness of local authorities will be assessed.

Work Action

The committee and PEP in particular, will continue to work to develop a recovery plan template for use by small and medium sized communities. This work is dependant upon the availability of resources and other workload pressures.

Part XIV: Gathering and Reporting Information

22. The Interface Fire Committee should gather complete and reliable information about the nature and extent of the interface fire issue in the province, and use the information to report on the management of risks in communities with high or moderate risk associated with this hazard.

Partially Implemented

MOF gathers data related to wild land fires. Interface fire data is gathered by the OFC.

Starting January 1, 2003 the Office of the Fire Commissioner will require all fires attended by local assistants to the Fire Commissioner to be reported. This will be in the form of an additional check box on the standard reporting form. This will not include fires in remote locations that for example, started by nature, accident, or design; and are only actioned by Forest Protection Branch. The new form has not been completed and it is not anticipated that it will be until the end of October of this year, thus the documentation for this will not be available until then.

Assessing the costs and losses of fires that do not appear to have an actual dollar loss would need some changes to the current reporting system of the Office of the Fire Commissioner and may be of limited value, i.e. reporting losses incurred in a grass fire appears to be of little value for dollar loss. In some, if not many cases, the fire was set to try to improve grass growth and reduce fire hazards. This may be an improvement not a loss and difficult to attach a dollar value to the fire as a loss or gain.

Work Action

The OFC will make this data available to local authorities when the data is available and the Interface Fire Committee will use the data to assess the degree of risk, human and financial losses.



Appendix

Timetable of Reports Issued and Public Accounts Committee Meetings on Managing Interface Fire Risks

June 2001

Office of the Auditor General issues the 2001/2002 Report 1: Managing Interface Fire Risks. The report contains 37 recommendations.

December 2001

The Select Standing Committee on Public Accounts reviews the Auditor General's report.

February 2002

The Select Standing Committee on Public Accounts reports the results of its review to the Legislative Assembly in its First Report—Second Session 37th Parliament.

November 2002

Office of the Auditor General issues the first follow-up report to the Select Standing Committee on Public Accounts.



Office of the Auditor General of British Columbia

Information provided to the Select Standing Committee
on Public Accounts regarding
the follow-up of recommendations in

2001/2002 Report 2:

Transportation in Greater Vancouver:
A Review of Agreements Between
the Province and TransLink,
and of TransLink's Governance Structure

November 2002



OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

We have carried out a follow-up review of the implementation of the recommendations in our *2001/02: Report 2: Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure*, and enclose the following:

- My opinion on the status provided by the Ministry of Transportation and TransLink.
- A summary of the original report showing the audit purpose, scope and overall conclusion.
- A summary of the status of recommendations.
- A list of recommendations that have not yet been fully implemented.
- The Ministry's and TransLink's representations on the status of recommendations.
- Timetable of reports issued and Public Accounts Committee meetings on our *2001/02: Report 2: Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure*.

As most of the recommendations have not yet been implemented, we plan to carry out a further follow-up after the Committee has addressed this report.

Wayne Streliaff, CA
Auditor General

November 20, 2002



OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

This is our report on our follow-up of our recommendations from our *2001/02: Report 2: Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure*.

Information as to the status of the recommendations was provided to us by the Ministry of Transportation and TransLink.

We have reviewed the representations provided by the Ministry of Transportation and TransLink regarding progress in implementing the recommendations in October 2002. The review was made in accordance with standards for assurance engagements established by the Canadian Institute of Chartered Accountants, and accordingly consisted primarily of enquiry, document review and discussion.

Based on our review, nothing has come to our attention to cause us to believe that the Status Report on Implementation of the Auditor General's recommendations does not present fairly, in all significant respects, the progress made in implementing the recommendations contained in our August 2001 report.

Wayne Streliaff, CA
Auditor General

November 20, 2002

Summary of Original Report: 2001/02: Report 2: Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure

Auditor General's Comments

In 1999, after extensive negotiation with the Greater Vancouver Regional District (GVRD), the Province transferred responsibility for Greater Vancouver's public transit, major regional roads and AirCare program to a newly created body—TransLink. This new arrangement was intended to enable local decision making, provide suitable governance, and secure good accountability.

This was a significant event. It involved the devolution of responsibility for services that affect many citizens of British Columbia's largest urban area—services whose delivery is complex, expensive, and often controversial.

In the spring of this year the provincial government asked me to review certain issues arising since TransLink was set up. I consulted with many of the key stakeholders involved, and consistently heard concerns that some aspects of the devolution process were not unfolding as expected. After considering the information needs of the Legislative Assembly and the public, I decided to undertake a review, focusing my examination on three questions.

The first is whether service and financial expectations for regional transit are being met.

The second is whether rapid transit (SkyTrain) expansion in Greater Vancouver will occur as planned. This question has three parts:

- whether the steps necessary to bring the first phase of the expansion into revenue service are being taken;
- how the start-up costs of the first phase of the expansion should be allocated between the provincial government and TransLink; and
- whether planning for subsequent phases of the expansion is proceeding as contemplated in the cost-sharing agreement between the provincial government and TransLink.

The third question is whether the governance structure now in place promotes good governance, accountability and decision-making.

TransLink has been unable to raise the extra revenue needed to meet service and financial expectations

Once TransLink started operations in 1999, it began work on a strategic transportation plan. After extensive public consultation, TransLink obtained approval from both its own board and the GVRD board for a plan that included both service expansion and a new revenue source (a vehicle levy) to help pay for the expansion.

TransLink began to deliver the expanded service called for in the plan—designing new routes and ordering new buses and other equipment.

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Continued . . .

Both the service expansion and revenue source were linked to the primary reason that TransLink was set up: namely, to contribute to the success of the region's land use plan. The strategic transportation plan makes the link clear: "To the maximum extent practical and equitable, TransLink should raise the revenues required in ways that shape transportation demand. From this perspective, the 'best' sources of revenues are those directly associated with use of the transportation system."

To collect the vehicle levy, TransLink needed the support of the provincial government. This support the government gave initially but later rescinded. In response, TransLink proposed alternative ways of collecting the levy, or raising the needed extra revenue from another transportation-related source, gasoline tax. Each alternative required provincial support, but the Province declined to give it. The result is that TransLink has stopped its service growth and reduced its recently expanded service to avoid running a deficit (which it is not permitted to do).

Rapid transit expansion in Greater Vancouver is occurring as planned

TransLink has announced that, without the vehicle levy, it will be unable to operate the first portion of the SkyTrain expansion. Also, the Province and TransLink have been unable to reach agreement on two outstanding issues about the SkyTrain expansion: who will pay the start-up costs on the new Millennium line, and whether Bombardier Inc. should be contracted to operate and maintain the system (both existing and expansion lines).

However, despite these differences of opinion, both parties are proceeding with necessary work on the SkyTrain expansion. Construction of the first stage of expansion—the Millennium line—is very close to schedule and budget, as are preparations for start-up of the first part of the line. Planning and other preparatory work for subsequent phases of the SkyTrain expansion are proceeding at a reasonable pace, and generally in accordance with the cost-sharing agreement between the Province and TransLink.

Trust and cooperation must be rebuilt

After examining these issues, I think it is time for the provincial government and TransLink to rebuild the trust and cooperation necessary to make regional transportation work. As a first step, the provincial government should follow through on its commitment to aid TransLink in efficiently collecting the revenue it needs for expansion. In doing this, the government should recognize that, through legislation, it has assigned to the TransLink and GVRD boards of directors a range of revenue sources and the to make decisions about which of these revenue sources TransLink will use. In turn, those boards of directors are publicly accountable for their decisions.

After that first step, I believe the other outstanding issues can be resolved between the parties. In particular, I recommend:

- The principles proposed by a consultant to the Province should be adopted as the basis for determining a reasonable allocation of start-up costs.
- The question of who should operate and maintain the SkyTrain system rests with the Province and should be approached with a focus on ensuring that the taxpayer receives good value for money.

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If the parties are unable to reach agreement on these issues, they can make use of the arbitration provisions in their cost-sharing agreement.

The governance structure needs a number of improvements to promote good governance, accountability and decision-making

I believe that the provincial government, the GVRD and TransLink should review the governance structure now in place for regional transportation, and evaluate whether it is suitable for the long term. The need for adjustments to the governance structure should not be surprising. TransLink started its operations little more than two years ago; its governance structure is complex; and the issues it deals with are not always easy to resolve.

In my opinion, changes to the current governance arrangements would be beneficial. My recommendations to the three parties can be summarized as follows:

The provincial government should:

- Recognize that the purpose of creating TransLink is to transfer responsibility for regional transportation to the region.
- Determine the best way to maintain oversight of TransLink activities, as they affect provincial interests.

The GVRD should:

- Recognize that it controls TransLink and is directly responsible for its success.
- Adopt a sound method of appointing people to TransLink's board.
- Report to the public on its accountability for TransLink.

TransLink should:

- Establish and document the governance rules, accountability methods, and performance evaluation processes to be used by TransLink and its subsidiaries.
- Report more completely on how it fulfills its responsibility for managing the transportation system in Greater Vancouver.

The findings and conclusions presented in this report are based on evidence gathered to mid-June 2001. My staff performed this review in accordance with our Office's professional standards. These standards require us to carry out such tests and procedures as we consider necessary to obtain sufficient evidence to support our conclusions. In gathering this evidence, we reviewed documents prepared by the provincial government, Rapid Transit Project 2000 Ltd. (the provincially owned company undertaking the SkyTrain expansion project), the GVRD, TransLink and its subsidiaries. We also interviewed board members, employees and consultants of these organizations.

This review involved a number of organizations and individuals, all of whom provided us with the information and explanations we required to complete our work. I acknowledge and thank them for their cooperation.

Summary of Status of Recommendations

Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure

Original Issue Date: August 2001

Follow-up Date: October 2002

| Summary of status at September 2002 | OAG | PAC | Further Follow-up Required |
|-------------------------------------|-----------|----------|----------------------------|
| Total Recommendations | 24 | 0 | 18 |
| Fully Implemented | 6 | 0 | 0 |
| Substantially Implemented | 0 | 0 | 0 |
| Partially Implemented | 17 | 0 | 17 |
| Alternative Action | 0 | 0 | 0 |
| No Action | 1 | 0 | 1 |

Recommendations that have not yet been fully implemented

Part II: Will Rapid Transit's Expansion in Vancouver Occur As Planned?

- The Province should analyze its options for dealing with its commitment to offer Bombardier Inc. a SkyTrain operating and maintenance contract, and work with TransLink to reach agreement on the option that offers best value for money to taxpayers.

Part III: Does the Governance Structure Promote Good Governance, Accountability and Decision-Making?

- The GVRD should clearly identify how it will hold TransLink accountable.
- The Province, TransLink and the GVRD should consider amending the Greater Vancouver Transportation Authority Act so that non-elected members might be included on TransLink's board.
- The GVRD and TransLink should develop guidelines for nominating potential members to the TransLink board, including a policy on appointment terms, board renewal and the competencies required by the board.

9. The size of TransLink's board should be re-examined and perhaps reduced.
10. The GVRD should identify how it will provide public accountability for its responsibility for TransLink, and consider developing a more complete approach to reporting annually on its transportation-related performance.
11. The Province should reassess its role in the Greater Vancouver regional transportation system with a view to removing impediments to the implementation of TransLink board decisions.
12. The Province should consider changing the Greater Vancouver Transportation Authority Act to eliminate the need for provincially appointed board members.
13. The Province and TransLink should develop oversight arrangements that meet the Province's needs.
14. TransLink should develop and document principles, policies and procedures for the governance of its subsidiaries.
15. TransLink should reassess its approach to making appointments to subsidiary boards.
16. TransLink should document its governance policies and practices in a governance manual.
17. The Province, TransLink and the GVRD should consider amending legislation to clarify the duties of TransLink board members.
18. TransLink should develop comprehensive guidelines that address director duties and conflict-of-interest issues.
19. TransLink should develop a comprehensive program of orientation and continuing education for its board members.
20. TransLink's board should consider establishing the committees needed to support its governance roles, particularly a governance committee and an audit committee.
21. TransLink's board should ensure that a comprehensive risk assessment is carried out and an appropriate risk management strategy developed.

No Action

24. TransLink's board should develop a process for regularly evaluating the performance of the board and of its directors.

Response of the Ministry of Transportation and TransLink to Report Recommendations

Part I: Are Service and Financial Expectations for Regional Transit Being Met?

- 1. The Province should follow through on its commitment to help TransLink efficiently collect the revenue it needs to maintain and expand its service levels.**

Status: Fully implemented.

The Province has increased the fuel tax in the Greater Vancouver Regional District by \$0.02 per litre.

Part II: Will Rapid Transit Expansion in Greater Vancouver Occur as Planned?

- 2. The Province and TransLink should use the start-up cost allocation principles proposed by the Province's consultant. If they are unable to reach timely agreement on the allocation of start-up costs, they should use the arbitration provisions set out in the cost-sharing agreement.**

Status: Fully Implemented.

The division of the start-up costs was resolved to both parties' satisfaction.

- 3. The Province should, in a timely fashion, share with TransLink all information that is relevant to the construction of the SkyTrain expansion.**

Status: Fully Implemented.

TransLink has complete access to all information relative to the construction of SkyTrain.

- 4. The Province should analyze its options for dealing with its commitment to offer Bombardier Inc. a SkyTrain operating and maintenance contract, and work with TransLink to reach agreement on the option that offers best value for money to taxpayers.**

Status: Partially Implemented

Negotiations are continuing on this item.

Part III: Does the Governance Structure Promote Good Governance, Accountability and Decision-Making?

5. **TransLink should prepare an annual report in a manner that is consistent with current public sector expectations, and conduct an annual general meeting at which its performance can be discussed.**

Status: Fully Implemented

TransLink held its first annual meeting and presented its first annual report on May 13, 2002. TransLink will continue to improve on the annual report and annual meeting process and work towards meeting the current standards for annual reports of public sector agencies.

6. **The GVRD should clearly identify how it will hold TransLink accountable.**
7. **The Province, TransLink and the GVRD should consider amending the Greater Vancouver Transportation Authority Act so that non-elected members might be included on TransLink's board.**
8. **The GVRD and TransLink should develop guidelines for nominating potential members to the TransLink board, including a policy on appointment terms, board renewal and the competencies required by the board.**
9. **The size of TransLink's board should be re-examined and perhaps reduced.**
10. **The GVRD should identify how it will provide public accountability for its responsibility for TransLink, and consider developing a more complete approach to reporting annually on its transportation-related performance.**
11. **The Province should reassess its role in the Greater Vancouver regional transportation system with a view to removing impediments to the implementation of TransLink board decisions.**
12. **The Province should consider changing the Greater Vancouver Transportation Authority Act to eliminate the need for provincially appointed board members.**
13. **The Province and TransLink should develop oversight arrangements that meet the Province's needs.**
14. **TransLink should develop and document principles, policies and procedures for the governance of its subsidiaries.**

15. TransLink should reassess its approach to making appointments to subsidiary boards.
16. TransLink should document its governance policies and practices in a governance manual.
17. The Province, TransLink and the GVRD should consider amending legislation to clarify the duties of TransLink board members.
18. TransLink should develop comprehensive guidelines that address director duties and conflict-of-interest issues.
19. TransLink should develop a comprehensive program of orientation and continuing education for its board members.
20. TransLink's board should consider establishing the committees needed to support its governance roles, particularly a governance committee and an audit committee.
21. TransLink's board should ensure that a comprehensive risk assessment is carried out and an appropriate risk management strategy developed.

Status of recommendations 6 to 21: Partially Implemented

All these items are directly linked to the governance issue in the Lower Mainland. A consultation process has been initiated aimed at identifying all the feasible governance options. Once the most effective alternative is selected, the government will move forward to table the appropriate legislative changes.

22. TransLink's board should ensure that the internal audit unit's plans and reports meet the board's information needs.

Status: Fully Implemented

A Finance and Audit Committee has been established. A 2002 Internal Audit plan was established and approved by the Committee. Internal audit reports are reviewed with the Committee on a regular basis.

23. TransLink's board should ensure that formal appraisal systems are in place for its CEO, and the CEOs of its subsidiaries.

Status: Fully Implemented.

A formal evaluation of CEO performance was initiated in February 2002. The CEO reviewed her 2001 accomplishments compared to plan and outlined the objectives for 2002. These objectives were approved by the Board and compensation levels for 2002 were established within the context of this review.

A similar process has been adopted for Subsidiary Presidents. The President's performance is reviewed by subsidiary boards with input from the CEO of TransLink. They are asked to outline their achievements for the prior year and outline their objectives for the current year.

24. TransLink's board should develop a process for regularly evaluating the performance of the board and of its directors.

Status: No action.

Summary of Status of Implementation by Recommendation

2001/2002 Report 2: Transportation in Greater Vancouver: A Review of Agreement between the Province and of TransLink's Governance Structure As at July 31, 2002

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|-----------|--------------------|-----------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| <p>Part I: Are Service and Financial Expectations for Regional Transit Being Met?</p> <p>1. The Province should follow through on its commitment to help TransLink efficiently collect the revenue it needs to maintain and expand its service levels.</p> | ✓ | | | | |
| <p>Part II: Will Rapid Transit Expansion in Greater Vancouver Occur as Planned?</p> <p>2. The Province and TransLink should use the start-up cost allocation principles proposed by the Province's consultant. If they are unable to reach timely agreement on the allocation of start-up costs, they should use the arbitration provisions set out in the cost-sharing agreement.</p> <p>3. The Province should, in a timely fashion, share with TransLink all information that is relevant to the construction of the SkyTrain expansion.</p> <p>4. The Province should analyze its options for dealing with its commitment to offer Bombardier Inc. a SkyTrain operating and maintenance contract, and work with TransLink to reach agreement on the option that offers best value for money to taxpayers.</p> | ✓ | | ✓ | | |
| <p>Part III: Does the Governance Structure Promote Good Governance, Accountability and Decision-Making?</p> <p>5. TransLink should prepare an annual report in a manner that is consistent with current public sector expectations, and conduct an annual general meeting at which its performance can be discussed.</p> <p>6. The GVRD should clearly identify how it will hold TransLink accountable.</p> <p>7. The Province, TransLink and the GVRD should consider amending the Greater Vancouver Transportation Authority Act so that non-elected members might be included on TransLink's board.</p> | ✓ | | ✓ | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|--|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| 8. The GVRD and TransLink should develop guidelines for nominating potential members to the TransLink board, including a policy on appointment terms, board renewal and the competencies required by the board. | | | ✓ | | |
| 9. The size of TransLink's board should be re-examined and perhaps reduced. | | | ✓ | | |
| 10. The GVRD should identify how it will provide public accountability for its responsibility for TransLink, and consider developing a more complete approach to reporting annually on its transportation-related performance. | | | ✓ | | |
| 11. The Province should reassess its role in the Greater Vancouver regional transportation system with a view to removing impediments to the implementation of TransLink board decisions. | | | ✓ | | |
| 12. The Province should consider changing the Greater Vancouver Transportation Authority Act to eliminate the need for provincially appointed board members. | | | ✓ | | |
| 13. The Province and TransLink should develop oversight arrangements that meet the Province's needs. | | | ✓ | | |
| 14. TransLink should develop and document principles, policies and procedures for the governance of its subsidiaries. | | | ✓ | | |
| 15. TransLink should reassess its approach to making appointments to subsidiary boards. | | | ✓ | | |
| 16. TransLink should document its governance policies and practices in a governance manual. | | | ✓ | | |
| 17. The Province, TransLink and the GVRD should consider amending legislation to clarify the duties of TransLink board members. | | | ✓ | | |
| 18. TransLink should develop comprehensive guidelines that address director duties and conflict-of-interest issues. | | | ✓ | | |
| 19. TransLink should develop a comprehensive program of orientation and continuing education for its board members. | | | ✓ | | |
| 20. TransLink's board should consider establishing the committees needed to support its governance roles, particularly a governance committee and an audit committee. | | | ✓ | | |
| 21. TransLink's board should ensure that a comprehensive risk assessment is carried out and an appropriate risk management strategy developed. | | | ✓ | | |

| Office of the Auditor General of British Columbia Recommendations | Implementation Status | | | | |
|---|-----------------------|---------------|-----------|-----------------------|--------------|
| | Fully | Substantially | Partially | Alternative Action | No Action |
| 22. TransLink's board should ensure that the internal audit unit's plans and reports meet the board's information needs. | ✓ | | | | |
| 23. TransLink's board should ensure that formal appraisal systems are in place for its CEO, and the CEOs of its subsidiaries. | ✓ | | | | |
| 24. TransLink's board should develop a process for regularly evaluating the performance of the board and of its directors. | | | | | ✓ |



Appendix

Timetable of Reports Issued and Public Accounts Committee Meetings on report 2001/02: Report 2: Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure.

August 2001

The Office of the Auditor general issues 2001/02: Report 2: Transportation in Greater Vancouver: A Review of Agreements Between the Province and TransLink, and of TransLink's Governance Structure.

January 2002

The Select Standing Committee on Public Accounts reviews the report.

February 2002

The Select Standing Committee on Public Accounts tables its report on the results of the review.

November 2002

Office of the Auditor General issues its follow-up report.



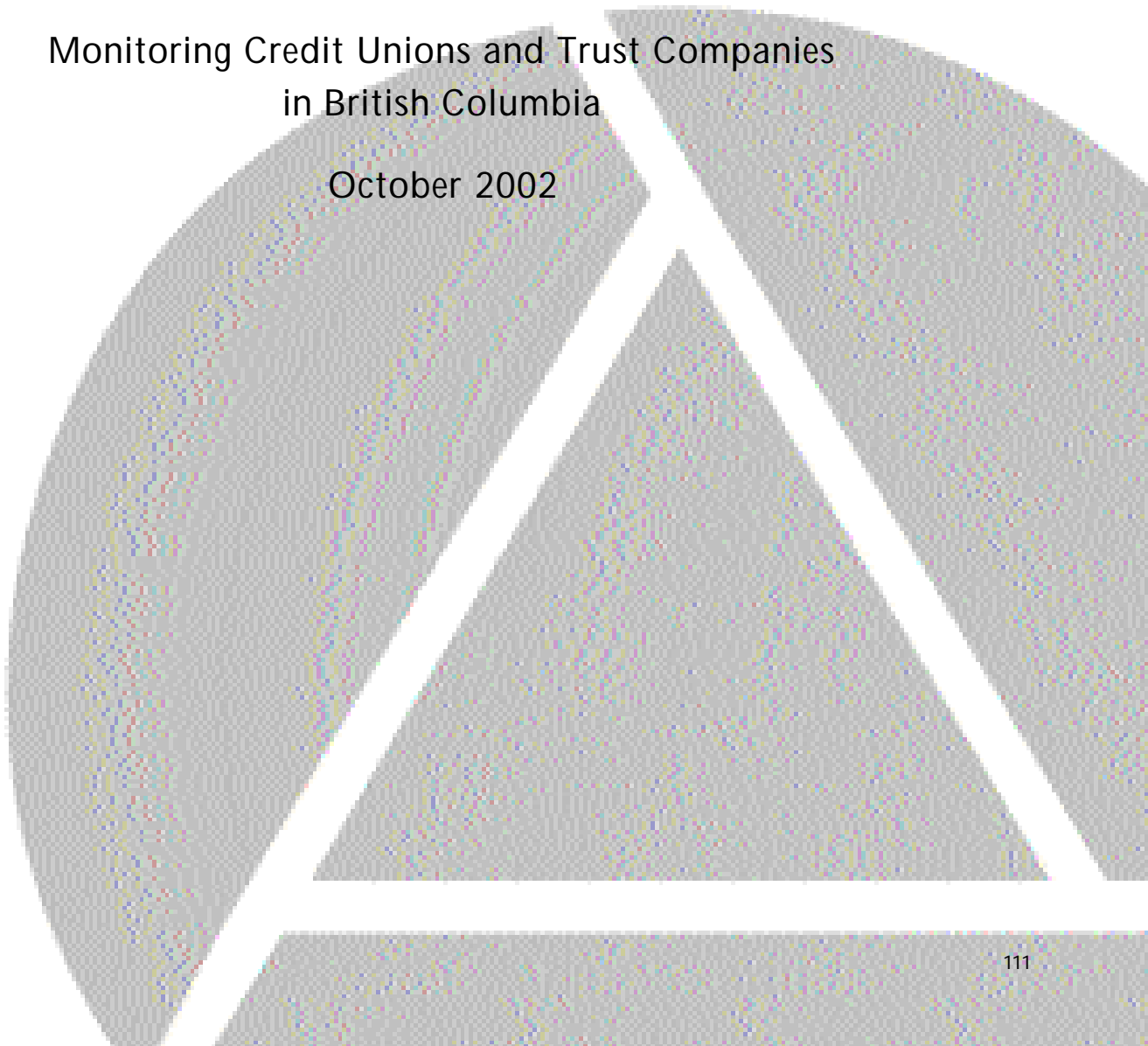
Office of the Auditor General of British Columbia

Information provided to the Select Standing Committee
on Public Accounts regarding
the follow-up of recommendations in

2000/2001 Report 5:

Monitoring Credit Unions and Trust Companies
in British Columbia

October 2002





OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

We have carried out a follow-up review of the implementation of the recommendations in our report 2000/01: Report 5: Monitoring Credit Unions and Trust Companies in British Columbia, and enclose the following:

- My opinion on the status provided by management.
- A summary of the original report showing the audit purpose, scope and overall conclusion.
- A summary of the status of recommendations.
- A list of recommendations that have not yet been fully implemented.
- Financial Institutions Commission: Progress Report on Implementing the Auditor General's Nine Recommendations.
- Timetable of reports issued and Public Accounts Committee meetings on report 2000/01: Report 5: Monitoring Credit Unions and Trust Companies in British Columbia.

As all of the recommendations have been either implemented or acted upon, we do not plan to carry out any further follow-up reviews relating to this report.

Wayne Streliaff, CA
Auditor General

October, 2002



OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

This is our report on our follow-up of our recommendations from our 2000/01: Report 5: Monitoring Credit Unions and Trust Companies in British Columbia.

Information as to the status of the recommendations was provided to us by the Financial Institutions Commission. We reviewed this response in August and September 2002.

We have reviewed the representations provided by the Financial Institutions Commission regarding progress in implementing the recommendations. The review was made in accordance with standards for assurance engagements established by the Canadian Institute of Chartered Accountants, and accordingly consisted primarily of enquiry, document review and discussion.

Based on our review, nothing has come to our attention to cause us to believe that the Status Report on Implementation of the Auditor General's recommendations does not present fairly, in all significant respects, the progress made in implementing the recommendations contained in our 2000/01: Report 5: Monitoring Credit Unions and Trust Companies in British Columbia report.

Wayne Streliaff, CA
Auditor General

September 9, 2002

Summary of Original Report on Social Housing: The Governance of the British Columbia Housing Management Commission and the Provincial Rental Housing Corporation

Audit Purpose and Scope

The Financial Institutions Act and the Credit Union Incorporation Act set out a regulatory framework designed to ensure that depositors are protected against insolvency and insured against losses, and that consumers are protected against improper market conduct in their dealings with credit unions and trust companies.

The purpose of our audit was to assess whether FICOM was adequately monitoring credit unions and trust companies in British Columbia, in the 1999 calendar year, to verify that they were complying with this regulatory framework.

Specifically, we examined whether FICOM was verifying that credit unions and trust companies operating in British Columbia were complying with the Financial Institutions Act and, when relevant, with the Credit Union Incorporation Act, and with the associated regulations and policies, with respect to:

- incorporation and ownership;
- business operations (including application for business authorization, maintaining minimum capital and liquidity, annual filing requirements and market conduct);
- corporate governance (including standards for board membership and investment and lending policies);
- related party transactions; and
- coverage by the relevant deposit insurance organizations.

As well, we examined whether FICOM was carrying out examinations with the frequency required in the Act, and taking enforcement action when necessary.

Our audit was conducted in accordance with the assurance standards recommended by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Our audit was concerned only with those sections of the Act that require FICOM to impose a duty on credit unions or trust companies. Accordingly, we excluded from our audit the sections of the Act dealing with the operation and administration of the Credit Union Deposit Insurance Corporation of British Columbia and with the organization of FICOM.

... continued

Continued . . .

In addition, we did not examine the regulation of insurance companies under the Financial Institutions Act because the nature of these companies is different from credit unions and trust companies. We also did not assess the adequacy of the various legislative requirements.

We examined FICOM's monitoring work, activities and processes for a sample we drew from the entire population of credit unions and trust companies as of September 1999. The sample included 16 of the 79 credit unions and all 6 trust companies incorporated in British Columbia, as well as 10 of the 41 extra-provincial trust companies operating in the province.

As well as the six trust companies incorporated in British Columbia, we also included in our audit Four Corners Community Savings, which is a Crown corporation (the B.C. Community Financial Services Corporation) established by the Community Financial Services Act. Under that Act, the Financial Institutions Act applies to the corporation as if it were a trust company. It is monitored by FICOM, and was therefore included in the scope of our audit.

Overall Conclusion

In our opinion, the Financial Institutions Commission was doing adequate monitoring work to verify that credit unions and trust companies were complying with the Financial Institutions Act and the Credit Union Incorporation Act, in all significant respects, during the 1999 calendar year; except for monitoring compliance with the market conduct sections of the Financial Institutions Act by extra-provincial trust companies, where FICOM's work is limited to dealing with complaints.

Summary of Status of Recommendations

Monitoring Credit Unions and Trust Companies in British Columbia

Original Issue Date: March 2001

Follow Up Date: July 2002

| Summary of status at July 2002 | OAG | PAC | Further Follow-up Required |
|--------------------------------|----------|----------|----------------------------|
| Total Recommendations | 9 | 0 | 0 |
| Fully Implemented | 7 | 0 | 0 |
| Substantially Implemented | 0 | 0 | 0 |
| Partially Implemented | 1 | 0 | 0 |
| Alternative Action | 1 | 0 | 0 |

Recommendations and Their Status

Recommendations that have not yet been fully implemented

Recommendation #7: *“periodically perform field examinations of extra-provincial trust companies to obtain assurance that the marketing requirements of the Financial Institutions Act are being complied with. Alternatively, FICOM should seek assurance from the primary regulator that British Columbia’s legislated requirements are complied with.”*

Implementation Status: **Alternative Action**

FICOM is using a complaints driven process, which was in place at the time of the audit. (“fully implemented”)

FICOM is implementing an enhanced public communications strategy, which is in process.

Recommendation #9 *“enter into an agreement with OSFI to share information about trust companies operating in British Columbia that are regulated by OSFI.”*

Implementation Status: **Partially Implemented**

FICOM has entered into negotiations, which are currently ongoing.

Financial Institutions Commission
Progress Report on Implementing the Auditor General's Nine Recommendations
Update Information

Recommendation #1

We recommend that the Financial Institutions Commission remind credit unions of the requirement to submit changes in directors and senior officers on a regular basis.

Implementation Status: **Fully implemented**

Update Information

- FICOM is performing this activity annually and is doing it upon examination.
- Database updates are now processed as soon as possible upon receipt of personal information returns. These procedures were altered before the Auditor General's report was finalised.
- Credit unions are being reminded to file personal information promptly upon the change in directors or senior officers. Each year FICOM mails a notice letter to all credit unions outlining annual filing requirements and reminding credit union managers of related requirements.
- In the past year, FICOM included a specific reference in the notice letter to the timely filing of Personal Information Returns (PIRs). The text of the section is as follows:

Additional filings that your credit union may be required to file with FICOM or with Corporate Registry are identified in the attached Tables. In particular, please be reminded that PIRs (Personal Information Returns) must be completed and filed with our office before a new director or senior officer commences his/her duties. Updated PIRs from current directors and senior officers must be filed only if there has been a change to any information on previously filed PIRs.

We also remind you that when there is a change to the credit union's board or senior officers, FICOM must be notified promptly of this change regardless of whether the change occurs at the Annual General Meeting or during the calendar year...

- These notices were sent out on February 20, 2002 for all credit unions with a fiscal year-end at December 31, 2001, and the above reminder will now be a standard feature on these letters.

Recommendation #2

We recommend that FICOM extend its background checks to include any foreign countries that directors and senior officers have been residents of in the past five years, subject to the extent of information that may be obtained by the RCMP.

Implementation Status

Fully implemented

Update Information

- FICOM has accepted and, within the limits of FICOM's authority, fully implemented to the Auditor General's recommendation to extend background checks to include foreign countries, where possible.
- However, it is important note that these background checks are subject to the limitations of the RCMP's international agreements for the exchange of this information with foreign countries.

Regulatory checks in Canada and the USA

- With respect to background checks for regulatory compliance purposes, FICOM has the capacity (under agreement with the RCMP) to perform background record checks for directors and senior officers who have been residing in Canada and the United States for the past five years.

Regulatory compliance –search limitations relating to other foreign countries

- It is important to note that unless FICOM is initiating the background record check as part of a criminal investigation, and there is an existing protocol agreement between law enforcement agencies in Canada and the other foreign country permitting an exchange of information, the type of background check may vary.
- Furthermore, there are certain countries that will not respond to these types of background checks.

Recommendation #3

We recommend that the Financial Institutions Commission perform bankruptcy checks on all directors or officers.

Implementation Status

Fully implemented

Update Information

- FICOM has accepted the Auditor General's recommendation to perform bankruptcy checks on all directors and senior officers, and this is now standard procedure on their election or appointment.
- As a result of the Auditor General's recommendation, FICOM has altered its operational practices with respect to the processing of Personal Information Returns (PIRs).
- The FICOM Investigations Department has set up an account with the federal Office of the Superintendent of Bankruptcy, and now conducts direct online bankruptcy checks on all directors and senior officers on their election or appointment. These procedures were implemented before the Auditor General's report was finalised.

Recommendation #4

We recommend that the Financial Institutions Commission seek assurance from the Corporate Registry that the annual filings of credit unions and trust companies are up to date.

Implementation Status

Fully implemented

Update Information

- **FICOM has accepted and implemented this recommendation through a reform to the operational practices of the Credit Union and Trusts Department.**
- In particular, as part of the annual review of extra-provincial companies, a column line item has been added to FICOM's checklist for extra-provincial trust corporations to ensure that up to date Corporate Registry information is being captured (**#14- Corp Registry Up to date-Y/N**) (We have provided a copy of this checklist to your Office).
- For BC-based credit unions and trust companies, this information is being verified as part of their examination cycle.

Recommendation #5

We recommend that the Financial Institutions Commission liaise with the Registrar of Companies to ensure that future credit union and trust company incorporations are properly gazetted.

Implementation Status

Fully implemented

Update Information

- FICOM has accepted this recommendation and is now ensuring that incorporations are properly gazetted as part of operational practice.
- However, no incorporations of a credit union or a trust company have occurred since the audit was undertaken by the Office of the Auditor General.
- When this occurs, FICOM will assure that all future credit union and trust company incorporations are being properly gazetted through the following internal verification procedure:
 - FICOM will request that a copy of the gazette be sent to the Commission from the Registrar of Companies to confirm the incorporation of all credit union and trust companies in BC.

Recommendation #6

We recommend that the Financial Institutions Commission develop and formally adopt an internal policy clarifying how it will verify that extra-provincial trust companies maintain “sufficient liquid assets.”

Implementation Status

Fully implemented

Update Information

- FICOM has accepted and implemented this recommendation.
- The liquidity requirement is set out in the primary regulatory jurisdiction for extra-provincial trust companies, and upon receipt of their quarterly filings FICOM is confirming that they meet the thresholds of their primary regulatory jurisdiction.

Recommendation #7

We recommend that the Financial Institutions Commission periodically perform field examinations of extra-provincial trust companies to obtain assurance that the marketing requirements of the Financial Institutions Act are being complied with. Alternatively, FICOM should seek assurance from the primary regulator that British Columbia's legislated requirements are being complied with.

Implementation Status

Alternative action

Update Information

- Upon review of the recommendation in the Auditor General's report, FICOM proposes an alternative action to the field examinations of extra-provincial trust companies for the following reasons:
 - an examinations based approach to assuring compliance with marketing requirements is more costly than a complaints driven approach, in two respects:
 - these companies are primarily based outside the province (and significantly owned and controlled by banks) and therefore records and management are largely located outside the province; and
 - the costs of compliance absorbed by companies are higher, as staff are required to assist examiners;
 - several extra-provincial companies do very limited business in BC, and, consequently, periodic examinations would be an undue regulatory burden on these;
 - marketing requirements under the Financial Institutions Act are fairly straightforward and appear to be well understood by most market participants;
 - a complaints driven process augments the basic discipline of the marketplace by empowering buyers and by providing an opportunity for competitors to assist the regulator in effectively enforcing market conduct regulations;
 - a complaints driven model is now preferred in most comparable jurisdictions and by industry because it focuses regulatory resources on non-compliance; and
 - a complaints driven methodology offers greater flexibility and proportionality, in that:
 - new product or business practice problems may be identified promptly;

- there is less potential for the needs of the examinations process to dominate the regulatory response; and
 - it does not solely rely on information provided by regulated companies.
- As directed by government, FICOM has adopted the principle of risk-based regulation. This means that resources are to be efficiently and effectively allocated based on risks presented to the public. Based on FICOM's core statutory mandate, risks related to the failure of financial institutions and the potential for losses to depositors and policy holders have been given priority. Risks associated with specific marketing programs or practices have a lesser priority.
- FICOM has determined that market conduct risks, in extra-provincial and BC-based companies, will be assessed primarily through complaints. Companies will be directed to alter business practices as required. Complaints will be investigated if serious non-compliance is indicated and those not complying will be prosecuted if appropriate.
- **FICOM is implementing an enhanced public communications strategy and complaints management regime.**
 - A copy of the draft public communications strategy has been provided to your Office. This strategy proposes to raise the profile of FICOM so that the public knows where to lodge a complaint, and also attempts to provide consumers with details of BC requirements regarding the marketing of financial services, so that they can be better prepared as shoppers.
 - Staff of the Credit Union and Trust Companies Department have been trained in the use of software used to collect and track complaints, and it is now standard procedure for all complaints to be entered into the system. A copy of the input form has been provided to your Office. As the complaints information is assessed, companies may be subject to investigations for non-compliance and enforcement action.
- Secondly, as and when appropriate, complainants will be referred to the federal agencies responsible for several of the extra-provincial companies (i.e., the Canadian Banking Ombudsman Office, the Office of the Superintendent of Financial Institutions (Canada), the Financial Consumer Agency of Canada, or to the new industry-based Financial Services OmbudsNetwork). Such complaints would relate to requirements based in federal legislation or other sources, and consumer service disputes.

Recommendation #8

We recommend that the Financial Institutions Commission verify annually that extra-provincial deposit-taking trust companies operating in British Columbia are members of CDIC.

Implementation Status

Fully implemented

Update Information

- FICOM has accepted and implemented this recommendation through a change in the operational practices of the Credit Unions and Trusts Department.
- Specifically, FICOM has added a column item on its annual filings checklist for extra-provincial trust corporations (**#13-CDIC Member- Y/N**) to verify whether the trust corporation is a member of CDIC.
(A copy of this checklist has been provided to your Office.)

Recommendation #9

We recommend that the Financial Institutions Commission enter into an agreement with OSFI to share information about trust companies operating in British Columbia that are regulated by OSFI.

Implementation Status

Partially implemented

Update Information

- FICOM has accepted this recommendation.
- The Financial Institutions Commission (FICOM) has entered into negotiations with the federal Office of the Superintendent of Financial Institutions (OSFI). There is a reciprocal interest and a willingness to conclude an information sharing agreement between FICOM and OSFI.
- The negotiations are **currently ongoing** and, before an information sharing agreement can be finalised, all federally regulated trust companies will have to agree to the sharing of their OSFI information with FICOM.
- When successfully concluded, the BC Minister of Finance will be asked to sign the information sharing agreement.



Appendix

Timetable of Reports Issued and Public Accounts Committee Meetings on report 2000/01: Report 5: Monitoring Credit Unions and Trust Companies in British Columbia

March 2001

The Office of the Auditor general issues report 2000/01: Report 5: Monitoring Credit Unions and Trust Companies in British Columbia. The report includes 9 recommendations.

December 2001

The Select Standing Committee on Public Accounts reviews the report.

February 2002

The Select Standing Committee on Public Accounts tables its report on the results of the review.

October 2002

Office of the Auditor General issues its follow-up report.

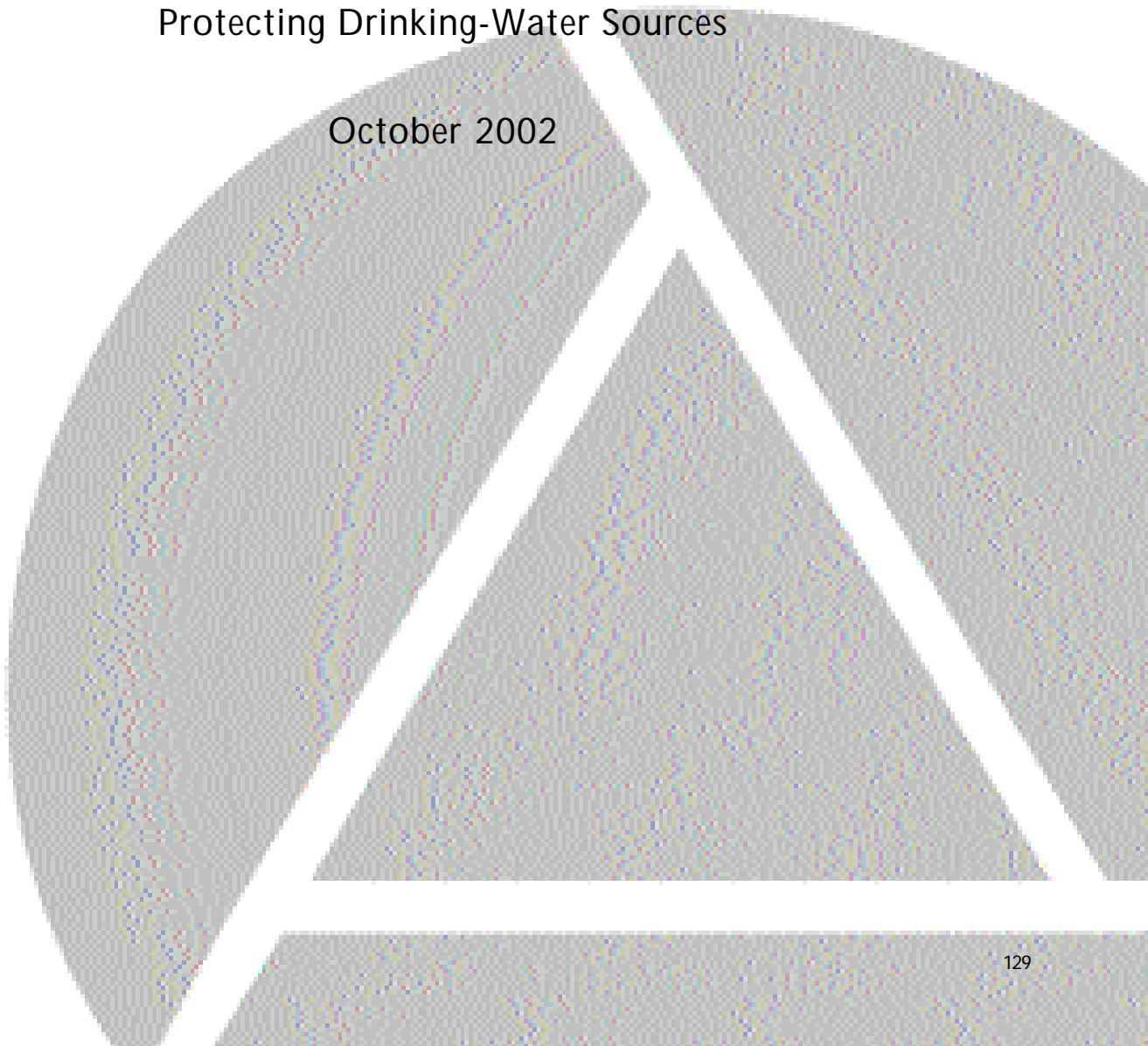


Office of the Auditor General of British Columbia

Information provided to the Select Standing Committee
on Public Accounts regarding
the follow-up of recommendations in

1998/1999 Report 5:
Protecting Drinking-Water Sources

October 2002





OFFICE OF THE
Auditor General
of British Columbia

To the Select Standing Committee on Public Accounts

This is our report on our October, 2002 review of the status of the recommendations from our 1998/1999 Report 5: Protecting Drinking-Water Sources, and from the Select Standing Committee on Public Accounts Second Report: Protecting Drinking-Water Sources (April 18, 2000.)

We enclose the following:

- A summary of the original report showing the audit purpose and overall conclusion.
- A summary of the status of recommendations at the time of our first follow-up (October 2000).
- A list of recommendations that had not yet been implemented at the time of our first follow-up.
- A letter from the Minister of Health Services regarding government's action plan for drinking water protection in British Columbia.
- A timetable of reports issued and Public Accounts Committee meetings on our report.

In his letter, the minister told us that on June 19, 2002, the government announced an action plan for drinking water protection. An attachment to the letter stated that the plan gave consideration to the recommendations in our audit report and in two reports prepared subsequent to our audit that examined drinking water protection in general:

- the Provincial Health Officer's report; and
- the report of a panel that reviewed the Drinking Water Protection Act (which, also, was enacted subsequent to our audit.)

Given the substantial changes in government policy regarding the protection of drinking-water sources which these documents describe, we are unable to perform our normal follow-up procedures, and offer no opinion on the status of our recommendations at the present time. Instead, we intend to carry out a new audit examining the progress made in protecting drinking-water sources since our last examination. We are planning to carry out this new audit in 2004.

Wayne Streliaff, CA
Auditor General

January 17, 2003

Summary of Original Report on Protecting Drinking-Water Sources

Audit Purpose

We set out to determine whether British Columbia is getting good value from an important resource—drinking-water sources. Our audit asked: Does the level of protection provided by the Province to drinking-water sources from human-related impacts appropriately balance the cost and benefits of drinking water and other resources?

Overall Conclusion

We concluded that the Province was not adequately protecting drinking-water sources from human-related impacts, and that this could have significant cost implications in the future for the Province, for municipal and regional governments, and for citizens in general. The key problem was lack of an effective, integrated approach to land-use management. This could result in less-than-optimal choices being made between the need to protect source water and the need to allow other activities.

Summary of Status of Recommendations at First Follow-up

Original Issue Date: March 1999

Year of First Follow-up: 2000

| Summary of status at October 2000 | OAG | PAC | Further Follow-up Required |
|-----------------------------------|-----------|----------|----------------------------|
| Total Recommendations | 26 | 2 | 25 |
| Fully Implemented | 3 | — | — |
| Partially Implemented | 22 | 2 | 24 |
| Alternative Action | 1 | — | 1 |
| No Action | — | — | — |

Recommendations and Their Status at the Time of Our First Follow-up

Recommendations of the Office of the Auditor General of British Columbia

| | |
|--|----|
| Number of recommendations in the original report | 26 |
| Recommendations requiring further follow-up | 23 |

Partially Implemented Recommendations

- Ensure that in integrated management processes dealing with drinking-water issues: drinking-water consumers are meaningfully represented; decisions are grounded in sufficient reliable information about natural conditions in the watershed and the values and impacts of competing resource uses; and findings and recommendations are handed off to elected or appointed officials with the authority to act on them.
- Report annually, at both provincial and local levels, on (the Province's) protection of drinking-water sources.
- Issue a comprehensive set of guidelines for good drinking water, so that decision-makers and citizens can better understand the information they receive about drinking-water quality.
- Carry out an comprehensive evaluation of the rights of resource access of drinking-water suppliers, to determine if they are appropriate.
- Examine and regularly report on both priorities for on-site inspections of operations in community watersheds and the frequency of inspections actually carried out.
- Develop water quality objectives for all community watersheds as a matter of priority, if such objectives are to remain the main legislated mechanism for results monitoring under the Forest Practices Code.
- Clearly assign responsibility for monitoring whether water quality objectives are being met, at all stages of forest development within community watersheds.
- Give consideration to widening the range of results-based monitoring in community watersheds required under the Forest Practices Code.

- Expand the range provisions of the Forest Practices Code to more effectively address risks from parasites.
- Gather information on the impacts of recreation on drinking-water sources, as a basis for future policy development.
- Give priority to planning and building transportation routes and infrastructure in ways that will prevent the degradation of drinking-water sources.
- Continue to strengthen procedures to minimize damage to drinking-water sources from chemical spills and leaks, and to implement provisions to prevent wide-area (non-point source) contamination.
- Develop region-specific regulations for agricultural sources of nutrients.
- Strengthen compliance with the Code of Agricultural Practice for Waste Management through more outreach efforts to encourage voluntary compliance by farmers.
- Give priority to monitoring compliance with the Code of Agricultural Practice for Waste Management, and to enforcement actions that encourage compliance with the Code, in order to maintain the incentive for voluntary compliance.
- Consider giving approving officers the authority to take into account the cumulative impacts of septic tank systems when examining subdivision proposals.
- Determine whether there are areas of British Columbia in addition to the Okanagan Valley where nutrient-control provisions for septic tank systems could help reduce the need for investment in new drinking-water sources, or in higher levels of water treatment.
- Complete and implement the proposal to help local governments develop maintenance bylaws for septic tank systems.
- Ensure regular monitoring of groundwater usage and levels in all developed aquifers across the province.
- Ensure that monitoring of groundwater quality occurs regularly in all developed aquifers in the province, and more frequently in all vulnerable aquifers.
- Establish a comprehensive and coordinated aquifer mapping and inventory program.

- Ensure that any examination of the rights and responsibilities of drinking-water system owners considers the special circumstances of small system users.

Alternative Action to Our Recommendation

- Designate within government a lead agency for drinking-water interests, to coordinate government policy and action on drinking-water issues.

Recommendations of the Select Standing Committee on Public Accounts

| | |
|--|---|
| Number of recommendations in the original report | 2 |
| Recommendations for further follow-up | 2 |

Partially Implemented Recommendations

- Progress on the 26 recommendations made in the Auditor General's report "Protecting Drinking-Water Sources" be reviewed and reported on every six months to the Select Standing Committee on Public Accounts.
- Given the serious concern in the United States regarding ground-water contamination by the gasoline additive methyl tertiary butyl ester ("MTBE"), the Ministries of Environment, Lands and Parks and Health examine the need for testing in British Columbia, and report back to this committee within twelve months with their findings.





SEP 25 2002

411661

Mr. Wayne Strelieff
Auditor General
Office of the Auditor General
2nd Floor – 8 Bastion Sq
Victoria BC V8V 1X4

Dear Mr. Strelieff:

Re: 1998/1999 Report 5 – Protection Drinking Water Sources

As a follow-up to your request for an update on progress being made with respect to your recommendations in this report, please be advised that on June 19, 2002, government announced a comprehensive action plan to strengthen drinking water protection in British Columbia.

Your report and recommendations along with other relevant reports provided the foundation for the development of this action plan and the various aspects of it. In consultation with the Honourable Joyce Murray, Minister of Water, Land and Air Protection and her staff, we believe that the action plan's components on source assessment comprehensively address your recommendations.

As part of the action plan, government has also announced that it will introduce comprehensive groundwater protection legislation this fall. A groundwater advisory board will be established to provide expert technical advice on regulations and standards.

Enclosed please find a copy of the news release and accompanying backgrounder for your records.

The Ministry of Health Services has been designated as the lead Ministry for coordinating government policy and action on drinking water matters. We will continue to use your report and that of others to inform us as we begin implementation of the action plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Hansen", written over a light-colored background.

Colin Hansen
Minister

Enclosure

pc: Honourable Joyce Murray
Minister Water, Land and Air Protection

For Immediate Release
2002:041
June 19, 2002

Ministry of Health Services

NEW ACTION PLAN TO DELIVER SAFER DRINKING WATER

VICTORIA – A comprehensive \$16-million action plan to strengthen drinking water protection in B.C. was announced today by Health Services Minister Colin Hansen.

“Most British Columbians already enjoy safe, clean drinking water,” said Hansen. “This action plan will enhance drinking water protection through increased source protection, monitoring, assessments, and infrastructure investment. The plan identifies the safety of drinking water as a health issue and establishes clear lines of responsibility.”

The Drinking Water Action Plan is based on eight key principles for safe drinking water, which focus on preventing contamination, and identifying potential risks and appropriate water-quality improvements. The plan establishes clear accountability for safe drinking water under the leadership of the Minister of Health Services, and provides the provincial health officer with a new mandate and responsibility for drinking water. New positions – drinking water protection officers – will be established in all regional health authorities.

“A multi-barrier approach for the entire system – from source to tap – is an effective means of protecting public health,” said Joyce Murray, Minister of Water, Land and Air Protection. “With this action plan, we will develop a system of continuous quality improvement.”

Government will establish a groundwater advisory board, as well as a drinking water advisory committee to provide expert technical advice on regulations and standards. Changes will be sensitive to the unique needs of small water systems with fewer than 15 connections. Although small water systems represent the majority of water systems in B.C., they only serve two per cent of the population.

The direct cost of the action plan is \$16 million annually, which will be funded on a cost-recovery basis. Longer-term costs of future infrastructure needs will be identified through the source-to-tap assessments, and cost-recovery options will be developed. The government has already begun \$109 million in cost-shared, water-related infrastructure projects, with further projects under consideration.

“The safety of drinking water in our province will be enhanced as a result of this action plan,” said provincial health officer Perry Kendall. “Increased monitoring and assessment and a long-term focus on future infrastructure needs will mean British Columbians can have more confidence in the water they drink.”

-30-

Backgrounder (2 pages) attached.

This news release and a backgrounder are online at www.healthservices.gov.bc.ca/protect/water.html

Contact: Health Communications
250 952-1887

News Release Internet Address:
www.healthservices.gov.bc.ca

June 19, 2002
2002:041

Ministry of Health Services

ENSURING SAFE DRINKING WATER

Several recent reviews of British Columbia's drinking water helped shape government's principles for protecting drinking water quality. These include the B.C. auditor general's report (1999), the B.C. provincial health officer's report (fall 2001), and the panel review of British Columbia's Drinking Water Protection Act (spring 2002).

The Drinking Water Action Plan focuses action around eight key principles, based on the findings of the reports.

1. The safety of drinking water is a health issue.

Highlights: Ministry of Health Services is designated as the lead ministry. The provincial health officer will have a new mandate and responsibility for drinking water, with new positions of drinking water protection officers established in the regional health authorities.

2. Prevention and source protection are a critical part of drinking water protection.

Highlights: Resource ministries will continue to fulfil their obligations to protect water sources. The Ministry of Water, Land and Air Protection will play a lead role in monitoring water quality at the source, and has set aside \$1.5 million in this year's budget for improved water-quality monitoring related to the protection of drinking water sources.

3. Providing safe drinking requires an integrated approach.

Highlights: An inter-ministry committee will be established to identify emerging issues and develop policy. Two technical committees will be established to provide advice on regulatory changes and standards – a drinking water advisory committee and a groundwater advisory board.

4. All water systems need to be thoroughly assessed to determine risks.

Highlights: Source-to-tap assessments will be performed on all water systems in the province, beginning with priority areas where the water system may be at higher risk.

5. Proper treatment and water distribution system integrity are important to protect human health.

Highlights: Government has already announced more than \$109 million for 42 high-priority water projects, with further announcements to come. Assessments of water systems will help to identify deficiencies, and plan for infrastructure upgrades and replacements as needed.

6. Tap water must meet acceptable safety standards and be monitored.

Highlights: Government will seek the advice of the drinking water advisory committee to develop further standards for tap water, which is currently tested for microbiological contaminants.

7. Small systems require a flexible system with safeguards.

Highlights: Changes introduced by the action plan will be sensitive to the unique needs of small water systems with fewer than 15 connections. Small systems represent 61 per cent of all water systems but only serve two per cent of the population. Minimum health standards will be enforced, but government will be flexible as to how the standards are met.

8. Safe drinking water should be affordable, with users paying appropriate costs.

Highlights: Safe drinking water is not free. Consultations with key stakeholders will begin immediately to develop cost-recovery options for the \$16 million in increased annual costs associated with the action plan. Longer-term costs of future infrastructure needs will be identified and new cost-recovery mechanisms will be explored.

New legislative changes to support the initiatives outlined in the action plan will be introduced this fall.

-30-

Contact: Health Communications
250 952-1887

News Release Internet Address:
www.healthservices.gov.bc.ca

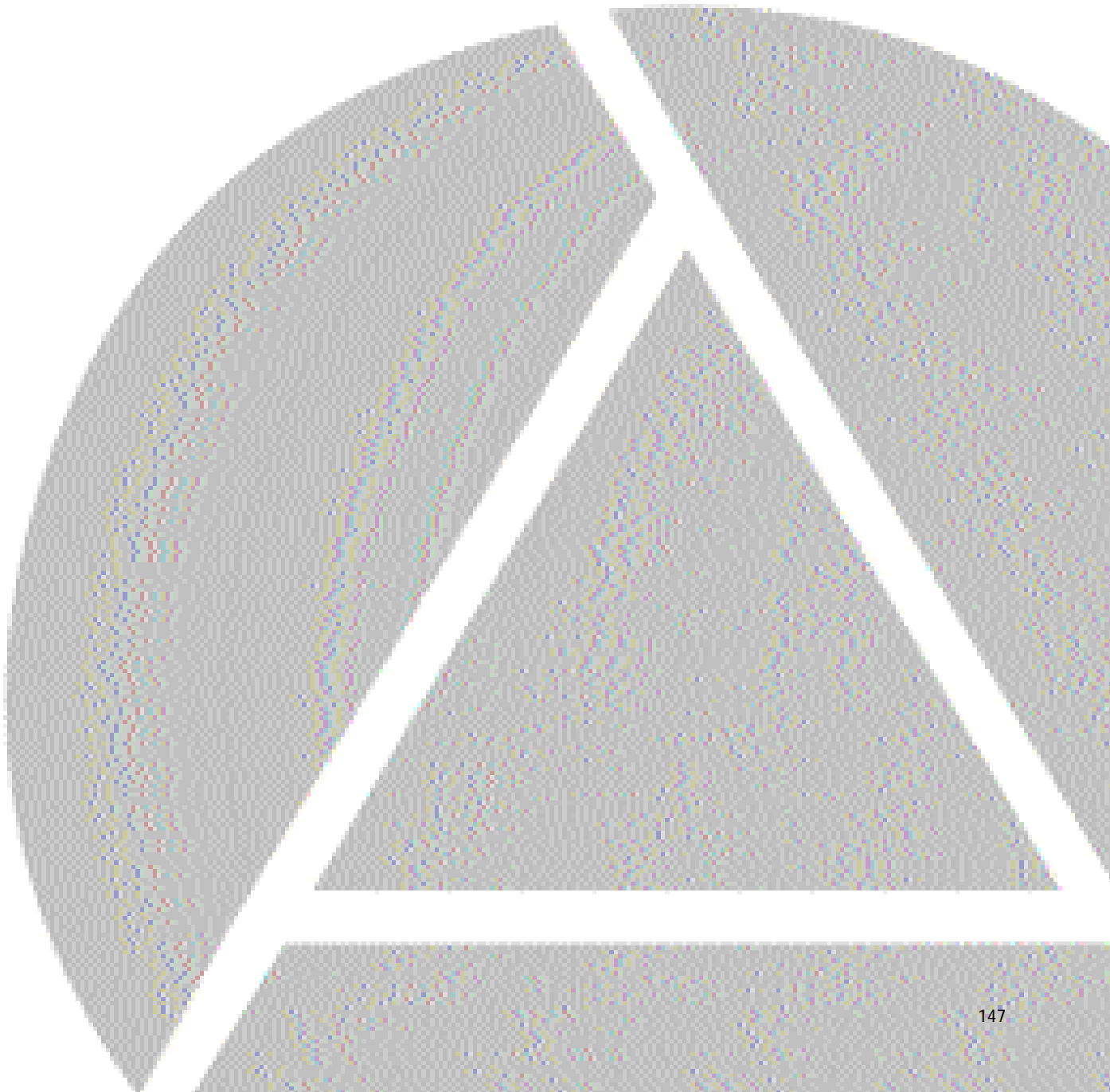
Appendix

Timetable of Reports Issued on 1998/1999 Report 5: Protecting Drinking-Water Sources

| | |
|----------------------|--|
| <i>March 1999</i> | The Auditor General issued 1998/1999 Report 5: Protecting Drinking-Water Sources |
| <i>July 1999</i> | The Select Standing Committee on Public Accounts reviewed the report |
| <i>October 1999</i> | The Select Standing Committee on Public Accounts continued its review of the report |
| <i>April 2000</i> | <p>The Select Standing Committee on Public Accounts issued a report on its deliberations, Select Standing Committee on Public Accounts Second Report: Protecting Drinking-Water Sources (April 18, 2000). In its report the Committee made two recommendations:</p> <ul style="list-style-type: none">▪ that, every six months, the progress on the 26 recommendations made in the Auditor General's report be reviewed and reported on to the committee; and▪ that the ministries of Health and Environment, Lands and Parks examine the need for groundwater testing for methyl tertiary butyl ether ('MTBE') in British Columbia, and report back to the committee within twelve months with their findings. |
| <i>November 2000</i> | The Select Standing Committee on Public Accounts reviewed the first follow-up report. |
| <i>December 2000</i> | The Auditor General issued 2000/2001: Report 3 on the Follow-up of Performance and Compliance Reports, which included a follow-up report on 1998/1999 Report 5: Protecting Drinking-Water Sources. |
| <i>February 2001</i> | The Select Standing Committee on Public Accounts issued its Thirteenth Report of the Fourth Session of the Thirty-Sixth Parliament, a follow-up report on, among other issues, drinking-water protection. |
| <i>December 2001</i> | The Select Standing Committee on Public Accounts reviewed the Auditor General's December 2000 follow-up report. |



Appendices



Appendix A

Select Standing Committee on Public Accounts

– Legislative Assembly of British Columbia: Guide to the Follow-Up Process

About the Committee:

The Select Standing Committee on Public Accounts is an all-party select standing committee of the Legislative Assembly. The committee is currently composed of 11 members, including a Chair and Deputy Chair. The committee is supported in its work by the Office of the Clerk of Committees, which provides procedural advice, and administrative and research support.

The committee's Terms of Reference include, but are not limited to, the following powers:

- Consider all reports of the Auditor General which have been referred to the committee by the Legislative Assembly.
- Sit during a period in which the House is adjourned or recessed.
- Send for persons, papers and records.
- Report to the House on its deliberations.

Committee Meetings:

While the Legislative Assembly is in session, the committee normally meets once per week (currently every Tuesday morning from 8:30 to 10:00, although the committee can sit while the House is sitting, and during the "intersessional" period). Committee proceedings are recorded and published in Hansard, which is available on the Legislative Assembly web site at www.legis.gov.bc.ca/cmt/.

The Auditor General and the Comptroller General are officials of the committee, and are usually present at committee meetings. During meetings, representatives of the Auditor General's office make a presentation of their audit findings. Representatives of audited organizations also attend as witnesses before the committee, and provide information to the committee regarding actions taken to address the Auditor General's recommendations. Following each presentation, committee members are provided with the opportunity to ask questions of witnesses. Members of the Legislative Assembly may examine, in the same manner, witnesses, with the approval of the committee.

After initial consideration of a report, the committee wishes to follow-up the progress made in implementing the Auditor General's recommendations, or recommendations made by the committee to the House, and adopted by the House. The process for carrying out follow-up reviews by the Auditor General is outlined below.

The Follow-up Process:

1. Following an audited organization's appearance before the committee, representatives of the Auditor General's office will contact representatives of the audited organization and request that a progress update be provided to the Office of the Auditor General within a period of time (usually 5 months).
2. Audited organizations must prepare a written response in the format noted below, and direct it to the Office of the Auditor General. In drafting the written response, organization representatives may wish to consult with the Office of the Comptroller General, and/or the Office of the Auditor General. As well, the Office of the Clerk of Committees would be pleased to answer any questions regarding the work of the committee, and committee procedure.
3. All written responses submitted by audited organizations are reviewed by the Office of the Auditor General to generally confirm the fairness of information about the progress made in implementing the recommendations contained in the Auditor General's report.
4. All written responses, and results of the Auditor General's review thereof, are provided to the Office of the Clerk of Committees for distribution to each committee member (normally six months after the witnesses' attendance before the committee). These materials are also provided to the audited organization and the Office of the Comptroller General.
5. Once the committee has tabled its report on the matter in the House, all written responses become public documents, and are not subject to Freedom of Information and Protection of Privacy Act procedures. Written responses, along with the Auditor General's review thereof, are also tabled in the Legislative Assembly on a bi-annual basis (March and October, although this is subject to variation). The Clerk of Committees should be advised well in advance of any material considered to be confidential.
6. Following review of the written response and the Auditor General's comments, the committee may request that representatives of the audited organization re-appear before the committee to provide

further information, or that further information be provided to the committee in written form.

7. The Office of the Comptroller General will arrange for witnesses to attend where the committee has asked for a return presentation based on the written follow-up.

Format of Written Responses:

Written follow-up information prepared by audited organizations in response to a request from the Office of the Auditor General should include the following items:

- Date of the written response.
- A brief introduction to and summary of the topic being considered, including a reference to the period during which the audit was conducted, date(s) the issue was considered by the committee, and how many of the recommendations have been fully implemented, partially implemented, or not implemented to date.
- A brief response to each recommendation made by the Auditor General (unless specifically advised to address only particular recommendations), including all actions taken to implement each recommendation.
- A workplan for implementation of the Auditor General's recommendations, including information on the means by which each recommendations will be implemented, time frames for implementation, identification of branches with primary responsibility for implementation, and procedures in place to monitor progress in implementing the recommendations.
- Any other information relevant to the Auditor General's or Public Accounts Committee's recommendations, including planned or current projects, studies, seminars, meetings, etc.
- Contact information for ministry/government organization representatives who have primary responsibility for responding to the Auditor General's recommendations (name, title, branch, phone and fax numbers, e-mail address).
- The reports are to be signed by a senior official responsible for the area, normally an Assistant Deputy Minister or Vice-president.

Reports should be relatively brief e.g. 5 – 10 pages but attachments are acceptable.

If guidance is needed in preparing the follow up report please contact any of the offices noted below.

Contact Information:

Office of the Clerk of Committees

Josie Schofield
Research Analyst
Phone: 250 356-1623
Fax: 250 356-8172

Office of the Auditor General

Doreen Sullivan
Executive Coordinator
Phone: 250 356-2627
Fax: 250 387-1230
dsullivan@bcauditor.com

Office of the Comptroller General

Arn van Iersel
Comptroller General
Phone: 250 387-6692
Fax 250 356-2001
Arn.vanIersel@gems8.gov.bc.ca



Appendix B:

Office of the Auditor General: Follow-up Objectives and Methodology

Purpose of Following Up Audits

The Office conducts follow-up reviews in order to provide the Legislative Assembly and the public with information on the progress being made by government organizations in implementing the recommendations arising from the original work.

Performance audits are undertaken to assess how government organizations have given attention to economy, efficiency and effectiveness.

The concept of performance audits is based on two principles. The first is that public business should be conducted in a way that makes the best possible use of public funds. The second is that people who conduct public business should be held accountable for the prudent and effective management of the resources entrusted to them.

The Nature of Audit Follow-ups

A follow-up of an audit comprises:

1. requesting management to report the actions taken and to assess the extent to which recommendations identified in the original audit report have been implemented;
2. reviewing management's response to ascertain whether it presents fairly, in all significant respects, the progress being made in dealing with the recommendations;
3. determining if further action by management is required and, consequently, whether further follow-up work by the Office will be necessary in subsequent years; and
4. reporting to the Legislative Assembly and the public the responses of management and the results of our reviews of those responses.

The Nature of a Review

A review is distinguishable from an audit in that it provides a moderate rather than a high level of assurance. In our audits, we provide a high, though not absolute, level of assurance by designing procedures so that the risk of an inappropriate conclusion is reduced to a low level. These procedures include inspection, observation, enquiry, confirmation, analysis and discussion. Use of the term "high level of

assurance” refers to the highest reasonable level of assurance auditors provide on a subject. Absolute assurance is not attainable since an audit involves such factors as the use of judgement, the use of testing, the inherent limitations of control and the fact that much of the evidence available to us is persuasive rather than conclusive.

In a review, we provide a moderate level of assurance by limiting procedures to enquiry, document review and discussion, so that the risk of an inappropriate conclusion is reduced to a moderate level and the evidence obtained enables us to conclude the matter is plausible in the circumstances.

Scope of Audit Follow-ups

The follow-ups focus primarily on those recommendations that are agreed to by management at the time of the original audit or study. Where management does not accept our original recommendations, this is reported in managements’ responses to the original audit reports. Since our reports are referred to the Legislative Assembly’s Select Standing Committee on Public Accounts, management’s concerns with our recommendations in some cases are discussed by the committee, which may also make recommendations for future action. If the committee endorses our recommendations, we include them in a follow-up. We also include any other recommendations made directly by the committee.

Frequency of Reporting on Audit Follow-ups

We follow the process agreed to between the Office of the Auditor General, the Office of the Controller General and the Public Accounts Committee (Appendix A).

Review Standards

We carry out our follow-up reviews in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants.

Methods of Obtaining Evidence

Our reviews involve primarily enquiry, document review and discussion.

Enquiry consists of seeking appropriate information of knowledgeable persons within or outside the entity being audited. Types of enquiries include formal written enquiries addressed to third parties and informal oral enquiries addressed to persons within the entity. Consistent responses from different sources provide an increased degree of assurance, especially when the sources that provide the information are independent of each other.

Document review consists of examining documents such as minutes of senior management meetings, management plans, and manuals and policy statements to support assertions made in management's written report.

Discussion consists primarily of interviews with key management and staff, as necessary, for further verification and explanation.



Appendix C:

Follow-up Reviews to be Reported in the next Summary Report

- **Building a Strong Work Environment in British Columbia's Public Service: A Key to Delivering Quality Service**
2002/2003 Report 1 – April 2002
- **Information Use by the Ministry of Health in Resource Allocation Decisions for the Regional Health Care System**
2001/2002 Report 6 – March 2002
- **Management of the Information Technology Portfolio in the Ministry of Attorney General**
2001/2002 Report 5 – February 2002
- **Managing the Cost of Drug Therapies and Fostering Appropriate Drug Use, Ministry of Health and Ministry Responsible for Seniors**
1998/1999 Report 2 – July 1998



Appendix D:

Office of the Auditor General: 2002/03 Reports Issued to Date

Report 1

**Building a Strong Work Environment in British Columbia's
Public Service: A Key to Delivering Quality Service**

Report 2

Follow-up of Performance Reports, June 2002

Report 3

**A Review of Financial Management Issues
in the Office of the Police Complaint Commissioner**

Report 4

Monitoring the Government's Finances

Report 5

Managing Contaminated Sites on Provincial Lands

Report 6

**Review of Estimates Related to Vancouver's Bid to Stage the 2010
Olympic Winter Games and Paralympics Winter Games**

Report 7

**Building Better Reports:
Our Review of the 2001/02 Reports of Government**

Report 8

Follow-up of Performance Reports, January 2003

**These reports and others are available on our website at
<http://bcauditor.com>**



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