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O F F I C E O F T H E  
**Auditor General**  
of British Columbia

**Follow-up Report:**  
**Updates on the implementation**  
**of recommendations from**  
**recent reports**

**April 2009**

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The Honourable Bill Barisoff  
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 2009/2010 Report 1: Follow-up Report: Updates on the implementation of recommendations from recent reports.

John Doyle, MBA, CA  
*Auditor General of British Columbia*

Victoria, British Columbia  
April 2009

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



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## Auditor General's Comments

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John Doyle  
*Auditor General*

Every six months, I ask agencies (various ministries and Crowns) to provide updates on progress implementing recommendations. This report lists updates received in March 2009.

These updates are agency representations regarding progress. Although my staff have read each update, and in some cases discussed their contents with the respective agency, we have not done any audit work and offer no assurance concerning fairness, completeness or accuracy.

The follow up process provides accountability as each agency has agreed to implement recommendations or undertaken to identify suitable alternative action. The response of each agency is presented unedited and readers are able to judge for themselves whether reported progress is satisfactory.

This is my second update on the implementation of recommendations from previous reports. I am pleased to see agencies claiming at least 81% of recommendations fully or substantially completed, with a further 5% addressed through alternate actions. I would prefer to see all recommendations fully addressed, but accept that in some cases implementation can take time.

Going forward, I will select some follow-up responses for further work and report my findings in later reports. I invite Members of the Legislative Assembly—members of the Public Accounts Committee in particular—and other readers to provide feedback about which areas in general, or specific responses, warrant a closer look.

I offer my thanks to the agencies that provided updates and all those responsible for implementing recommendations.

A handwritten signature in black ink that reads "John Doyle". The signature is written in a cursive, flowing style.

*John Doyle, MBA, CA*  
*Auditor General of British Columbia*

*Victoria, British Columbia*  
*April 2009*

# Follow-up Statistics

## Summary of Recommendation Status

Report	Date	Total	I	P	AA	NA
<b>October 2008 Follow-up</b>						
British Columbia Audit Committees: Doing the Right Things	Dec 2006	2	2			
Financial Framework Supporting the Legislative Assembly	April 2007	4		1	2	1
Preventing and Managing Diabetes in British Columbia	Dec 2007	3		3		
In Sickness and in Health: Healthy Workplaces for British Columbia's Health Care Workers	June 2004	37	33	3	1	
Infection Control: Essential for a Healthy British Columbia	Mar 2007	126	97	24	5	
Managing Pharmacare: Slow Progress Toward Cost-Effective Drug Use and a Sustainable Program	March 2006	15	13	2		
The Child and Youth Mental Health Plan: A Promising Start to an Urgent Need	June 2007	11	7	4		
Government's Post-secondary Expansion- 25,000 Seats by 2010	Dec 2006	6	5			1
IT Audits of the Corporate Accounting System	2005/2006	25	18	6	1	
October 2008 Follow-up Total		229	175	43	9	2
<b>April 2009 Follow-up</b>						
Preventing Fatalities and Serious Injuries in B.C. Forests: Progress Needed	January 2008	15	9	5	1	
Removing Private Lands from Tree Farm Licenses 6, 19 & 25: Protecting the Public Interest?	July 2008	*	-			
Strengthening Accountability in British Columbia: Trends and Opportunities in Performance Reporting	April 2008	5	5			
An Audit of Joint Solutions Procurement and the Revenue Management Project	April 2008	8	6		2	
Managing Access to the Corrections Case Management System**	Mar 2008	92	89	2	1	
Switching Tracks: A Review of the BC Rail Investment Partnership	March 2007	1	1			
Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos	July 2005	13	12		1	
Managing Government's Payment Processing	May 2008	34	26	4	4	
Changing Course – A New Direction for British Columbia's Coastal Ferry System: A Review of the Transformation of BC Ferries	December 2006	3	1		2	
Literacy: Creating the Conditions for Reading and Writing Success	February 2008	8	7	1		
April 2009 Follow-up Total		179	156	12	11	0
<b>Total for Year</b>			331	55	20	2
			<b>81%</b>	<b>13%</b>	<b>5%</b>	<b>0%</b>

\* No formal recommendations were provided in the TFL report, but the Ministry's update notes improvements in documentation, and in public consultation and communication consistent with the Public Participation report.

\*\* 92 recommendations refers to total number in the detailed management report. Due to the sensitivity of the information involved, the public report contained only 9 summarized recommendations.

I - Recommendation has been fully or substantially implemented

P - Recommendation has been partially implemented

AA - Alternate action undertaken

NA - No substantial action has been taken



# The Follow-up Process

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Each report usually contains a number of recommendations designed to improve management of responsibilities and resources. The number of recommendations will vary with the scope of the audit, the nature of the subject matter and what we find. The Public Accounts Committee considers our recommendations and usually endorses them, but agencies will have agreed them at the time the report is first published and started work addressing them.

However it is not enough for the Auditor General to issue recommendations and then simply assume they will be satisfactorily acted upon. We ask agencies to provide, within three months of the publication of our reports, an action plan describing how they will implement the recommendations, and by when. Some action plans are ready in time to publish as part of the formal response we include with each report. Others are prepared later, and these are often posted on our website ([www.bcauditor.com](http://www.bcauditor.com)) alongside the audit report.

Follow-up on action taken is an important process for ensuring that recommendations are addressed and that taxpayers receive full value from our services. Starting last October, we began issuing follow-up reports every six months.

Three different kinds of follow-up can take place. As a first step, we ask agencies to self-assess their progress in implementing each recommendation. Agencies can describe in their own words the progress they have made and their plans going forward. We publish these submissions unedited and in their entirety so that readers can assess for themselves whether or not self-reported progress has been satisfactory. In the October 2008 and the April 2009 publications we followed-up on a total of 405 recommendations in this way.

Going forward, we will routinely follow-up on reports approximately one year after they are issued – sooner for urgent matters or where organizations had the opportunity to address significant issues in advance of our report being released. Such was the case for our report on wireless security – the original report was released in February 2009 and is being followed-up two months later in this document. In addition to reports issued a year ago, in this first year of the follow-up process we also focused on reports issued over the last 5 years that had not received a follow-up.

It is expected that most recommendations will be cleared in the first follow-up. This year, satisfactory progress has been reported for 351 of 405 recommendations (86%).

After the initial follow-up, a second follow-up may be required if too many recommendations remain outstanding or if certain key recommendations have not been satisfactorily addressed. The second follow-up will usually take the form of a self-assessment, to be published within one year of the initial follow-up.

Next year we will ask for second updates on recommendations from the following reports:

- The Financial Framework Supporting the Legislative Assembly,
- Infection Control,
- The Child and Youth Mental Health Plan,
- IT Audits of the Corporate Accounting System, and
- Preventing Fatalities and Serious Injuries in BC Forests.

A third form of follow-up involves a detailed examination of information supporting submissions provided for one or more recommendations. So far, we have not selected any submissions for this level of examination, but are considering which recommendations may be worth a second look. The results of detailed follow-up work will be published as a separate section in the next available semi-annual follow-up report.



# Section 1

Update on the implementation of  
recommendations from:

## **Preventing Fatalities and Serious Injuries in B.C. Forests: Progress Needed**

January 2008

April 2009



Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

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Ref: 53878

FEB 25 2009

Mr. Morris Sydor  
Assistant Auditor General  
Office of the Auditor General of British Columbia  
8 Bastion Square  
Victoria, BC V8V 1X4

Re: **Follow-up Review of Your Report *Preventing Fatalities and Serious Injuries in B.C. Forests: Progress Needed* – Report 5 – January 2008**

Dear Mr. Sydor:

Thank you for your letter of January 28, 2009 requesting an update on our progress in implementing the above-noted report.

We welcome the opportunity to update you on our progress in implementing the recommendations from your insightful report. Government recognizes the importance of obtaining tangible improvements in forest worker safety and has made significant progress in implementing your recommendations through the newly formed Interagency Committee on Forest Safety. We are mindful there is still more to do to address this serious issue.

We would like to draw your attention to the following highlights:

In 2008, WorkSafeBC made amendments regarding forestry operations to the *Occupational Health and Safety Regulation*. These amendments are intended to improve safety in the sector by increasing supervision, mandating training, requiring the designation of prime contractors, and ensuring the safe use of mechanical falling equipment.

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## Response from the Ministry of Labour and Citizens' Services and Ministry of Forests and Range

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The BC Forest Safety Council has increased the types of training and certification courses it offers, including Individual Owner Operator Safety Training (offered as part of the Council's SAFE Companies certification program), and Faller Supervisor Certification. Plans are also underway to develop a training standard for use in the log hauling sector. In 2008, there were 2,916 enrollments in the Council's training and certification programs, compared to 2,555 in 2007.

BC Timber Sales, as of December 31, 2008, requires all of its contractors to be SAFE certified, and the Ministry of Forests and Range's Forests for Tomorrow Program is implementing similar requirements. Further mandatory SAFE certifications are being considered by the ministry.

WorkSafeBC has continued with its Integrated Forest Compliance Strategy, which emphasizes shared responsibility and accountability for safety through education, inspection, and increased enforcement. In 2008, 3,943 inspections were conducted, up from 3,742 in 2007.

To address safety on resource roads, WorkSafeBC has undertaken a "Demonstration Project", designed to address the management of complex road systems used by a multitude of different parties, both industrial and private. The project also examines new technology that may contribute to safer use of roads by drivers, and more importantly, examines how due diligence for responsibility by owners and prime contractors can be effected through Road Safety Management groups established in various forest districts throughout the province.

Other actions to improve safety on resource roads includes the purchase of radar guns and increased enforcement of speed restrictions on Forest Service Roads by the Ministry of Forests and Range, as well as changes to the *Occupational Health and Safety Regulation* that require drivers to keep log books.

The above-noted actions, along with changes undertaken by industry and workers, have contributed to the 20 percent reduction in serious injuries in forestry for 2008. However, the number of fatalities in the sector in 2008 is unacceptable and more needs to be done.

WorkSafeBC is investigating faller fatalities in 2008 and in earlier years to determine the causes and the effectiveness of current training programs. The answers will help build risk intervention strategies and fine tune existing training processes. WorkSafeBC is also undertaking a comprehensive examination of the effects of fatigue impairment on work place safety. These efforts will help determine future policy.

Government is considering amendments to the *Workers Compensation Act* to address the accountability and protection of self-employed forest workers. Further work is being

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## Response from the Ministry of Labour and Citizens' Services and Ministry of Forests and Range

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undertaken to develop legislative options to address forest worker safety. The Ministry of Forests and Range is also conducting consultations regarding legislative changes to regulating resource road use in an effort to better accommodate multiple users and to increase safety.

We will also be implementing evaluation and monitoring systems to ensure our efforts have the desired outcome of significantly reducing forest worker injuries and deaths.

Although we do understand the necessity to focus on the tangible results, it must be recognized that both ministries are involved in other activities that enhance forest worker safety. For example, the Ministry of Forests and Range and WorkSafeBC have increased collaboration on roads and safety culture in the forest sector.

We have enclosed a detailed recommendation status summary from the Ministry of Labour and Citizens' Services and the Ministry of Forests and Range.

We would be pleased to meet with you to discuss our progress to date. If you have any questions or require further information, please call Mr. David Morel, Executive Lead – Interagency Committee on Forest Safety, Ministry of Labour and Citizens' Services, at 1-250-387-3123.

Yours truly,



Paul Straszak  
Associate Deputy Minister  
Ministry of Labour and Citizens' Services



John Dyble  
Deputy Minister  
Ministry of Forests and Range

Attachments: 2

cc: David Morel, Executive Lead  
Interagency Committee on Forest Safety

**RECOMMENDATION STATUS SUMMARY**  
*Preventing Fatalities and Serious Injuries in B.C. Forests: Progress Needed*  
As at January 31, 2009

(Please tick implementation status for each recommendation)

Auditor General's Recommendations	Implementation Status			
	Fully	Substantially	Partially	Alternative Action No Action
1. We recommend that government assign one ministry to lead in issuing policy direction including: <ul style="list-style-type: none"> <li>• initiating regulatory change.</li> <li>• closing jurisdictional gaps.</li> <li>• assigning resources to meet government's safety commitments.</li> </ul>				X
2. We recommend that the Ministry of Labour and Citizens' Services consider how best to ensure that a robust safety infrastructure is directly supporting every forestry work site.		X		
3. We recommend that the Ministry of Labour and Citizens' Services bring self-employed forest workers under the province's occupational health and safety regulations.			X	
4. We recommend that the Ministry of Labour and Citizens' Services ensure that a mandatory prequalification requirement for all firms is put in place, ensuring that forest industry firms, regardless of the size of the entity, be required to demonstrate safe operation and organization as a precondition for working in the industry.		X		



Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
5. We recommend that government consider economic incentives, outside the workers' compensation system, for rewarding safe operators. These should reach down to the smallest firms and the self-employed, to encourage faster progress toward achieving the forest worker safety goals of government.			X		
6. We recommend that existing health and safety regulations be more vigorously enforced by WorkSafeBC through inspections, follow up on infractions and punishment of non-compliance.	X				
7. We recommend that government leadership on safety seek direct input from other natural resource-based industries having better safety records, such as mining.	X				
8. We recommend that robust safety planning in all aspects of forest operations should be made mandatory by the Ministry of Forests and Range.			X		
9. We recommend that the Ministry of Forests and Range seek two amendments to the Foresters Act: <ul style="list-style-type: none"> <li>• Make forest worker safety an explicit object of the Association of Forest Professionals under section 4 (2).</li> <li>• Include in the definition of 'practice of professional</li> </ul>			X	X	

Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
forestry' explicit mention of competence in forest worker protection.					
10. We recommend that WorkSafeBC enforce the requirement that supervision be in place for all forest workers, including fallers and truckers.	X				
11. We recommend that the Ministry of Forests and Range use its powers to enforce safe use of resource roads. The Ministry should establish and participate actively in resource road user committees.	X				
12. We recommend that training relative to known risks should be made mandatory. For example, drivers who lack specific experience and training in driving large loads off-highway should be required by ICBC to demonstrate competency before being given independent control of such a vehicle. Fallers should be required by WorkSafeBC to demonstrate competency in danger-tree recognition, non-destructive tree evaluation, and blasting, so that they have a wider range of tools and techniques available when specific risks are present.		X			
13. We recommend that the Ministry of Labour and Citizens' Services identify, through credible third party research, safe work hour limits for high-risk forestry occupations and then regulate and enforce those limits accordingly. These limits		X			

Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
<p>should be made applicable to self-employed forest workers as well as those employed in the industry.</p>					
<p>14. We recommend that the Ministry of Labour and Citizens' Services consider ways to better protect all forest workers during work-time travel.</p>		X			
<p>15. We recommend that a lead ministry coordinate sharing and consolidation of information on fatalities, serious injuries and near-misses to support more extensive educational and enforcement activities to promote safety. The lead ministry should consolidate fatalities and injuries data and ensure that a system of comprehensive research and reporting is in place, one that covers the activities of all forest workers including the self employed. That ministry should report meaningful information to the Legislative Assembly on a regular basis to provide legislators and the public with a basis for knowing whether safety improvements are working.</p>			X		

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM**

*Preventing Fatalities and Serious Injuries in B.C. Forests: Progress Needed*

As at January 31, 2009

**General comments**

*Please provide an introductory statement summarizing progress since the Public Accounts Committee last discussed the report.*

The government has made significant progress in the implementation of the Auditor General's recommendations through the Interagency Committee on Forest Safety. We remain committed to fully addressing forest worker safety in British Columbia.

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<ul style="list-style-type: none"> <li>• initiating regulatory change.</li> <li>• closing jurisdictional gaps.</li> <li>• assigning resources to meet government's safety commitments.</li> </ul> <p>AA</p>	<p><b>Recommendation 1:</b> We recommend that government assign one ministry to lead in issuing policy direction including:</p> <ul style="list-style-type: none"> <li>• Forest worker safety is the responsibility of multiple ministries and agencies. A committee comprised of representatives from responsible ministries and agencies allows for a more comprehensive and fulsome approach to addressing this important issue.</li> <li>• The Interagency Committee on Forest Safety (ICFS) includes senior representatives from the ministries of Labour and Citizens' Services, Forests and Range, Transportation and Infrastructure, Energy, Mines and Petroleum Resources, Community Development, WorkSafeBC, and the BC Forest</li> </ul>	<p>Since its inception, the members of the ICFS have:</p> <ul style="list-style-type: none"> <li>• Initiated regulatory change by amending Part 26 of the Occupational Health and Safety Regulation regarding forestry operations.</li> <li>• Identified and are taking steps to close jurisdictional gaps by                             <ul style="list-style-type: none"> <li>○ re-entering consultation with stakeholders regarding legislation for resource roads (the <i>Resource Road Act</i>);</li> <li>○ reviewing the possibilities of amending the <i>Foresters' Act</i> to</li> </ul> </li> </ul>

**Status** F or S – Recommendation has been fully or substantially implemented  
 P – Recommendation has been partially implemented  
 AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
 NA – No substantial action has been taken to address this recommendation

Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

<p><b>Self-Assessed Status</b></p>	<p><b>Actions Taken Since Report Issued</b></p> <p>Safety Council. The ICFS has met five times since the Report was issued and has developed a detailed work plan identifying steps taken, and to be taken, including timelines for completion and effectiveness monitoring, in addressing all of the Auditor General's recommendations.</p>	<p><b>Results of Actions and/or Actions Planned (with information on implementation)</b></p> <ul style="list-style-type: none"> <li>○ increase foresters' roles in planning for forest worker safety;</li> <li>○ reviewing the possibilities of amending the <i>Ministry of Forests and Range Act</i> to promote and foster forest worker safety</li> <li>○ exploring options to address forest worker safety within a regulatory framework; and</li> <li>○ considering amendments to the <i>Workers Compensation Act</i> to provide for the accountability and protection of self-employed forest workers (independent operators).</li> <li>● Assigned resources to meet government's safety commitments by participating in the ICFS meetings and assigning dedicated staff to undertake the actions identified to address the recommendations.</li> </ul>
<p><b>S</b></p>	<p><b>Recommendation 2:</b> We recommend that the Ministry of Labour and Citizens' Services consider how best to ensure that a robust safety infrastructure is directly supporting every forestry work site.</p> <p>To address the need for a coordinated safety system of prevention, inspection and supervision, from the largest company down to its contractors and independent operators, amendments to the health and safety regulation have been made and amendments to the <i>Workers Compensation Act</i> are under consideration.</p> <p>Regulatory Amendment: The review of Part 26 of the Occupational Health and Safety Regulation regarding forestry operations was conducted to ensure the regulatory standards provide an effective enforcement tool that addresses changing relationships in the industry and provides sufficient flexibility to allow for new logging methods and new developments in</p>	<p>The amendments to Part 26 came into effect on May 1, 2008. Monitoring the effectiveness of these amendments will commence May 2009, after a year's worth of claims and prevention data can be assessed.</p>

**Status** F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>technology. Amendments to Part 26 include planning, prime contractor qualification, and increased supervision:</p> <ul style="list-style-type: none"> <li>• <b>Prime contractors</b> – owner required to ensure that a designated prime contractor be qualified and have the necessary authority to fulfill the responsibilities as prescribed under the <i>Act</i>, including authority over any employer, worker or other person at the workplace</li> <li>• <b>Planning</b> – owner and every person who has knowledge and control of a particular activity are required to ensure activities are planned and conducted in a manner consistent with the Regulation</li> <li>• <b>Falling supervisor</b> – a designated, qualified supervisor is required for all manual falling and associated bucking activities</li> </ul> <p>Legislative Amendment: An amendment to the <i>Workers Compensation Act</i> is under consideration to address the accountability and protection of self-employed forest workers (independent operators).</p>	<p>Legislative amendment may be considered for Spring, 2010.</p>
<p><b>Recommendation 3:</b> We recommend that the Ministry of Labour and Citizens' Services bring self-employed forest workers under the province's occupational health and safety regulations.</p>		
<p>P</p>	<p>An amendment to the <i>Workers Compensation Act</i> is under consideration to address the accountability and protection of self-employed forest workers (independent operators).</p>	<p>Legislative amendment may be considered for Spring, 2010.</p>

**Status** F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 4:</b> We recommend that the Ministry of Labour and Citizens' Services ensure that a mandatory prequalification requirement for all firms is put in place, ensuring that forest industry firms, regardless of the size of the entity, be required to demonstrate safe operation and organization as a precondition for working in the industry.</p>	<p>Mandatory standardized faller training has been a requirement in British Columbia since 2003 when the BC Faller Training Standard was introduced. Sections of Part 26 were amended to reflect the shift in emphasis from qualifying existing fallers to training and qualifying new fallers:</p> <ul style="list-style-type: none"> <li>• every worker in a forestry operation is required to receive the training necessary to safely perform the worker's duties</li> <li>• fallers and buckers in any falling activities are to be qualified in a standard acceptable to the Board</li> <li>• faller training is mandatory</li> </ul> <p>The BC Forest Safety Council launched the SAFE Companies program in October, 2006. This industry-wide safety certification program assists employers of every size to develop appropriate safety management systems that meet and exceed regulation. Based on completion of required training and meeting the standards of a safety audit process, firms are "SAFE-certified" and become eligible for receiving the WorkSafeBC Certification of Recognition and an annual 10% rebate of assessments paid. Provided they remain in good standing and complete an annual audit which is reviewed by the Council, employers will continue to enjoy the benefits of SAFE certification.</p> <p>The SAFE certification program and various training programs developed by BC Forest Safety Council continue to grow. Training and education programs offered include:</p> <ul style="list-style-type: none"> <li>• SAFE Individual Owner/Operator Safety Training</li> <li>• SAFE Small Employer OHS Training</li> </ul>	<p>Monitoring of the effectiveness of the new regulation will commence in May 2009.</p>

**Status** F or S – Recommendation has been fully or substantially implemented  
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NA – No substantial action has been taken to address this recommendation

Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>• SAFE Companies Internal Auditor Training</li> <li>• SAFE Companies External Auditor Training</li> <li>• Basic Forest Supervisor Training</li> <li>• New Faller Training</li> <li>• Faller Supervisor Training</li> <li>• Faller Supervisor Certification (2008-2009 Pilot Program)</li> <li>• Manual Tree Faller Certifications</li> <li>• Danger Tree Faller Blaster (2009 Certification Pilot Program)</li> <li>• Surface Blaster - Danger Tree Endorsement (2009 Certification Pilot Program)</li> <li>• Alternative Felling Practises Standards Development (single stem harvesting, tree climbing &amp; topping, steep slope operation) (2009 projects)</li> <li>• Basic Chainsaw Operation (2009 Certification Pilot Program)</li> <li>• Log Truck Driver Competency Standard Development (Underway)</li> </ul> <p>The Ministry of Forests and Range is reviewing options for certification in safety for additional ministry programs..</p>	<p>Since December 31, 2008, the BC Timber Sales Program has made SAFE certification mandatory for all timber sale licensees harvesting within the program and all its contractors. The Ministry of Forests and Range's Forests for Tomorrow Program is implementing similar requirements for its contractors and agreement holders. Additionally, many forest companies and forestry contractors are certified or registered to become SAFE certified.</p>

**Status** F or S - Recommendation has been fully or substantially implemented  
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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<b>Recommendation 5:</b> We recommend that government consider economic incentives, outside the workers' compensation system, for rewarding safe operators. These should reach down to the smallest firms and the self-employed, to encourage faster progress toward achieving the forest worker safety goals of government.	Options for economic incentives for rewarding safe operators are under consideration.	
P		
<b>Recommendation 6:</b> We recommend that existing health and safety regulations be more vigorously enforced by WorkSafeBC through inspections, follow up on infractions and punishment of non-compliance.		
F	<p>WorkSafeBC has developed an Integrated Forest Compliance Strategy to establish a consistent approach in ensuring responsibilities for health and safety in forestry are undertaken by field officers and understood by all stakeholders. The following initiatives are included in the strategy:</p> <ul style="list-style-type: none"> <li>• Coordination of safety and a system of compliance in the harvesting side of forestry</li> <li>• Coordination of safety and a system of compliance on resource roads (known as the Demonstration Project (more fully defined under Recommendation 11))</li> <li>• Increased inspections and monitoring of specific employers based on claims volume and injury rate performance</li> <li>• Ongoing follow-up and monitoring</li> </ul>	<p>To ensure health and safety continues to be a priority on harvesting sites, the Forestry High Risk Strategy team ensures the initiative is updated when needed and is ongoing.</p> <p>In 2008, 3,943 inspections were conducted, up from 3,742 in 2007</p> <p>In 2009, WorkSafeBC will conduct 2850 inspections. This is based on a projected decrease in industry activity.</p>
<b>Recommendation 7:</b> We recommend that government leadership on safety seek direct input from other natural resource-based industries having better safety records, such as mining.		
F	A representative from Ministry of Energy, Mines and Petroleum Resources has been a member of the ICFS since its inception.	Any suggested course of action put to the ICFS includes seeking input from the Ministry of Energy, Mines and Petroleum Resources. In addition, this ministry is one of the ministries to be consulted with regard to the proposal to amend the <i>Workers Compensation Act</i> to include provisions for the accountability and protection of self-employed forest workers.

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>The ADM of Ministry of Community Development, Pine Beetle Epidemic Response Division, became a member of the ICFS in November 2008.</p>	<p>The ICFS has gained valuable information regarding the Ministry/UBCM Committee on Resource Roads, the focus of which is public safety on resource roads. There is a definite overlap with worker safety and other industrial roads usage</p>
<p><b>Recommendation 8:</b> We recommend that robust safety planning in all aspects of forest operations should be made mandatory by the Ministry of Forests and Range.</p>		
<p>P</p>	<p>The Ministry of Forests and Range is considering options to address forest worker safety within its legislative framework.</p> <p>The Forest and Range Evaluation Program (FREP) report on Worker Safety Impacts identified a need for increased understanding of roles and responsibilities among forest workers. A draft Discussion Paper has been prepared. The final paper will include safety considerations necessary in forestry planning and a checklist or training template for obligations related to safety.</p> <p>The Ministry of Forests and Range has also created a Forest Worker Safety Strategy which provides strategic direction and mandate for the Ministry with respect to forest worker safety. It commits to continuously improve in safety performance and identifies four principles: leadership and collaboration; clear roles and responsibilities; communication and continuous improvement.</p> <p>An Action Plan to implement the strategy and the detailed plans to accomplish goals has been prepared.</p>	<p>Implementation of the Forest Worker Safety Strategy is planned for Spring, 2009.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 9:</b> We recommend that the Ministry of Forests and Range seek two amendments to the Foresters Act:</p> <ul style="list-style-type: none"> <li>• Make forest worker safety an explicit object of the Association of Forest Professionals under section 4 (2).</li> <li>• Include in the definition of 'practice of professional forestry' explicit mention of competence in forest worker protection.</li> </ul>	<p>Options for amending the <i>Foresters Act</i> amendment have been developed and are under consideration.</p> <p>The Association of BC Forest Professionals (ABCFFP) has amended Bylaw 12 which states "members maintain safe work practices and consider the safety of workers and others in the practice of professional forestry". This amendment was ratified by its members and put in force as of October 2, 2008.</p>	<p>The ABCFFP generally produces Interpretative Guidelines to support its membership in the achievement of professional standards. The Ministry of Forests and Range is offering support as needed to ABCFFP in drafting Interpretative Guidelines which may accompany the Bylaw amendment.</p>
<p>AA/P</p>	<p><b>Recommendation 10:</b> We recommend that WorkSafeBC enforce the requirement that supervision be in place for all forest workers, including fallers and truckers.</p>	<p>The RRSP provides the foundation for a pilot project entitled the Demonstration Project, more fully described under Recommendation 11. The Demonstration Project runs from November 2008 to April 2009. A final report of the findings is expected in May 2009.</p>
<p>F</p>	<p>WorkSafeBC amended Part 26 of the Occupational Health and Safety Regulation to require qualified supervision for manual fallers and set out the duties of that supervisor. These amendments became effective May 1, 2008:</p> <ul style="list-style-type: none"> <li>• prime contractors required to be qualified and to have the necessary authority over persons at the workplace</li> <li>• the designation and duties of falling supervisors, which include inspections and maintaining records of those inspections, is specified</li> </ul> <p>WorkSafeBC has developed the Resource Road Safety Practices (RRSP) initiative as the second phase of the Integrated Forestry Compliance Strategy to ensure field officers of WorkSafeBC are consistent in their approach and that industry stakeholders understand and commit to their responsibilities under the <i>Workers Compensation Act</i>. The strategy includes the supervision of truckers.</p>	<p>Effectiveness of Part 26 amendments to be monitored beginning May 2009.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 11:</b> We recommend that the Ministry of Forests and Range use its powers to enforce safe use of resource roads. The Ministry should establish and participate actively in resource road user committees.</p>	<p>Ministry of Forests and Range Compliance and Enforcement staff will increase enforcement of speed limits on Forest Service Roads. The total number of staff certified in radar gun use has increased to 14. Each Region will have 2 radar guns and 1 sign board (used to project speed information to oncoming traffic)</p> <p>Many Forest Districts have been involved with logging truck check-stops. These comprise a multi-agency group (WorksafeBC, MFR, MTH – Commercial Safety Vehicle Enforcement (CSVE) and other agencies) that conducts check-stops to determine legislative compliance and vehicle worthiness.</p> <p>The Ministry of Forests and Range have developed Road Safety Committees designed for increased communication and collaboration between industry, the Ministry of Forests and Range and other stakeholders/users of resource roads at the forest district level. They also work to establish formal guidelines for managing forest road safety over specific areas. Three districts (Prince George, Okanagan-Shuswap and Chilliwack) were selected from which information will be drawn to assist in setting out provincial guidance for use by other forest districts</p> <p>Work has commenced to establish Road Safety Committees (RSCs) provincially. One temporary appointment position has been established to assist from January to March.</p> <p>The Vehicle Identification Number Plates Program is a voluntary program which originated from Canfor and was adopted and expanded through TruckSafe, a branch of the BC</p>	<p>The Ministry of Forests and Range is developing a Pilot Program which will combine certification, training and radar gun usage. The program will run from March to July, 2009.</p> <p>MFR will continue to work with other agencies in conducting check-stops in addition to other road safety activities.</p> <p>Reporting progress from the committees is ongoing.</p> <p>Completion for this project anticipated by summer 2009.</p> <p>Easier identification and reporting will result in overall safer driving on forest roads.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>Forest Safety Council. Upon registration, a special plate is attached to the front bumper of each vehicle. Stakeholders, companies, contractors and government are currently active in the program. The new online system provides for easier identification and reporting of unsafe driving.</p> <p>A radio communication pilot project is improving road user safety through standardized radio procedures for forest service roads. A block of dedicated resource road radio channels along with standardized call procedures and road signage are being piloted in two areas of the province. The pilot is a collaborative initiative of the Ministry of Forests and Range, BC Timber Sales, Industry Canada, BC Forest Safety Council, FPInnovations, forest licensees, and the logging and trucking industry</p> <p>WorkSafeBC has developed the Resource Road Safety Practices (RRSP) initiative as the second phase of the Integrated Forestry Compliance Strategy to ensure field officers of WorkSafeBC are consistent in their approach and that industry stakeholders understand and commit to their responsibilities under the <i>Workers Compensation Act</i>. By having an understanding of who the responsible parties are for safety and what it is that they are responsible for, the result will be a much safer use of resource roads throughout the province of BC. This initiative examines and explains the cascading responsibilities of all stakeholders from the owners through to the workers and drivers on the road.</p> <p>The RRSP initiative provides the foundation for a pilot project entitled the Demonstration Project which was designed to address the management of complex road systems used by a multitude of different parties, both industrial and private. The</p>	<p>Evaluation of the pilot program is scheduled for spring 2009. The committee is exploring the feasibility of provincial expansion and is drafting an implementation plan which will include costs and timelines.</p> <p>The Demonstration Project runs from November 2008 to April 2009. A report of the findings is expected in May 2009.</p>

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Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>project also concentrates on ensuring WorkSafeBC's Compliance Strategy and direction to Officers is workable and industry is capable and willing to participate. It examines new technology that may contribute to safer use of roads by drivers and more importantly it examines how due diligence for responsibility by owners and prime contractors can be effected through Road Safety Management groups established in the various forest districts throughout the province.</p>	
<p><b>Recommendation 12:</b> We recommend that training relative to known risks should be made mandatory. For example, drivers who lack specific experience and training in driving large loads off-highway should be required by IBCBC to demonstrate competency before being given independent control of such a vehicle. Fallers should be required by WorkSafeBC to demonstrate competency in danger-tree recognition, non-destructive tree evaluation, and blasting, so that they have a wider range of tools and techniques available when specific risks are present.</p>		
<p>S</p>	<p>In the Part 26 amendments to the Occupational Health and Safety Regulation, there are general requirements and specific requirements regarding faller training:</p> <ul style="list-style-type: none"> <li>• Every worker in a forestry operation must receive the training necessary to safely perform the worker's duties</li> <li>• Fallers and buckers in any falling activities must be qualified in a standard acceptable to the Board</li> <li>• Faller training is mandatory</li> </ul> <p>The <i>BC Faller Training Standard ("BCFTS")</i> contains an extensive section on danger tree recognition and includes training on removal of danger trees using falling procedures outlined in the standard.</p> <p>The use of explosives to fall the tree requires special training and certification by WorkSafeBC. There are presently about 20 certified danger tree blasters (all certified fallers).</p> <p>In 2008, the BC Forest Safety Council offered the following two pilot certification courses related to danger tree blasting, which have been approved by WorkSafeBC:</p>	<p>Monitoring as to the effectiveness of the Part 26 amendments will begin May 2009.</p> <p>Courses will be offered in 2009.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>• Danger Tree Faller Blaster (Certification Pilot Program)</li> <li>• Surface Blaster - Danger Tree Endorsement (Certification Pilot Program)</li> </ul> <p>The BC Forest Safety Council is in the process of developing training standards and exploring delivery methods for on and off road log hauling in partnership with Forestry Trucksafe. In 2008, a DACUM process (Designing A Curriculum – a job analysis tool used for curriculum development or assessment) was conducted with province-wide involvement. The competency profile that resulted will form the basis for future development of log truck operator standards and training.</p>	<p>Further consultation with industry partners (primarily ICBC) is necessary to determine how the developed log truck driver standard could be used as a potential endorsement to the standard Class 1 driver's license.</p>
<p><b>Recommendation 13:</b> We recommend that the Ministry of Labour and Citizens' Services identify, through credible third party research, safe work hour limits for high-risk forestry occupations and then regulate and enforce those limits accordingly. These limits should be made applicable to self-employed forest workers as well as those employed in the industry.</p>	<p>WorkSafeBC is in the process of developing a Discussion Paper regarding fatigue impairment which reviews whether there is increased risk of workplace injuries and fatalities when workers are impaired due to fatigue from hours of work.</p> <p>Part 26 amendment regarding log transporters will require the operator to maintain a log book. This will allow a Board officer to determine if the forestry operation is being planned and conducted in a manner consistent with safe work practices for logging truck operators. If logging truck operators are driving an excessive number of hours or at excessive speeds, this may indicate there has been a failure to properly plan this aspect of the forestry operation as required under the regulation.</p>	<p>Discussion Paper to be complete by the end of June 2009.</p> <p>Monitoring of the effectiveness of the Part 26 amendment will commence in May 2009.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 14:</b> We recommend that the Ministry of Labour and Citizens' Services consider ways to better protect all forest workers during work-time travel.</p>	<p><b>Excess Speed:</b> The <i>Workers Compensation Act</i> contains provisions requiring workers to protect their own health and safety and the health and safety of others who may be affected by their acts or omissions at work. The <i>Act</i> also sets out the need for employers and supervisors to ensure their workers are in compliance with the law and regulations.</p> <p>The requirement for workers to drive within safe speed limits forms part of the Demonstration Project created by WorkSafeBC. This Project was initiated to address the safety management of complex road systems used by a multitude of different parties, both industrial and private. It coordinates and builds upon the work that industry and others have been able to accomplish to date and introduces a new concept wherein the sharing of responsibilities by all road owners, as well as communication and coordination with the actual users of the roads, provide the due diligence necessary to meet all of the key responsibilities for safety on the road systems.</p> <p>In addition, the Ministry of Forests and Range Compliance and Enforcement staff will increase enforcement of speed limits on Forest Service Roads. The total number of staff certified in radar gun use has increased to 14. Each Region will have 2 radar guns and 1 sign board (used to project speed information to oncoming traffic)</p> <p>Many Forest Districts have been involved with logging truck check-stops. These comprise a multi-agency group (WorkSafeBC, the ministries of Forests and Range and Transportation and Infrastructure – Commercial Safety Vehicle Enforcement (CSVE), and other agencies) that conducts check-stops to determine legislative compliance and vehicle worthiness.</p>	<p>The Demonstration Project runs from November 2008 to April 2009. A report of the findings is expected in May 2009.</p> <p>The Ministry of Forests and Range is developing a Pilot Program which will combine certification, training and radar gun usage. The program will run from March to July, 2009.</p> <p>The Ministry of Forests and Range will continue to work with other agencies in conducting check-stops in addition to other road safety activities.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>The Vehicle Identification Number Plates Program is a voluntary program which originated from Canfor and was adopted and expanded through TruckSafe, a branch of the BC Forest Safety Council. Upon registration, a special plate is attached to the front bumper of each vehicle. Stakeholders, companies, contractors and government are currently active in the program. The new online system provides for easier identification and reporting of unsafe driving.</p> <p><u>Tracking the safe transport of workers via aircraft/boat</u> Tracking safe transport of workers falls under 4.21 of the Occupational Health and Safety Regulation- checking on the well-being of a worker who is working alone or in isolation (working alone or in isolation means to work in circumstances where assistance would not be readily available to the worker in the case of an emergency or in case the worker is injured or hurt).</p> <p>The obligation to check on the well-being of workers working alone or in isolation is included in the list of employer/prime contractor obligations in the Demonstration Project.</p> <p><u>Evacuation of injured workers from remote locations</u> The requirement for having an evacuation plan comes under OHS Regulation 3.16 and 3.17 – Occupational First Aid, and under Regulation 26.2 – Planning and conducting a forestry operation.</p> <p>This obligation is included in the list of employer/prime contractor responsibilities in the Demonstration Project. The procedures that are being developed by the Road Safety Management Groups in the Demonstration project address the need for “Emergency Response” on resource roads.</p>	<p>Easier identification and reporting will result in overall safer driving on forest roads.</p> <p>The Demonstration Project runs from November 2008 to April 2009. A report of the findings is expected in May 2009.</p> <p>The Demonstration Project runs from November 2008 to April 2009. A report of the findings is expected in May 2009.</p>

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Response from the Ministry of Labour and Citizens' Services  
and Ministry of Forests and Range

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>The requirement for "Emergency Response" on cut blocks or harvesting sites is understood and considered by employers.</p>	
P	<p>The Ministry of Labour is coordinating and consolidating the information.</p>	<p><b>Recommendation 15:</b> We recommend that a lead ministry coordinate sharing and consolidation of information on fatalities, serious injuries and near-misses to support more extensive educational and enforcement activities to promote safety. The lead ministry should consolidate fatalities and injuries data and ensure that a system of comprehensive research and reporting is in place, one that covers the activities of all forest workers including the self employed. That ministry should report meaningful information to the Legislative Assembly on a regular basis to provide legislators and the public with a basis for knowing whether safety improvements are working.</p> <p>The information will be made public in Summer 2009.</p>

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## Section 2

Update on the implementation of  
recommendations from:

**Removing Private Lands from  
Tree Farm Licenses 6, 19 & 25:  
Protecting the Public Interest?**

July 2008

April 2009



# Response from the Ministry of Forests and Range

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File: 19700-25/TFL 6, 19700-25/TFL 19, 19700-25/TFL 25

**FEB 18 2009**

Morris Sydor, Assistant Auditor General  
Office of the Auditor General of British Columbia  
8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

Dear Mr. Sydor:

Thank you for your January 30, 2009 letter regarding your July 2008 report, *Removing Private Land from Tree Farm Licences 6, 19 and 25: Protecting the Public Interest?* and asking for an update on any developments the ministry may have taken as a result of your report as of January 30, 2009.

As you are aware, there were no recommendations to improve decision-making or the public process in the Auditor General's Report – recommendations against which to measure changes in our process. However, we considered the observations outlined in the report along with our own observations from that decision to identify potential improvements to our processes with regard to our documentation, consultation, and communication.

## **Public Consultation and Communication**

We appreciate the advice you provided us around Western Forest Products' requests to delete private land, and have taken steps to enhance our consultation processes.

In the only decision of a similar nature since your report, the Ministry of Forests and Range undertook comprehensive consultation with local government, Crown agencies, local public and First Nations regarding the request to remove private lands from Tree Farm Licence (TFL) 23. This occurred through public meetings held in Revelstoke, Castlegar and Nakusp and through correspondence and meetings with First Nations, local government and Crown agencies. In his decision to remove the private lands in October 2008, the minister accepted from the receiver-manager for the licensee several conditions to the removal, including guaranteed payments for local unsecured creditors (as part of the bankruptcy proceedings), retention of caribou habitat in the TFL land base, and the sale of significant local resources on the private land – the Eagle Bay recreation site and another property – to the province for \$1.

Page 1 of 2

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**Ministry of Forests  
and Range**

Office of the  
Deputy Minister

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1520 Blanshard Street, 3<sup>rd</sup> Fl  
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Section 2

# Response from the Ministry of Forests and Range

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Morris Sydor, Assistant Auditor General

Including these conditions as part of the private land removal was supported through the public consultation process undertaken. It was apparent that the minister felt that this decision was clearly in the public interest. The implications of the minister's decision were clearly communicated to key stakeholders in advance of a public news release. The mayors of Nelson and Nakusp, and the Interior Logging Association, indicated their support for the minister's decision. A dedicated webpage was also set up on the ministry's website which included a news release, copy of the minister's decision letter and other key supporting documents. In addition to advising local mayors and stakeholders, the minister also held a conference call with local media and answered their questions about the decision.

## Documentation

Since the publication of your report, we have reviewed our documentation and confirmed it to be sufficiently comprehensive to inform the minister as the statutory decision maker. As we noted in our formal response to your report in July 2008, briefing notes are intended to be of sufficient breadth and depth to provide the incremental or unique information required to make an informed decision, taking into account the minister's existing knowledge.

We have begun work on a policy regarding the deletion of private land from TFLs that we expect will provide us with clarity on how key considerations are to be discussed and how they are to be documented. We anticipate having a draft of this policy completed during the summer 2009.

## Conclusion

We are aware of your related report, published in November 2008, on the broader issue of government's public consultation processes, *Public Participation: Principles and Best Practices for British Columbia*. This report was distributed to all ministries, including the Ministry of Forests and Range, by central government as information to consider when designing public engagement processes. We intend to review this report in more detail to determine whether the recommendations contained in that report might further inform our processes.

We appreciate this opportunity to highlight what the Ministry of Forests and Range has done to improve its processes in support of the Minister's decision making on the deletion of private lands from Tree Farm Licences.

Sincerely,



John Dyble  
Deputy Minister

Attachment(s): 1

pc: Jim Gowriluk, Regional Executive Director, Coast Forest Region

## Section 3

Update on the implementation of  
recommendations from:

**Strengthening Accountability in British Columbia:  
Trends and Opportunities in Performance Reporting**

April 2008

April 2009





# Response from the Ministry of Finance

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February 27, 2009

184177

Malcolm Gaston  
Assistant Auditor General  
Office of the Auditor General  
PO Box 9036 Stn Prov Govt  
Victoria BC V8W9A2

Dear Mr. Gaston:

**Re: Follow-up review of your report on *Strengthening Accountability in British Columbia: Trends and Opportunities in Performance Reporting – April 2008***

As requested, please find attached our updated self-assessment regarding actions taken in response to the recommendations in your audit report named above. I understand that this response will be printed, unedited, in your semi-annual follow-up report, to be released April 1, 2009.

All recommendations have been implemented.

I trust that this is satisfactory.

Sincerely,

  
Chris Trunpy  
Deputy Minister

Attachment

pc: See Attached List

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Ministry of Finance

Office of the  
Deputy Minister

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Victoria BC V8W 9V1  
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Room 109  
617 Government Street  
Victoria BC

Section 3

## Response from the Ministry of Finance

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pc: Honourable Colin Hansen  
Minister of Finance and Minister Responsible for the Olympics

Jessica MacDonald  
Deputy Minister to the Premier and Cabinet Secretary

Robin Ciceri  
Deputy Minister of Advanced Education and  
Labour Market Development

James Gorman  
Deputy Minister of Education

Gordon Macatee  
Deputy Minister of Health Services

Graham Whitmarsh  
Associate Deputy Minister of Revenue

Chris Johnson  
A/Assistant Deputy Minister and Chief Executive Officer  
Crown Agencies Secretariat

Cheryl Wenezenki-Yolland  
Comptroller General  
Ministry of Finance

Denise Walker  
Executive Director, Social Development, Service Planning and Reporting  
Deputy Ministers' Policy Secretariat  
Office of the Premier

**RECOMMENDATION STATUS SUMMARY**  
**Strengthening Accountability in British Columbia: Trends and Opportunities in Performance Reporting – April 2008**  
**As at January 31, 2009**

*(Please tick implementation status for each recommendation)*

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. We recommend that each ministry focus on developing short- and long-term measures of performance that have enduring relevance. In developing these measures, consideration should be given to how reliable data will be collected and results will be analyzed in a timely way.		✓			
2. We recommend that the government's Strategic Plan and Strategic Plan Report: <ul style="list-style-type: none"> <li>• meet the BC Reporting Principles;</li> <li>• provide stronger linkages to ministry annual reports; and</li> <li>• include the performance of all organizations within the government reporting entity.</li> </ul>		✓			
3. We recommend that guidelines provided to ministries for the preparation of service plans and annual reports (service plan reports) be fully consistent with the agreed basis of presentation in British Columbia — the BC Reporting Principles — and require full compliance with the principles.		✓			
4. We recommend that health authorities, school districts, colleges and universities be subject to similar accountability for their planned and actual performance as the ministries and Crown agencies of government.		✓			
5. We recommend that legislators have the opportunity to publicly scrutinize, in a systematic way, the planned and actual performance of ministries, Crown agencies and the SUCH sector — in essence, all organizations within the government reporting entity.		✓			

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM**

*Strengthening Accountability in British Columbia*

As at January 31, 2009

**General comments**

Government is fully committed to continuous improvement in public performance reporting to enhance transparency and accountability to the public, consistent with the Budget Transparency and Accountability Act (BTAA) requirements and the guidance provided in the BC Reporting Principles. This continuous improvement is demonstrated in the on-going work of the government to research and adopt best practices and move towards having the BC Reporting Principles' fundamentals in place in more government reporting entity organizations.

**Progress by recommendation**

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 1:</b> We recommend that each ministry focus on developing short- and long-term measures of performance that have enduring relevance. In developing these measures, consideration should be given to how reliable data will be collected and results will be analyzed in a timely way.</p>	<ul style="list-style-type: none"> <li>In the 2008/09-2010/11 service plans ministries focused their efforts on developing performance measures that were focused on outcomes and would have enduring relevance. This has included limiting the number of performance measures that appear in plans in order to focus on the most relevant outcome measures. The 2009/10-2011/12 service plans will have outcome-focused performance measures with enduring relevance.</li> <li>A number of organizations already have short and longer term measures of performance and reliable data collection systems in place. This includes ministries that have ten and three year targets in place.</li> <li>We continue to work with ministries, on an ongoing basis, to</li> </ul>	<p>Government will continue its efforts to improve the relevance of the performance measures in its reports, to make them more conducive to assessing whether long term goals are being met, in an efficient and effective manner. Continued efforts will also take place to ensure underlying systems are in place to provide the required data and support timely analysis.</p>

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>help them develop the best long- and short-term performance measures that they can.</p> <ul style="list-style-type: none"> <li>Ministry guidelines will be examined to determine if further information is needed to guide ministries towards developing both short- and long-term measures.</li> </ul>	
	<p><b>Recommendation 2:</b> We recommend that the government's Strategic Plan and Strategic Plan Report:</p> <ul style="list-style-type: none"> <li>meet the BC Reporting Principles;</li> <li>provide stronger linkages to ministry annual reports; and</li> <li>include the performance of all organizations within the government reporting entity.</li> </ul>	
S	<ul style="list-style-type: none"> <li>Government discloses the performance of organizations within the overall package of government reporting entity plans and reports. Collectively this package sets out government's planned strategic, financial and non-financial performance expectations, and what results have been achieved against those plans.</li> <li>The Government Strategic Plan and Strategic Plan Report provide a high level overview of the key strategies for all of government, whereas ministry and Crown agency plans and reports provide the public with a more robust description of the responsibilities of individual organizations.</li> <li>Government will continue to endeavour to create plans and reports that meet the BC reporting principles and will take into consideration all feedback given by the Office of the Auditor General.</li> </ul>	<p>Government continues to communicate its goals, commitments and priorities to the public and to track and monitor implementation of them.</p>

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 3:</b> We recommend that guidelines provided to ministries for the preparation of service plans and annual reports (service plan reports) be fully consistent with the agreed basis of presentation in British Columbia — the BC Reporting Principles — and require full compliance with the principles.</p>	
S	<p>The guidelines provided to ministries are updated regularly to provide the best and most clear direction possible. These guidelines provide information about the BC Reporting Principles and ministries are reminded that they should be in compliance with them.</p> <ul style="list-style-type: none"> <li>Government reviews draft ministry service plans and reports and provides feedback to ministries</li> </ul>
<p>Government continues to improve the quality of its reports consistent with the learning model introduced by the Office of the Auditor General.</p>	

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 4:</b> We recommend that health authorities, school districts, colleges and universities be subject to similar accountability for their planned and actual performance as the ministries and Crown agencies of government.</p>	<p>The existing processes for reporting provide accountability to the public for the performance of health authorities, school districts and post-secondary systems. Government agrees that extended reporting within the SUCH sector is a goal that should be worked towards, but it will take considerable time, care and effort to implement.</p> <p>Based on feedback and review of the 2008/09 achievement contracts, the System Performance Branch and superintendents of achievement will monitor and support the development of the 2009/10 achievement contracts. Consideration will be given to amending the achievement contract guidelines for 2010/11 if this proves to be necessary.</p> <p>Each year, all of the accountability reports for public post-secondary institutions are posted on the Ministry of Advanced Education and Labour Market Development website.</p>
<p>S</p>	<p>The performance of the health authority, school district and post-secondary systems (SUCH sector) is currently planned and reported through the Ministries of Health Services, Education, and Advanced Education and Labour Market Development.</p> <p>In addition:</p> <ul style="list-style-type: none"> <li>The 2008/09 achievement contract guidelines were revised to require Boards of Education to report on common areas of performance (i.e., literacy, school completion, and aboriginal education). Boards of education submitted their achievement contracts to the Ministry of Education in July 2008. The System Performance Branch and superintendents of achievement reviewed the contracts and provided feedback to district superintendents. The review showed that:             <ul style="list-style-type: none"> <li>all 60 boards of education had literacy goals/objectives and all 60 provided literacy performance targets;</li> <li>49 boards had aboriginal-specific goals/objectives and 51 boards provided aboriginal-specific performance targets; and</li> <li>39 boards had school-completion goals/objectives and 46 boards provided school-completion performance targets.</li> </ul> </li> <li>All public post-secondary institutions are subject to the accountability framework, with annual reporting on 18 performance measures. The annual reporting cycle includes comparison of past performance against annually revised targets. To link the post-secondary accountability framework to the Ministry Service Plan, a small set of the performance</li> </ul>
<p>Status</p>	<p>F or S – Recommendation has been fully or substantially implemented              P – Recommendation has been partially implemented              AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding              NA – No substantial action has been taken to address this recommendation</p>

	<p>measures from the accountability framework is incorporated into the Ministry of Advanced Education and Labour Market Development Service Plan.</p> <ul style="list-style-type: none"> <li>• Post secondary institutions sign annual Government Letters of Expectations which also include key performance measures.</li> <li>• All health authorities have signed the Government Letter of Expectation (GLE) that sets out the roles and responsibilities of government and the health authorities, and articulates the government's priorities for health and the performance expectations of the health authorities. The expectations and performance measures in the GLE are the basis for annual Health Authority Service Plans.</li> </ul>	<p>The Ministry of Health Services is continuing to work with health authorities to further define how they can align with government priorities and accountability mechanisms.</p>
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**Status**

**F or S** – Recommendation has been fully or substantially implemented  
**P** – Recommendation has been partially implemented  
**AA** – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
**NA** – No substantial action has been taken to address this recommendation



<p><b>Recommendation 5:</b> We recommend that legislators have the opportunity to publicly scrutinize, in a systematic way, the planned and actual performance of ministries, Crown agencies and the SUCH sector — in essence, all organizations within the government reporting entity.</p>	<p>Government will continue to ensure that legislators are provided with copies of ministry and Crown corporation service plans and annual reports for their review and public scrutiny. Members of the public will also continue to be able to examine a copy of the reports 24 hours a day 7 days a week from ministry websites and the government main site.</p>
<p>S</p> <ul style="list-style-type: none"> <li>• Currently every MLA from both the government and opposition parties receive copies and have access electronically to copies of all the ministry and Crown corporation service plans and annual reports, and both are tabled annually in the Legislature under the Budget Transparency and Accountability Act</li> <li>• Service Plans and Reports are also made public and are accessible on ministry websites as well as the government main site.</li> <li>• Government will continue to ensure that legislators are provided with copies of service plans and service plan annual reports for their review. Members of the public will also continue to be able to examine a copy of the reports 24 hours a day 7 days a week from ministry websites and the government main site.</li> <li>• The Select Standing Committee on Crown Corporations reviews reports from Crown corporations.</li> <li>• Each year, all of the accountability reports for public post-secondary institutions are posted on the Ministry of Advanced Education and Labour Market Development's website. Many post-secondary institutions also post their accountability reports on their own websites.</li> <li>• Each year, all of the achievement contracts are posted on the Ministry of Education website at: <a href="http://www.bced.gov.bc.ca/schools/sdinfo/acc_contracts/">http://www.bced.gov.bc.ca/schools/sdinfo/acc_contracts/</a>. School districts are required to make achievement contracts available to the public at the district office in hard copy and electronic format. Many school districts post their achievement contracts on their district websites.</li> </ul>	

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation



## Section 4

Update on the implementation of  
recommendations from:

### **An Audit of Joint Solutions Procurement and the Revenue Management Project**

April 2008

April 2009





File: 0280-30

Ref: 53665

March 2, 2009

Mr. Bill Gilhooly  
Assistant Auditor General  
Office of the Auditor General  
8 Bastion Square  
Victoria, BC V8V 1X4

Dear Mr. Gilhooly:

Further to your letter dated January 29, 2009 regarding the follow-up review of your report on An Audit of Joint Solution Procurement and the Revenue Management Project, attached is the updated progress reports.

If you require any additional information, please do not hesitate to contact me.

Sincerely,

Lori Wanamaker, CA  
Deputy Minister

#### Attachments

cc: Mr. John Bethel, Assistant Deputy Minister, Alternative Service Delivery  
Mr. Richard Poutney, Assistant Deputy Minister, Common Business Services  
Mr. John Powell, Assistant Deputy Minister, Ministry of Finance  
Mr. Craig James, Clerk Assistant and Clerk of Committees  
Ms. Tara Faganello, Assistant Deputy Minister and Executive Financial Officer,  
Corporate and Ministry Support Services, MLCS

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Ministry of Labour  
and Citizens' Services

Office of the Deputy Minister

Mailing Address:  
Box 9440 Stn Prov Govt  
Victoria BC V8W 9V3

Telephone: 250 387-8842  
Facsimile: 250 387-8561

**RECOMMENDATION STATUS SUMMARY**  
**An Audit of Joint Solution Procurement and the Revenue Management Project**  
**As at January 31, 2009**

*(Please tick implementation status for each recommendation)*

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
<p>1. With regard to the Joint Solution Procurement process, we recommend that:</p> <ul style="list-style-type: none"> <li>a. the Joint Solution Procurement in a Box process guide be updated regularly;</li> <li>b. guidance to project teams include a risk assessment of baseline information that they can use to both prepare business cases and develop contractual financial models; and</li> <li>c. a detailed business case be prepared for all Alternative Service Delivery (ASD) projects, whether or not Treasury Board approval is required for any one project, and that the business case include an estimate of the full cost of the outsourcing project and of ongoing ministry costs once the contract has been signed.</li> </ul>	X				
<p>2. With regard to staff, we recommend that:</p> <ul style="list-style-type: none"> <li>a. a succession plan for key support roles be put into place;</li> <li>b. all ministry staff and contractors involved in ASD projects sign an independence declaration confirming they have no conflicts of interest in any of the projects, and that they update these declarations as circumstances change; and</li> <li>c. all ASD projects ensure continuity of staffing, from the outsourcing team through to the contract management team, and plan for sufficient staff numbers and skills to manage the contract.</li> </ul>	X				

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
<p>3. With regard to independence, we recommend that:</p> <ul style="list-style-type: none"> <li>a. a non-solicitation clause be included in every new ASD contract to prevent vendors from employing or offering another benefit to, without the Province's consent, any government staff member who has had a key role in the project; and</li> <li>b. this clause apply for a period of no less than two years after the contract is signed.</li> </ul>			X	X	
			X		

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM  
An Audit of Joint Solution Procurement and the Revenue Management Project  
As at January 31, 2009**

**General comments**

*Please provide an introductory statement summarizing progress since the Public Accounts Committee last discussed the report.*

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
Recommendation 1: With regard to the Joint Solution Procurement process, we recommend that:	<ul style="list-style-type: none"> <li>a. the Joint Solution Procurement in a Box process guide be updated regularly;</li> <li>b. guidance to project teams include a risk assessment of baseline information that they can use to both prepare business cases and develop contractual financial models; and</li> <li>c. a detailed business case be prepared for all Alternative Service Delivery (ASD) projects, whether or not Treasury Board approval is required for any one project, and that the business case include an estimate of the full cost of the outsourcing project and of ongoing ministry costs once the contract has been signed.</li> </ul>	
Presentation to Public Accounts Committee:	<ul style="list-style-type: none"> <li>• The ASDS has developed an extensive repository of knowledge and templates that are provided to deal teams and ministries and is updated regularly</li> <li>• Formal process for regularly updating the JSP in a box has been initiated. Updates will be made after each JSP process is completed.</li> <li>• The next update of the JSP in a box will begin once the STMS JSP process is complete (early 2009).</li> <li>• ASDS will continue to incorporate risk management practices in all phases of the JSP process, including the base-lining component.</li> <li>• The new Opportunity Assessment toolkit has an extensive section on risk identification based on materials provided by risk management branch.</li> <li>• The ASD deal review process now incorporates several check-point reviews into the JSP process, which includes assessment of the risks associated with the baseline data.</li> <li>• ASD has developed a complete set of policies, processes and templates to support business case development as it relates to the ASD initiative.</li> <li>• Business cases for ASD opportunities are assessed on the total cost of ownership over the life of the arrangement which includes ongoing alliance Management.</li> <li>• The ASDS offers support for financial modelling, risk valuation and public sector comparator to Ministries assessing ASD Opportunities.</li> </ul>	

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
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Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
F	<p>The update of the JSP product is now part of regular administrative process in the secretariat; at the end of any major procurement, the new information learned over the course of the project is summarized and fed into the JSP tool for future reference. The JSP is also updated more on an as required basis for any new relevant information or changes to the process that may have evolved.</p> <p>As part of the business case development tool kit developed in 2008, risk assessment of data is incorporated into the risk assessment portion of the tool kit.</p> <p>Given the adaptive nature of the JSP process, initial business proposals are kept, the outcome of the JSP process documented (usually through a Treasury Board or executive approval document) and at the end of the process, both products combined to complete the “business case”.</p>	<p>ASDS will continue to maintain the JSP and Capital Review in a box products to ensure their relevance and value as reliable tools for future assessment and procurement processes.</p>

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
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- NA – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p>Recommendation 2: With regard to staff, we recommend that:</p> <ul style="list-style-type: none"> <li>a. a succession plan for key support roles be put into place;</li> <li>b. all ministry staff and contractors involved in ASD projects sign an independence declaration confirming they have no conflicts of interest in any of the projects, and that they update these declarations as circumstances change; and</li> <li>c. all ASD projects ensure continuity of staffing, from the outsourcing team through to the contract management team, and plan for sufficient staff numbers and skills to manage the contract.</li> </ul>	<p>Recommendation 2: With regard to staff, we recommend that:</p> <ul style="list-style-type: none"> <li>a. a succession plan for key support roles be put into place;</li> <li>b. all ministry staff and contractors involved in ASD projects sign an independence declaration confirming they have no conflicts of interest in any of the projects, and that they update these declarations as circumstances change; and</li> <li>c. all ASD projects ensure continuity of staffing, from the outsourcing team through to the contract management team, and plan for sufficient staff numbers and skills to manage the contract.</li> </ul>	<p>Recommendation 2: With regard to staff, we recommend that:</p> <ul style="list-style-type: none"> <li>a. a succession plan for key support roles be put into place;</li> <li>b. all ministry staff and contractors involved in ASD projects sign an independence declaration confirming they have no conflicts of interest in any of the projects, and that they update these declarations as circumstances change; and</li> <li>c. all ASD projects ensure continuity of staffing, from the outsourcing team through to the contract management team, and plan for sufficient staff numbers and skills to manage the contract.</li> </ul>
<p>Presentation to Public Accounts Committee:</p> <ul style="list-style-type: none"> <li>• Several government wide programs are underway to address the HR challenges facing ASD operations, including training, leadership development and recruitment &amp; retention initiatives.</li> <li>• Exchange program with ministry Alliance Management Offices (AMOs) has been implemented to develop skills sharable between AMO and ASDS.</li> <li>• Ministry staff are covered by the Oath and standards of conduct, as well as signing project specific non-disclosure and conflict of interest undertakings.</li> <li>• When staff and/or consultants are assigned to new projects, project specific non-disclosure and conflict of interest undertakings are required.</li> <li>• For each deal, the province will continue to plan the assignment of key resources from the JSP team through to the AMO.</li> <li>• AMO development and staffing levels and skill set have been integrated into the JSP process.</li> </ul>	<p>Presentation to Public Accounts Committee:</p> <ul style="list-style-type: none"> <li>• Several government wide programs are underway to address the HR challenges facing ASD operations, including training, leadership development and recruitment &amp; retention initiatives.</li> <li>• Exchange program with ministry Alliance Management Offices (AMOs) has been implemented to develop skills sharable between AMO and ASDS.</li> <li>• Ministry staff are covered by the Oath and standards of conduct, as well as signing project specific non-disclosure and conflict of interest undertakings.</li> <li>• When staff and/or consultants are assigned to new projects, project specific non-disclosure and conflict of interest undertakings are required.</li> <li>• For each deal, the province will continue to plan the assignment of key resources from the JSP team through to the AMO.</li> <li>• AMO development and staffing levels and skill set have been integrated into the JSP process.</li> </ul>	<p>Presentation to Public Accounts Committee:</p> <ul style="list-style-type: none"> <li>• Several government wide programs are underway to address the HR challenges facing ASD operations, including training, leadership development and recruitment &amp; retention initiatives.</li> <li>• Exchange program with ministry Alliance Management Offices (AMOs) has been implemented to develop skills sharable between AMO and ASDS.</li> <li>• Ministry staff are covered by the Oath and standards of conduct, as well as signing project specific non-disclosure and conflict of interest undertakings.</li> <li>• When staff and/or consultants are assigned to new projects, project specific non-disclosure and conflict of interest undertakings are required.</li> <li>• For each deal, the province will continue to plan the assignment of key resources from the JSP team through to the AMO.</li> <li>• AMO development and staffing levels and skill set have been integrated into the JSP process.</li> </ul>
<p>F</p> <ul style="list-style-type: none"> <li>• The initial response to PAC covered all recommendations.</li> <li>• Two staff exchanges have taken place with great success, and this model will continue to be used in the future.</li> <li>• COI and non-disclosure agreements are signed by all participants in the project.</li> <li>• The JSP in a box is being updated to reflect the transition to the alliance management office</li> </ul>	<ul style="list-style-type: none"> <li>• The initial response to PAC covered all recommendations.</li> <li>• Two staff exchanges have taken place with great success, and this model will continue to be used in the future.</li> <li>• COI and non-disclosure agreements are signed by all participants in the project.</li> <li>• The JSP in a box is being updated to reflect the transition to the alliance management office</li> </ul>	<p>Formal succession plans will be addressed in the AMO community through the ASDS office supporting the development of plans for each AMO.</p> <p>NDA and COI documentation is now part of all project undertakings.</p>

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p>Recommendation 3: With regard to independence, we recommend that:</p> <ul style="list-style-type: none"> <li>a. a non-solicitation clause be included in every new ASD contract to prevent vendors from employing or offering another benefit to, without the Province's consent, any government staff member who has had a key role in the project; and</li> <li>b. this clause apply for a period of no less than two years after the contract is signed</li> </ul> <ul style="list-style-type: none"> <li>• <i>ASD is working with the province's legal counsel to address the recommendation in a way that balances the rights of the province, the individual and the vendor to achieve a workable solution. The solution will be incorporated into the next JSP agreement.</i></li> </ul>		
AA	<p>Anyone wishing to participate in a JSP on the provincial side must sign a form of non-disclosure agreement or acknowledgement (both contractor and employees have to sign but excluding legal counsel who have significantly more stringent obligations respecting confidentiality and conflicts). The chief goal of the documents is to impose or reinforce the obligation on the part of the recipient not to use any information they acquire through work on a project except for the benefit of the Province.</p> <p>Several issues arise with regards to implementing a further and longer non-solicitation clause in the ASD contract. One key constraint is the enforceability of changing an employee's terms of employment through a contract with an outside provider; the contract cannot change or supersede the terms of employment.</p> <p>We are confident that current protections through our process, contracts and Province's employee obligations mitigate risks related to disclosure of confidential information and succession planning for key roles. The province believes that the wording and processes in place strike the correct balance between the interests of the province and the rights of the individual.</p>	

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation



## Section 5

Update on the implementation of  
recommendations from:

### **Managing Access to the Corrections Case Management System**

March 2008

April 2009



# Response from the Ministry of Attorney General and the Ministry of Public Safety and Solicitor General

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March 12, 2009

John Doyle  
Auditor General  
PO BOX 9036 Stn Prov Govt  
Victoria BC V8W 9A2

I am pleased to provide you with an update on our work in responding to your recommendations from the 2008 review of Cornet.

In 2008, the Auditor General reviewed access to Cornet, the adult and young offender case management system designed to support the supervision of offenders in the community and in custody according to Court Orders. The system is operated and maintained by Corrections Branch, Public Safety and Solicitor General, Information Technology Services Division, Ministry of Attorney General and Youth Justice Services, Ministry of Children and Families.

The Auditor made ninety-two recommendations to improve the security and access to the application and its database. Our staff worked closely with the Audit Team throughout the review and took quick action on those concerns which had immediate and short term solutions. The Audit also identified a few processes and practices that would require longer term strategies to ameliorate.

The completed work based on the recommendations resulted in improvements to other justice sector security and risk controls enhancing the protection of sensitive information and assets. After March 31st, 2009 only four recommendations will remain outstanding. While work is underway on these outstanding recommendations, completion is dependent on Ministry funding requests and direction from the Government Chief Information Officer.

Sincerely,



Deborah Fayad  
Assistant Deputy Minister

Attachments

pc: Rob Watts  
Bill Young  
Robert McDonald  
Bill Gilhooly

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Ministry of Attorney General  
Ministry of Public Safety  
& Solicitor General

Office of the  
Assistant Deputy Minister  
Management Services Branch

Mailing Address: Location:  
PO Box 9265 STN PROV GOVT  
Victoria BC V8W 9J4

5<sup>th</sup> Floor – 910 Government Street  
Victoria BC

Section 5

**RECOMMENDATION STATUS SUMMARY**  
*Managing Access to the Corrections  
Case Management System*  
As at January 31, 2009

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. A process should be implemented for promptly informing key staff when user access needs to be modified because an employee's status has changed.	X				
2. Exception reporting and regular monitoring should be conducted to identify and remedy incorrect access.	X				
3. The database access levels should be corrected and regular monitoring conducted to ensure that access remains properly set and that all entries made directly to the database are detected.	X				
4. Strategies, including effective monitoring, should be adopted to address the risk of users having full access.	X				
5. Remove the ability to overwrite the audit trail from all users accessing the database directly.	X				
6. The Oracle userid should be locked and only authorized support staff allowed to access it through their own userids.	X				
7. Firewall settings should be reviewed and any excessive access removed.	X				
8. A patching strategy should be adopted and implemented to address security related vulnerabilities.	X				
9. A strategy should be developed to ensure the adherence of security policies in the implementation of security settings and processes.		X			



# Response from the Ministry of Attorney General and the Ministry of Public Safety and Solicitor General

## PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM

### *Managing Access to the Corrections Case Management System*

As at January 31, 2009

#### General comments

In 2008, the Auditor General reviewed access to Cornet, a comprehensive adult and young offender case management system designed to support the supervision of 27,000 offenders in the community and 3000 offenders in custody according to Court Orders. The system is operated and maintained by Corrections Branch, Public Safety and Solicitor General, Information Technology Services Division, Ministry of Attorney General and Youth Justice Services, Ministry of Children and Families.

The Auditor made 9 key recommendations to improve the security and access to the application and its database. Our staff worked closely with the Audit Team throughout the review and took quick action on those concerns which had immediate and short term solutions. The Audit also identified a few processes and practices that would require longer term strategies to ameliorate.

We are pleased to confirm that after March 31<sup>st</sup>, 2009, eight key recommendations are fully implemented. One key recommendation is substantially complete with finalization dependent on Ministry funding requests and central government information technology initiatives. Additionally, we would like to recognize the Audit and the work undertaken by the Ministry's in addressing the recommendations has resulted in improvements to other justice sector security and risk controls designed to protect sensitive information and assets.

#### Progress by recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<b>Recommendation 1:</b> A process should be implemented for promptly informing key staff when user access needs to be modified because an employee's status has changed.		
F	A process has been implemented between system services and ITSD to promptly inform key staff when an employee's status has changed.	An annual review of the employment status will be conducted. The process itself will be evaluated and improved as required.

#### Status

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

# Response from the Ministry of Attorney General and the Ministry of Public Safety and Solicitor General

<b>Recommendation 2:</b> Exception reporting and regular monitoring should be conducted to identify and remedy incorrect access.	
F	A review of access was conducted and problems remediated. Periodic exception reporting and regular monitoring are in place.
<b>Recommendation 3:</b> The database access levels should be corrected and regular monitoring conducted to ensure that access remains properly set and that all entries made directly to the database are detected.	
F	A review of database access levels was conducted and problems remediated. Logging of access entries to the database was extended. Periodic reviews are in place to verify appropriate database access levels.
<b>Recommendation 4:</b> Strategies, including effective monitoring, should be adopted to address the risk of users having full access.	
F	There is a strategy in place for monitoring and review of users with full access. Periodic reporting and regular monitoring are in place.
<b>Recommendation 5:</b> Remove the ability to overwrite the audit trail from all users accessing the database directly.	
F	The ability to overwrite audit trails was removed from all users accessing the database directly.
<b>Recommendation 6:</b> The Oracle userid should be locked and only authorized support staff allowed to access it through their own userids.	
F	The Oracle userid is locked. Authorized staff use their own userids to access the database.
<b>Recommendation 7:</b> Firewall settings should be reviewed and any excessive access removed.	
F	Firewall settings have been reviewed and excessive access removed.
<b>Recommendation 8:</b> A patching strategy should be adopted and implemented to address security related vulnerabilities.	
F	A patching strategy was adopted and processes are in place to review and address security related vulnerabilities. The patching strategy has been initiated and will be evaluated and improved as required.
<b>Recommendation 9:</b> A strategy should be developed to ensure the adherence of security policies in the implementation of security settings and processes.	
S	A strategy was developed to manage the implementation of security settings and processes for adherence to security policies. ITSD Security group is increasing its oversight capability of security policies compliance.

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

## Section 6

Update on the implementation of  
recommendations from:

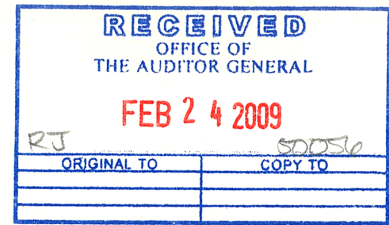
**Switching Tracks:  
A Review of the BC Rail Investment Partnership**

March 2007

April 2009



# Response from the Ministry of Transportation and Infrastructure



February 19, 2009

Cliff: 177092

Russ Jones, MBA, CA  
Assistant Auditor General  
8 Bastion Square  
Victoria BC V8V 1X4

Dear Mr. Jones:

**Re: Follow-up review of "Switching Tracks:  
A Review of the BC Rail Investment Partnership"**

As per your January 28, 2009 letter, please find attached the update on the recommendation as outlined in the March 27 Auditor General report on BC Rail Investment Partnership.

Please let me know if you have any questions or require any additional information.

Yours truly,

*pm*  
Peter Milburn  
Deputy Minister

attachment(s)

Ministry of  
Transportation and  
Infrastructure

Office of the  
Deputy Minister

Mailing Address:  
PO Box 9850 Stn Prov Govt  
Victoria BC V8W 9T5  
Telephone: 250 387-3280  
Fax: 250 387-6431

Location:  
5B 940 Blanshard Street  
Victoria BC V8W 3E6  
[www.gov.bc.ca/tran](http://www.gov.bc.ca/tran)

Section 6

**RECOMMENDATION STATUS SUMMARY**  
*Switching Tracks: A Review of the BC Rail Investment Partnership*  
 As at January 30, 2009

*(Please tick implementation status for each recommendation)*

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. We recommend that BCRC, as a signatory to the Consent Agreement, request that the Competition Bureau provide BCRC with a copy of any notices of non-compliance at the time the notice is given to CN.	✓				●

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM**

***Switching Tracks: A Review of the BC Rail Investment Partnership***

As at January 30, 2009

**General comments**

*Please provide an introductory statement summarizing progress since the Public Accounts Committee last discussed the report.*

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<b>Recommendation 1: March 2007 Auditor General Report</b>	We recommend that BCRC, as a signatory to the Consent Agreement, request that the Competition Bureau provide BCRC with a copy of any notices of non-compliance at the time the notice is given to CN.  BCRC wrote to the Competition Bureau on October 9, 2007 and asked to be provided with copies of any notices of non-compliance relating to the Consent Agreement regarding the CN – BC Rail transaction.  BCRC followed up with the Competition Bureau on February 5, 2009..	The Competition Bureau wrote back on October 19, 2007 advising that there had been no notices of non-compliance issued to-date. BCRC has not received any further advice from the Competition Bureau.  The Competition Bureau wrote back February 18, 2009 advising that there has been no notice of non-compliance issued to date.

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation





## Section 7

Update on the implementation of  
recommendations from:

**Keeping the Decks Clean:  
Managing Gaming Integrity Risks in Casinos**

July 2005

April 2009



# Response from the Ministry of Housing and Social Development



The Best Place on Earth

*Know your limit, play within it.*

February 18, 2009

Log # 147308

Russell Jones, MBA, CA  
Assistant Auditor General  
Office of the Auditor General of British Columbia  
8 Bastion Square  
Victoria, BC V8V 1X4

Dear Mr. Jones:

**Re: Follow-up review of OAG Report on “Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos”**

I am responding to your January 28, 2009 letter (sent to me via e-mail on January 30, 2009) concerning the status of the recommendations made to Gaming Policy and Enforcement by the Office of the Auditor General in its July 2005 report “Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos”.

As requested, attached please find completed copies of:

- Recommendation Status Summary - Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos (as at January 30, 2009); and
- Progress in Implementing Recommendations from Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos (as at January 30, 2009).

I am pleased with the thoroughness of the response of Gaming Policy and Enforcement to the Auditor General's report, especially in light of subsequent reports on different aspects of British Columbia's gaming industry prepared by BC's Ombudsman and Deloitte and Touche and the impact those reports had on the work of Gaming Policy and Enforcement.

Eight of the nine recommendations made by the Auditor General are fully implemented and the one outstanding recommendation is substantially complete. We anticipate that recommendation will be fully completed during the 2009/10 fiscal year.

Please contact me if you have any questions regarding the contents of the attached documents.

Sincerely,

Derek Sturko  
Assistant Deputy Minister

Attachments

Cc: Honourable Rich Coleman  
Cairine MacDonald  
Craig James, Clerk Assistant and Clerk of Committees

**Ministry of  
Housing and Social  
Development**

Gaming Policy and  
Enforcement  
Assistant Deputy Minister's  
Office

Mailing Address:  
PO BOX 9311 STN PROV GOVT  
VICTORIA BC V8W 9N1  
Telephone: (250) 387-1301  
Facsimile: (250) 387-1818

Location:  
Third Floor, 910 Government Street  
Victoria, BC

Web: [www.pssg.gov.bc.ca/gaming](http://www.pssg.gov.bc.ca/gaming)

**RECOMMENDATION STATUS SUMMARY**  
**Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos**  
**As at January 30, 2009**

*(Please tick implementation status for each recommendation)*

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. GPEB should ensure that key employees of GPEB and BCLC have their backgrounds rechecked every three to five years as is currently the case for gaming workers and service providers.	✓				
2. GPEB should ensure that all BCLC employees who help to ensure gaming integrity in casinos are registered by GPEB.	✓				
3. GPEB should ensure that technical standards specific to British Columbia are developed and adopted to govern the functioning of gaming equipment in provincial casinos.	✓				
4. GPEB should obtain additional evidence to support its reliance on independent test facilities that evaluate BCLC gaming equipment.	✓				
5. GPEB should ensure that it periodically reviews the work of the BCLC Casino Quality Assurance group to support the branch's reliance on gaming equipment tests carried out by the group.	✓				
6. GPEB should ensure that its Audit and Compliance group produces timelier audit reports.		✓			
7. GPEB should ensure that its Audit and Compliance group obtains direct evidence to support its reliance on BCLC's automated casino reporting systems.	✓				
8. The ministry should confirm that ensuring the integrity of gaming is the primary responsibility of GPEB's General Manager.	✓				
9. GPEB should report annually to the Legislative Assembly on the state of gaming integrity in provincial casinos.	✓				

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM  
Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos**

As at January 30, 2009

**General comments**

*Please provide an introductory statement summarizing progress since the Public Accounts Committee last discussed the report.*

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 1:</b></p> <p>GPEB should ensure that key employees of GPEB and BCLC have their backgrounds rechecked every three to five years as is currently the case for gaming workers and service providers.</p> <p><b>F</b></p>	<p><b>Original response:</b> GPEB will adjust its current clearance procedures and implement a five-year renewal process with conditions for senior staff in GPEB and BCLC.</p> <p><b>Follow-up actions:</b> Between May and June 2006, amendments to the Gaming Control Act and the Gaming Control Regulation were approved which require employees of GPEB and BCLC to undergo background investigations at least once every five years to ascertain suitability for employment or appointment.</p> <p>Pursuant to Section 55 of the Gaming Control Act, it is a condition of employment that an employee or prospective employee of GPEB or BCLC submit to a background investigation to ascertain the suitability of the person for employment. An employee is also required to submit to a background investigation at least once every five years to ascertain the suitability of the person to remain in employment.</p>	<p><b>Outcomes:</b> GPEB is 100% in compliance. BCLC is 100% in compliance. All appointed Directors and the Chair of the Board are issued a clearance and all other employees are registered as “gaming workers”. GPEB maintains direct contact with the Human Resources Department of BCLC to facilitate registration requirements with prospective and existing employees. GPEB also monitors registration expiry dates and sends reminders for renewals.</p>

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 2:</b> GPEB should ensure that all BCLC employees who help to ensure gaming integrity in casinos are registered by GPEB.</p>	
<p><b>F</b></p>	<p><b>Original response:</b> GPEB agrees that all BCLC employees that help to ensure integrity in all forms of gaming in which BCLC is involved (including, but not limited to, casinos) should be registered by GPEB. GPEB will work with BCLC to identify which positions affect integrity and will implement a full registration process for all such BCLC employees.</p> <p><b>Follow-up actions:</b> In June 2006, amendments to the Gaming Control Regulation were approved which prescribed BCLC employees involved in the conduct, management or operation of gaming, or requiring access to gaming facilities to perform their duties, to be registered as “gaming workers”. This regulation was further amended in 2008 to require all employees of BCLC to be registered.</p>
<p><b>Recommendation 3:</b> GPEB should ensure that technical standards specific to British Columbia are developed and adopted to govern the functioning of gaming equipment in provincial casinos.</p>	
<p><b>F</b></p>	<p><b>Original response:</b> This issue is currently being addressed as GPEB drafts a Technical Standards Document (TSD) for gaming equipment, gaming control systems, and lottery schemes offered via the Internet, which will be specific to British Columbia. These standards will be in place later this year.</p> <p><b>Follow-up actions:</b> Technical Standards were developed with the assistance from Technical Systems Testing (TST), a recognized and accredited testing facility and published in January 2006 for gaming equipment in use in BC’s Casino’s.</p>
<p><b>Outcomes:</b> BCLC is 100% in compliance. All BCLC staff are registered as “gaming workers” by GPEB. GPEB maintains direct contact with the Human Resources Department of BCLC to facilitate registration requirements with prospective and existing employees. GPEB also monitors registration expiry dates and sends reminders for renewals.</p>	
<p><b>Outcomes:</b> Technical standards have been developed for the following types of gaming equipment:</p> <ul style="list-style-type: none"> <li>• Electronic gaming devices;</li> <li>• Progressive gaming devices;</li> <li>• On-line monitoring and control systems &amp; validation systems; and</li> <li>• Electronic bingo systems.</li> </ul> <p>All standards are available publicly at: <a href="http://www.hsd.bc.ca/gaming">www.hsd.bc.ca/gaming</a> Additional standards will be developed if and as necessary.</p>	

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 4:</b> GPEB should obtain additional evidence to support its reliance on independent test facilities that evaluate BCLC gaming equipment.</p>	<p><b>Original response:</b> GPEB strongly believes the current level of standards and cross jurisdictional testing required of a facility is substantial. However, GPEB will investigate if any higher level of certification is achievable for testing facilities and if so will pursue that level of certification.</p> <p><b>Follow up actions:</b> GPEB committed to ensuring that it only uses testing labs that have received International Standards Organization/International Electrotechnical Commission (ISO/IEC) 17025:2005 accreditation.</p> <p>Two organizations: Technical Systems Testing (TST) and Gaming Laboratories International (GLI), were required to submit evidence of their ISO/IEC 17025:2005 accreditation to GPEB.</p> <p><b>Outcomes:</b> TST received ISO/IEC 17025:2005 accreditation in May 30, 2008. The accreditation was approved by a separate entity, the Laboratory Accreditation Bureau. TST was approved for the following Testing of Information Technology for both Terrestrial and Interactive Gaming Systems:</p> <ul style="list-style-type: none"> <li>• Game Evaluations</li> <li>• Hardware Evaluations</li> <li>• Base Software Evaluations</li> <li>• Random Number Generator Evaluations</li> <li>• Base Website Evaluations</li> </ul> <p>GLI successfully renewed their ISO/IEC 17025:2005 accreditation in July 2008. The accreditation was approved by a separate entity, American Association for Laboratory Accreditation. GLI was approved for the following testing of Information Technology for terrestrial gaming systems:</p> <ul style="list-style-type: none"> <li>• Gaming Equipment hardware</li> <li>• Gaming Software including Main programs, Personality Programs, and Associated Software</li> <li>• Gaming and Lottery Systems (including Bingo and Server Based Gaming)</li> </ul> <p>GLI holds this accreditation at three of its North American Offices (New Jersey, Nevada, and Colorado).</p> <p>Additionally the New Jersey office also received accreditation under ISO/IEC 17020:1998, Type A (Third Party) Software and Hardware inspections of on Electronic Gaming Equipment. This accreditation certifies the field inspections of gaming equipment in the same categories as ISO/IEC 17025:2005.</p>
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F

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 5:</b> GPEB should ensure that it periodically reviews the work of the BCLC Casino Quality Assurance group to support the branch's reliance on gaming equipment tests carried out by the group.</p>	<p><b>Original response:</b> GPEB agrees and will implement a review process in the near future. This process will include utilizing some independent testing laboratories that are able to provide the technical expertise necessary to assess BCLC's testing processes.</p> <p><b>Follow-up actions:</b> GPEB contracted TST to conduct a quality assurance audit of BCLC and in particular their Casino Technical Services quality assurance processes as they relate to gaming equipment testing for the following areas:</p> <ul style="list-style-type: none"> <li>• Casino/Bingo/CIM Systems</li> <li>• Interactive eLottery Games</li> <li>• Casino Technical Services</li> </ul> <p>Note: games and systems were randomly chosen for process evaluation.</p>
<p><b>Outcomes:</b> TST began their audit on March 11, 2008 and issued a final report on April 2, 2008. The TST report noted 18 deficiencies and made related recommendations for change. GPEB determined that two of the deficiencies identified by TST did not require the recommended changes because appropriate processes and/or policies were already in place. BCLC has reported regularly to GPEB on its progress implementing these recommendations. The 16 recommendations that required action were resolved by October 2008.</p>	

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation



<p><b>Recommendation 6 (originally recommendation 10):</b> GPEB should ensure that its Audit and Compliance group produces timelier audit reports.</p>	<p><b>Original response:</b> GPEB agrees with the recommendation. During the Auditor General's field work, GPEB staff raised this issue as one which needed attention and has already implemented some changes to address it. For instance, draft audit reports are now issued within 30 days of completion. In addition, GPEB aims to reduce the amount of time necessary for responses to draft reports by implementing changes such as; on-site post-audit de-briefing sessions with BCLC and casino management staff to ensure all parties understand the audit findings and issues needing to be addressed.</p> <p>The GPEB audit procedures, which establish reliance on BCLC's conduct and management of casino gaming, include some replication of auditing procedures performed by BCLC. This agreed replication is necessary to provide independent validation that the control procedures said to be in place are functioning as intended.</p> <p><b>Follow-up actions:</b> GPEB's Audit and Compliance Division implemented several processes to enhance the timeliness of reporting immediately after the Auditor General's report was released in July 2005. By the beginning of 2007, the average number of days between completion of field work to issuing of a draft report had fallen to 30 days.</p> <p><b>Outcomes:</b> In May 2007, the B.C. Ombudsman publicly reported her investigation of B.C.'s lottery retail network, including GPEB's regulatory oversight of BCLC. In June 2007, following the release of the Ombudsman's report, the Province contracted an independent auditor, Deloitte &amp; Touche, to review B.C.'s lottery retailer system.</p> <p>Deloitte's final report was released in November 2007 and recommended, among other things, that the Audit and Compliance Division significantly enhance its audit program of BCLC and its lottery business. This recommendation was accepted and required reassigning resources within the division until new staff could be hired.</p> <p>The impact of the Deloitte report and subsequent staffing issues initially significantly negatively impacted the average time between completion of field work and issuing of a draft report. By the beginning of 2008, the average number of days had increased to 57.</p> <p>However, GPEB has now fully operationalized the recommendations made by the Ombudsman and Deloitte concerning audits and has fully staffed its expanded audit team. As a result, by January 2009, the average number of days had decreased to 48.</p> <p>Since the beginning of 2008/09 fiscal year, the Audit and Compliance Division has enhanced operating procedures and worked with BCLC and casino management staff to improve the timeliness of the issuance of final casino audit reports. In addition, the Audit and Compliance Division has developed a performance measure to track the average number of days from completion of fieldwork to issuing a draft report for its business plan and will report annually on results.</p>
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**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 7 (originally recommendation 11):</b> GPEB should ensure that its Audit and Compliance group obtains direct evidence to support its reliance on BCLC’s automated casino reporting systems.</p>	
<p><b>F</b></p>	<p><b>Original response:</b> Ministry’s action: GPEB agrees with this recommendation. The Audit and Compliance field work plan for 2005/06 includes a full review of the systems BCLC has in place in casinos to capture and manage processes and information. These systems include the Casinolink (slot machine management) system, the Integrated Voucher System (slot machine ticketing), the Casino Management System (table management) and the Casino Reporting System.</p> <p><b>Follow-up actions:</b> GPEB’s Audit and Compliance Division has enhanced its comprehensive risk-based audit strategy for commercial gaming to include audits of BCLC’s automated reporting systems including those within the casino environment.</p>
<p><b>Recommendation 8 (originally recommendation 12):</b> The ministry should confirm that ensuring the integrity of gaming is the primary responsibility of GPEB’s General Manager.</p>	
<p><b>F</b></p>	<p><b>Original response:</b> No action is necessary, although GPEB would like to comment on this recommendation. The primary purpose of the General Manager and GPEB, established in the Gaming Control Act, is to ensure the integrity of gaming and horse racing. This purpose is paramount to all other functions. The Act requires the General Manager to fulfill this role, at the expense of all other purposes. This role is, and remains, the position’s primary purpose.</p> <p>The responsibilities of the General Manager are broad, and include both controlling gaming in the province (through regulatory and enforcement activities) and advising the government on broad policy, standards and regulatory issues (of which some issues may affect government’s economic and fiscal policies for gaming). Under law, these responsibilities cannot conflict.</p> <p><b>Follow-up actions:</b> The Minister confirmed this commitment in a 2005 letter to the Auditor General (see attached).</p>

**Outcomes:** Since 2006/07 the Audit and Compliance Division has conducted reviews and/or audits of BCLC’s automated reporting systems within the casino, lottery and corporate environments. The Audit and Compliance Division will continue to conduct system reviews/audits on an annual basis as detailed in the five year audit plan.  
Details of GPEB’s five year audit plan can be viewed at:  
[www.hsd.gov.bc.ca/gaming/reports/docs/plan-audit-bcle-five-yr-2007-2012.pdf](http://www.hsd.gov.bc.ca/gaming/reports/docs/plan-audit-bcle-five-yr-2007-2012.pdf)

On September 7, 2005, the Minister of Public Safety and Solicitor General confirmed in a letter to the Auditor General, that ensuring the integrity of gaming is the primary responsibility of GPEB’s General Manager.

**Status** F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

<p><b>Recommendation 9 (originally recommendation 13):</b> GPEB should report annually to the Legislative Assembly on the state of gaming integrity in provincial casinos.</p>	
<p><b>F</b></p>	<p><b>Original response:</b> GPEB agrees with this recommendation and will implement an annual reporting process through the Solicitor General.  <b>Follow-up actions:</b> GPEB annual reports now produced on an annual cycle and delivered to the Legislative Assembly.</p> <p><b>Outcomes:</b> GPEB Annual Reports can be viewed at the following link:  <a href="http://www.hsd.gov.bc.ca/gaming/reports/index">www.hsd.gov.bc.ca/gaming/reports/index</a></p>

**Status**

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation



**RECOMMENDATION STATUS SUMMARY**  
**Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos**  
**As at January 30, 2009**

*(Please tick implementation status for each recommendation)*

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. BCLC should update the public information it provides on its website pertaining to the odds of winning at slot machines.				X	
2. BCLC should report regularly to its Board of Directors on the results of the Operational Gaming Audit Program and each casino's state of compliance with prescribed policies and procedures.	X				
3. BCLC should implement the Surveillance Certification Program at the earliest possible date.	X				
4. BCLC should ensure that all casinos have approved Surveillance System Component Plans in place.	X				

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM**

**Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos**

As at January 30, 2009

**General comments**

*The recommendations from the Auditor General, presented to the Public Accounts Committee in February of 2006 are considered by BCLC to be complete.*

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 1:</b> BCLC should update the public information it provides on its website pertaining to the odds of winning at slot machines.</p>		
AA	<p>The BCLC website is updated periodically with new information on Casino gaming. Due to the complex variety of slot machines, the continuous changing of slot machine types, with multiple denominations, providing odds for each and every slot machine in British Columbia is not feasible. Players are provided under headings of “slot machines” and “odds of winning” on the website the theoretical hold and win of slot machine gaming. Players are also provided a printable pamphlet entitled “<i>Game Sense Guide to Slot Machines</i>”, which provides Problem Gambling Help Line number, tips for people to make responsible gambling decisions, information regarding slot machine randomness and examples of odds for certain slot machine types.</p>	<p>BCLC will be updating slot machine information provided at both casino sites and on <a href="http://www.bclc.com">www.bclc.com</a> in April 2009.</p> <p>Information is also passed on to players who inquire with BCLC through the BCLC Call Centre and Responsible Gaming Officers who are deployed on-site at the larger gaming facilities.</p> <p>All Responsible Gambling Self-Service Terminals (ReGle) located within Responsible Play Information Centres (RPICs) have been re-designed with implementation scheduled for April 2009 at all casinos, 13 CGC and 2 racetrack locations.</p>

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

<b>Recommendation 2:</b>	
BCLC should report regularly to its Board of Directors on the results of the Operational Gaming Audit Program and each casino's state of compliance with prescribed policies and procedures.	
F	BCLC reports quarterly to the Board of Directors Audit Committee on the state of compliance of the various casinos, community gaming centres and bingo halls.  Compliance issues are followed up by BCLC Operational Gaming Auditors on any issues of non-compliance and Exception Reports prepared by GPE audit staff.
<b>Recommendation 3:</b>	
BCLC should implement the Surveillance Certification Program at the earliest possible date.	
F	Curriculum has been developed and established through the Justice Institute of British Columbia since April 2006. Casino surveillance staff are required to complete on-line training and certification which is hosted by the Justice Institute.  Surveillance Training Modules are updated periodically through the Justice Institute.
<b>Recommendation 4:</b>	
BCLC should ensure that all casinos have approved Surveillance System Component Plans in place.	
F	Surveillance Component Plans are a requirement under BCLC policy and are reviewed and held by the Operational Gaming Audit Manager.  Surveillance Component Plans are modified periodically with either changes to the casino floor layouts, new casino additions and opening of new casino facilities.

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation





## Section 8

Update on the implementation of  
recommendations from:

**Managing Government's Payment Processing**

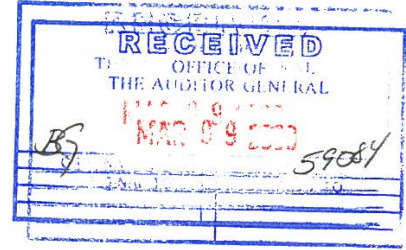
May 2008

April 2009



# Response from the Ministry of Finance

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184168

February 27, 2009

Bill Gilhooly  
Assistant Auditor General  
Office of the Auditor General  
PO Box 9036 Stn Prov Govt  
Victoria BC V8W 9A2

Dear Bill Gilhooly:

**Re: Follow-up review of your report on *Managing Government's Payment Processing – May 2008***

As requested, please find attached our updated self-assessment regarding actions taken in response to the recommendations in your audit report named above. I understand that this response, including the Recommendation Status Summary and the Progress in Implementing Recommendations Form, will be printed, unedited, in your semi-annual follow-up report, to be released April 1, 2009.

We were pleased and reassured by the auditors' conclusion in the report that "adequate controls are in place to manage risks associated with government's payment processing". We are further strengthening controls around payment processing in government by addressing the recommendations in the report. These actions include further enhancements in the areas of management monitoring and review, access, segregation of duties and documentation. To date, all recommendations have been addressed in some way, with 30 of the 34 recommendations either fully or substantially implemented or addressed through an alternate action.

.../2

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Ministry of Finance

Office of the  
Deputy Minister

Mailing Address:  
PO Box 9417 Stn Prov Govt  
Victoria BC V8W 9V1  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 109  
617 Government Street  
Victoria BC

Section 8

## Response from the Ministry of Finance

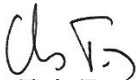
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-2-

The attached documents are a combined response from the Ministry of Finance (Banking/Cash Management Branch, Provincial Treasury) and the Ministry of Labour and Citizens' Services (BC Mail Plus and Corporate Accounting Services, both branches within Common Business Services).

I trust that this is satisfactory.

Sincerely,



Chris Trumpy  
Deputy Minister

### Attachments

pc: Lori Wanamaker  
Deputy Minister of Labour and Citizens' Services

Graham Whitmarsh  
Associate Deputy Minister of Revenue

Jim Hopkins  
Assistant Deputy Minister, Provincial Treasury  
Ministry of Finance

Richard Poutney  
Assistant Deputy Minister, Common Business Services  
Ministry of Labour and Citizens' Services

Cheryl Wenezenki-Yolland  
Comptroller General  
Ministry of Finance

Vern Burkhart  
Executive Director, Procurement and Supply Services  
Ministry of Labour and Citizens' Services

Nashater Sanghera  
Executive Director, Corporate Accounting Services  
Ministry of Labour and Citizens' Services

**RECOMMENDATION STATUS SUMMARY**  
*Managing Government's Payment Processing*  
**As at January 31, 2009**

(Please tick implementation status for each recommendation)

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
<b>A. Administration and maintenance of access</b>					
1. User and group access should be regularly reviewed to ensure that it is consistent with operational duties and responsibilities and that proper segregation of duties is maintained.	X				
2. Risks associated with the lack of segregation between those administering and monitoring security and those handling daily production activities, and between those maintaining daily system production and those developing and testing changes to production programs should be evaluated. Possible consequences and mitigations should be considered, including whether any residual risks are acceptable.				X	
3. Security profiles protecting payment, bank reconciliation and computer program files should include logging all change activities for later review.	X				
4. Procedures should be established and carried out to regularly monitor and investigate, as required, activities where changes are made to high-risk data and programs.		X			
5. Access to audit logs should be granted only on a "need to have" basis.	X				
6. The relationship and responsibilities between the Provincial Treasury Information Systems Branch and the Ministry of Finance Information Management Branch should be more clearly documented and communicated.		X			

Auditor General's Recommendations	Implementation Status			
	Fully	Substantially	Partially	Alternative Action No Action
<b>B. Generation of payment and bank reconciliation files and transfer to MVS for further processing</b>				
<i>Generation of payment files in the UNIX environment</i>				
7. Management should review access to ensure proper segregation of duties between staff able to set up and run production processes and those responsible for development activities.				X
8. Access to the payment file information should be further restricted to ensure its confidentiality and integrity.	X			
9. A review of "root" access relative to job descriptions and requirements should be performed, and management should formally approve "root" access in each case. Any excessive access should be removed.	X			
10. Management should investigate whether software could be used to delegate "root" user capabilities, and audit all activities with this authority.			X	
<i>Use of File Transfer Protocol to transfer payment files to MVS</i>				
11. Management should implement a more secure means of transferring files from UNIX to the mainframe environment. The method used should protect the confidentiality of logon credentials and data during transmission over the network.			X	
12. An audit trail of transaction counts and control totals should be implemented and checked on each file transmission. This would verify that information was not altered during the FTP process.				X
<i>Creation of EFT and cheque payment files and control files in the MVS environment</i>				
13. To provide assurance on the completeness of the manual change log, high-level profiles protecting computer program files should be flagged,			X	

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
so that when a change is made, the user is identified and logged for later review.					
<b>C. Processing and release of EFT payments</b>					
14. Banking and Cash Management should keep its EFT procedures manual current to ensure accurate guidance is provided to new employees and back-up staff.		X			
15. All instances of incompatible duties should be removed or additional monitoring activities added to manage the risk of accidental or intentional errors going undetected.		X			
16. Batch numbers should be traced to ensure all payment files are processed.	X				
17. There should be evidence to support control procedures have been performed. This would ensure that the initial payment information from ministries has been reconciled to the payment information received and processed by the bank.	X				
18. All program changes should be tracked and monitored to ensure they are approved and in compliance with change management policies.	X				
<b>D. Processing and printing cheques</b>					
19. Several monitoring controls, such as access logs and staff lists, should be improved.	X				
20. Policies and procedures for staff should be updated, including those pertaining to cheque stock movements, testing procedures, reconciliations, and security measures.	X				

Auditor General's Recommendations	Implementation Status			
	Fully	Substantially	Partially	Alternative Action No Action
21. The cheque inventory tracking application should be password-protected and key cells locked to prevent accidental erasure and alteration.	X			
<b>E. Management of the status of payments</b>				
22. Policies and procedures for managing the status of payments should be regularly reviewed and updated for new and back-up staff.		X		
23. Banking and Cash Management staff should communicate to ministries the importance of complying with policies and procedures for cancelling and re-issuing cheques, as outlined in government's financial policy manual.		X		
24. All program and data changes should be tracked and monitored to ensure they are approved and complying with policy.	X			
25. The summary report of paid cheque data should be regularly reviewed to ensure that the data was successfully loaded into the system.	X			
26. Roles and responsibilities should be reviewed by management with the aim of minimizing incompatible duties with respect to processing undeliverable and unclaimed cheques.	X			
27. Review of daily returned items should be performed regularly. This should be done by staff not involved in processing or authorizing returned items.	X			



Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
28. There should be evidence supporting comparison of the automated funds transfer (AFT) recalls confirmation report with the email notifications received from ministries.	X				
29. Replacement cheque records should be regularly reviewed by management to ensure they are complete and no duplicate payments have occurred.				X	
<b>F. Reconciliation of payments to the general ledger</b>					
30. Specific reference should be made in the maintenance process manual to the change management processes needed for applications running in the MVS mainframe environment.	X				
31. To provide assurance on the completeness of the manual change log, high-level profiles protecting computer program files should be flagged so that when a change is made, the user is identified and logged for later review.	X				
<b>G. Back-up of program and payment files</b>					
No recommendations					
<b>H. Business continuity planning</b>					
32. Banking and Cash Management Branch should update its business continuity plan promptly after each disaster exercise.	X				
33. Corporate Accounting Services should conduct an alternate site exercise.	X				
34. Corporate Accounting Services, Banking and Cash Management, and BC Mail Plus should jointly develop and maintain business continuity plans that will satisfy the minimum processing and printing requirements to enable critical payments to continue in the event of a disaster.			X		

**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM**

*Managing Government's Payment Processing*

As at January 31, 2009

**General comments**

All recommendations have been addressed, either fully or to some extent. Remaining activities are scheduled and will be completed with due regard for existing and emergent priorities.

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<b>Recommendation 1:</b> User and group access should be regularly reviewed to ensure that it is consistent with operational duties and responsibilities and that proper segregation of duties is maintained.		
<b>F</b>	Auditing has been turned on to record all activities of user ids assigned to the Security Officer and Senior Technical Analyst. Resource Access Control Facility parameters have been set on all BankRec files allowing all activities of this group to be audited daily by the Corporate Accounting Services (CAS) Security Officer. Access for a number of user ids has been modified based on the report recommendations.	No further action required as this issue has been closed.
<b>Recommendation 2:</b> Risks associated with the lack of segregation between those administering and monitoring security and those handling daily production activities, and between those maintaining daily system production and those developing and testing changes to production programs should be evaluated. Possible consequences and mitigations should be considered, including whether any residual risks are acceptable.		
<b>AA</b>	In addition to management review, access restrictions, and a review of audit logs, CAS will be conducting a comprehensive risk evaluation on all aspects of security and will implement any necessary changes. CAS is also investigating alternative processes and procedures to address this and avoid budget impacts. These evaluations to be completed by March 31/09.	No further action required as this issue has been closed.

**Status**

- 1 -

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	Auditing has been turned on, Resource Access Control Facility parameters have been set on all BankRec files and all activities will be audited daily by the CAS Security Officer.	
	<b>Recommendation 3:</b> Security profiles protecting payment, bank reconciliation and computer program files should include logging all change activities for later review.	
<b>F</b>	Auditing has been altered to log changes, including user id, on all BankRec files. All activities are audited daily by CAS Enterprise Security Officer.	No further action required as this issue has been closed.
	<b>Recommendation 4:</b> Procedures should be established and carried out to regularly monitor and investigate, as required, activities where changes are made to high-risk data and programs.	
<b>S</b>	A comprehensive Information Systems Branch (ISB) security review was completed June 2008. Accesses were reviewed and changes made accordingly. Audit logs are created and a project to create exception reporting was completed December 31, 2008.	Documentation of exception reporting review procedures to be completed by March 31, 2009.
	<b>Recommendation 5:</b> Access to audit logs should be granted only on a "need to have" basis.	
<b>F</b>	All access to these datasets have been restricted to the production support group, Multiple Virtual Storage (MVS) scheduler support and system accounts.	No further action required as this issue has been closed.
	<b>Recommendation 6:</b> The relationship and responsibilities between the Provincial Treasury Information Systems Branch and the Ministry of Finance Information Management Branch should be more clearly documented and communicated.	
<b>S</b>	Meetings were held between the ISB and the Information Management Branch to clarify security roles and responsibilities.	A formal delegation instrument is under development and will be in place by March 31, 2009.
	<b>Recommendation 7:</b> Management should review access to ensure proper segregation of duties between staff able to set up and run production processes and those responsible for development activities.	
<b>AA</b>	CAS has outsourced the scheduling tool support function, however to mitigate risk CAS has one FTE staff member who also has the scheduling tool support duties and knowledge. This does fall within our	Corrective action plan initiated and currently underway. Target date for completion is March 31, 2009.

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**Status**  
**F** or **S** – Recommendation has been fully or substantially implemented  
**P** – Recommendation has been partially implemented  
**AA** – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
**NA** – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	risk tolerance. Audit logging will be turned on within the scheduling product to monitor activities of support personnel. Each day's audit logs are monitored by the Enterprise Security Officer.	
<b>F</b>	<p><b>Recommendation 8:</b> Access to the payment file information should be further restricted to ensure its confidentiality and integrity.</p> <p>A new directory for the payment file was created and access has been restricted to only the resources delegated with responsibility for the nightly scheduling activities and support of the payment file transfer (currently 3). Access has been limited to only one user id.</p>	No further action required as this issue has been closed.
<b>F</b>	<p><b>Recommendation 9:</b> A review of "root" access relative to job descriptions and requirements should be performed, and management should formally approve "root" access in each case. Any excessive access should be removed.</p> <p>A review of access was conducted and excessive access has been removed. Access by the Database Administrators (DBAs) has been removed and will only be granted for emergencies or limited cases during upgrade projects, on a temporary and controlled basis which are logged and monitored by the CAS Enterprise Security Officer. CAS has implemented an outsourced service provider model with respect to DBA resources. DBA access is formally approved for each resource by the Director of Technology Operations.</p> <p>"Root" access is owned and monitored by Workplace Technology Services (WTS) as part of the Shared Services Hosting Service. WTS Hosting resources with root access are approved by WTS Management. CAS contacted WTS to confirm that root access is reviewed regularly and that no inappropriate access was in place.</p>	No further action required as this issue has been closed.
<b>P</b>	<p><b>Recommendation 10:</b> Management should investigate whether software could be used to delegate "root" user capabilities, and audit all activities with this authority.</p> <p>CAS is not aware of any software delegation tools that would prevent root access users from being able to edit the audit logs.</p> <p>"Root" access is owned and monitored by WTS as part of the Shared Services Hosting Service. WTS Hosting resources with root access are</p>	Corrective action plan initiated and currently underway. Target date for completion is March 31, 2009.

Status F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

- 3 -

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	approved by WTS Management. CAS communicated the Auditor General's recommendations to WTS.	
	<b>Recommendation 11:</b> Management should implement a more secure means of transferring files from UNIX to the mainframe environment. The method used should protect the confidentiality of logon credentials and data during transmission over the network.	
<b>P</b>	CAS has implemented an alternate encryption software package to protect the confidentiality of the transmission. CAS is reviewing the WTS File Transfer Protocol Secure (FTPS) package to determine feasibility of creating a more secure transfer connection. The review will be completed by March 31, 2009.	Corrective action plan initiated and currently underway. Target date for completion is March 31, 2009.
	<b>Recommendation 12:</b> An audit trail of transaction counts and control totals should be implemented and checked on each file transmission. This would verify that information was not altered during the FTP process.	
<b>AA</b>	CAS has implemented an encryption software package to ensure the information is not altered during the transmission.	No further action required as this issue has been closed.
	<b>Recommendation 13:</b> To provide assurance on the completeness of the manual change log, high-level profiles protecting computer program files should be flagged, so that when a change is made, the user is identified and logged for later review.	
<b>P</b>	Audit logging has been turned on within the scheduler product. Each day's audit logs are monitored by the Enterprise Security Officer. CAS is currently investigating ways to enhance monitoring of DBA access. CAS investigated a configuration control software package, unfortunately, although this software is owned by WTS they have not made the service available to the ministries. Implementing a database specific product which can encrypt the data files, will require procurement and testing cycles. A project to implement DB Vault will begin by March 31st, 2009.  CAS is not aware of any software delegation tools that would prevent root access users from being able to edit the audit logs. "Root" access is owned and monitored by WTS as part of the Shared Services Hosting Service. WTS Hosting resources with root access are approved by WTS Management. CAS communicated the Auditor General's recommendations to WTS.	Corrective action plan initiated and currently underway. Target date for completion is March 31, 2009.
	<b>Recommendation 14:</b> Banking and Cash Management should keep its EFT procedures manual current to ensure accurate guidance is provided to new	

Status

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

- 4 -

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	employees and back-up staff.	
S	All EFT (electronic fund transfer) procedures have been updated and are available to staff on the branch shared network drive.	A technical writing resource will be identified to collate the procedures into manual form. Target completion is June 30, 2009.
	<b>Recommendation 15:</b> All instances of incompatible duties should be removed or additional monitoring activities added to manage the risk of accidental or intentional errors going undetected.	
S	A comprehensive ISB security review was completed June 2008. Accesses were reviewed and changes made accordingly. Audit logs are created and a project to create exception reporting was completed December 31, 2008.	Documentation of exception reporting review procedures to be completed by March 31, 2009.
	<b>Recommendation 16:</b> Batch numbers should be traced to ensure all payment files are processed.	
F	All batches are matched to the incoming file notifications as evidenced by tick marks, and both releaser and reviewer initials. A systems project to enhance batch control edits was completed January 26, 2009.	No further action required as this issue has been closed.
	<b>Recommendation 17:</b> There should be evidence to support control procedures have been performed. This would ensure that the initial payment information from ministries has been reconciled to the payment information received and processed by the bank.	
F	All payment files are matched to both the incoming file notifications from ministry feeder systems and file processing confirmations from our bank, as evidenced by tick marks, and both releaser and reviewer initials.	No further action required as this issue has been closed.
	<b>Recommendation 18:</b> All program changes should be tracked and monitored to ensure they are approved and in compliance with change management policies.	
F	ISB has promoted greater staff awareness of the change management policy, and a ticket tracking tool is being used.	No further action required as this issue has been closed.
	<b>Recommendation 19:</b> Several monitoring controls, such as access logs and staff lists, should be improved.	
F	All access for print operators and system analysts has been reviewed and updated as necessary. Off-hour access reports are routinely reviewed and authorized staff lists are maintained.	No further action required as this issue has been closed.

Status

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

- 5 -

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<b>Recommendation 20:</b> Policies and procedures for staff should be updated, including those pertaining to cheque stock movements, testing procedures, reconciliations, and security measures.		
<b>F</b>	A cheque printing and distribution procedures manual has been developed documenting the process for MICR (Magnetic Ink Character Recognition) testing and the printing, control, sorting, distribution and reconciliation of cheques. The security manual is continually updated to reflect enhancements to security measures.	No further action required as this issue has been closed.
<b>Recommendation 21:</b> The cheque inventory tracking application should be password-protected and key cells locked to prevent accidental erasure and alteration.		
<b>F</b>	The cheque inventory tracking application has been password-protected with key cells locked.	No further action required as this issue has been closed.
<b>Recommendation 22:</b> Policies and procedures for managing the status of payments should be regularly reviewed and updated for new and back-up staff.		
<b>S</b>	All cheque management procedures have been updated and are available to staff on the branch shared network drive.	A technical writing resource will be identified to collate the procedures into manual form. Target completion is June 30, 2009.
<b>Recommendation 23:</b> Banking and Cash Management staff should communicate to ministries the importance of complying with policies and procedures for cancelling and re-issuing cheques, as outlined in government's financial policy manual.		
<b>S</b>	Advice is provided to clients daily and information bulletins are distributed to ministry contacts as required. Working in conjunction with the Office of the Comptroller General (OCG), draft changes to core policy have been presented to the Financial Officers Advisory Committee (FOAC) and feedback from the committee will be incorporated into the policy.	Client education is an on-going activity for the branch.
<b>Recommendation 24:</b> All program and data changes should be tracked and monitored to ensure they are approved and complying with policy.		
<b>F</b>	ISB has promoted greater staff awareness of the change management policy, and a ticket tracking tool is being used.	No further action required as this issue has been closed.
<b>Recommendation 25:</b> The summary report of paid cheque data should be regularly reviewed to ensure that the data was successfully loaded into the		

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Status  
**F** or **S** – Recommendation has been fully or substantially implemented  
**P** – Recommendation has been partially implemented  
**AA** – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
**NA** – No substantial action has been taken to address this recommendation.

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
F	Review is evidenced by initials of the reviewer.	No further action required as this issue has been closed.
<b>Recommendation 26:</b> Roles and responsibilities should be reviewed by management with the aim of minimizing incompatible duties with respect to processing undeliverable and unclaimed cheques.		
F	Roles and responsibilities have been reviewed. Incompatible duties have minimized and any residual risk has been deemed acceptable.	No further action required as this issue has been closed.
<b>Recommendation 27:</b> Review of daily returned items should be performed regularly. This should be done by staff not involved in processing or authorizing returned items.		
F	The review is done daily and is evidenced by tick marks and initials of the reviewer. The reviewer is not the same staff member that processed the items.	No further action required as this issue has been closed.
<b>Recommendation 28:</b> There should be evidence supporting comparison of the automated funds transfer (AFT) recalls confirmation report with the email notifications received from ministries.		
F	Review is evidenced by tick marks and initials of the reviewer.	No further action required as this issue has been closed.
<b>Recommendation 29:</b> Replacement cheque records should be regularly reviewed by management to ensure they are complete and no duplicate payments have occurred.		
AA	Working in conjunction with OCG, draft changes to core policy have been presented to the FOAC and feedback from the committee will be incorporated into the policy. The proposed policy change identifies the issuing ministry as responsible for reviewing replacement cheque records and ensuring that no duplicate payments have occurred.	The final approved policy is targeted to be in place early in the 2009/2010 fiscal year.
<b>Recommendation 30:</b> Specific reference should be made in the maintenance process manual to the change management processes needed for applications running in the MVS mainframe environment.		
F	Maintenance process/procedural manuals have been reviewed and updated as recommended.	No further action required as this issue has been closed.
<b>Recommendation 31:</b> To provide assurance on the completeness of the manual change log, high-level profiles protecting computer program files		

Status

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation



Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	should be flagged so that when a change is made, the user is identified and logged for later review.	
<b>F</b>	Auditing has been altered to log changes, including user id, on all BankRec files. All activities are audited by CAS Enterprise Security Officer.	No further action required as this issue has been closed.
	<b>Recommendation 32:</b> Banking and Cash Management Branch should update its business continuity plan promptly after each disaster exercise.	
<b>F</b>	The Business Continuity Plan (BCP) plan is updated regularly. A share-point site has been created for BCP documentation and a Business Continuity Officer has been hired to ensure documentation is maintained.	No further action required as this issue has been closed.
	<b>Recommendation 33:</b> Corporate Accounting Services should conduct an alternate site exercise.	
<b>F</b>	During the Dec 4, 2008 MVS Hot Site and Data Recovery Plan (DRP) Technical Exercise, CAS staff performed their recovery tasks from the current alternate site.	No further action required as this issue has been closed.
	<b>Recommendation 34:</b> Corporate Accounting Services, Banking and Cash Management, and BC Mail Plus should jointly develop and maintain business continuity plans that will satisfy the minimum processing and printing requirements to enable critical payments to continue in the event of a disaster.	
<b>P</b>	<p>During the Dec 4, 2008 MVS Hot Site and DRP Technical Exercise CAS worked jointly with BC Mail Plus (BCMP) to confirm that processing and printing requirements are documented and exercised.</p> <p>CAS also confirmed that the processing and interfaces between CAS and the Banking and Cash Management branch (BCM) are functioning as expected. CAS will continue to work with BCMP and BCM to confirm continuity plans.</p> <p>Participants have been identified for a joint working group to identify and document the articulations between the existing CAS, BCM and BCMP Business Continuity Plans. Meetings will be scheduled prior to March 31, 2009.</p>	<p>DRP Testing was completed however it was inconclusive since the CAS generated Electronic Funds Transfer data was not used to ensure that electronic fund transfers would occur as expected.</p>

**Status**  
**F or S** – Recommendation has been fully or substantially implemented  
**P** – Recommendation has been partially implemented  
**AA** – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
**NA** – No substantial action has been taken to address this recommendation



## Section 9

Update on the implementation of  
recommendations from:

**Changing Course – A New Direction for  
British Columbia’s Coastal Ferry System:  
A Review of the Transformation of BC Ferries**

December 2006

April 2009



**RECOMMENDATION STATUS SUMMARY**  
**Changing Course – A New Direction for British Columbia’s Coastal Ferry System**  
**As at January 30, 2009**

(Please tick implementation status for each recommendation)

Auditor General’s Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. Government should establish criteria for evaluating how well the coastal ferry system is achieving the objectives of the transformation and conduct evaluations of that performance, at least once in every performance term, in order to determine when or if changes to the <i>Coastal Ferry Act</i> should be made.				√	
2. The Ministry of Transportation should issue, separately or as part of its annual service plan report, a comprehensive summary report on the coastal ferry system.				√	
3. The Ministry of Transportation and BC Ferries should develop performance measures relating to the quality of service, as required by the <i>Coastal Ferry Services Contract</i> .	√				



**PROGRESS IN IMPLEMENTING RECOMMENDATIONS FROM**

***Changing Course – A New Direction for British Columbia’s Coastal Ferry System***  
As at January 30, 2009

**General comments**

The Ministry of Transportation and Infrastructure has considered the views contained within the Auditor General’s report and has taken specific action aimed at addressing the recommendations contained within the report.

**Progress by recommendation**

*For each recommendation, provide your assessment of implementation status as per the legend at the bottom of the page, and information on actions taken and results to support the status reported. Also include a work plan schedule for any recommendations not yet implemented.*

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 1:</b></p> <p>Government should establish criteria for evaluating how well the coastal ferry system is achieving the objectives of the transformation and conduct evaluations of that performance, at least once in every performance term, in order to determine when or if changes to the <i>Coastal Ferry Act</i> should be made.</p>	<p>While formal criteria have not been developed, the ministry continually assesses the effectiveness of the model.</p> <p>The ministry monitors the decisions of the Ferry Commission and the actions of BC Ferry Services to determine the extent to which these two integral components of the new coastal ferries model are achieving their intended objectives. The main goal of the new model is that coastal ferry services be provided in a commercial/business manner. The ministry reviews the Ferry Commission’s performance against the regulatory principles set out in the <i>Coastal Ferry Act</i>. The ministry views these principles as underlying the government’s objectives for the operation of coastal ferry services in BC.</p>	<p>When the ministry concluded negotiations with BC Ferries for the second performance term of the contract, the objectives of the new coastal ferry model were taken into consideration. As a result, aside from a taxpayer supported increase for the Northern Strategy which was contemplated within the original coastal ferry contract, the province has not increased its annual service fees contributions for the second four-year performance term.</p> <p>To improve customer service, agreement was reached for the second performance term of the contract to allow BC Ferries to better match demand by providing flexibility in the number of sailings delivered each day, while maintaining core service levels.</p>

**Status**

- F or S – Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
- NA – No substantial action has been taken to address this recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>For example, one of government's objectives was to ensure BC Ferries could borrow funds to replace its ageing vessels. As such, the Ferry Commission is to place priority on the financial sustainability of the ferry operator. BC Ferries publishes audited financial statements each year which allow the province to assess its financial position, credit worthiness and progress in meeting its capital investment plans. Among other regulatory activity, the Ferry Commission also includes a productivity factor within the price cap formula that provides an incentive to BC Ferry Services to be innovative and reduce costs.</p> <p>A key objective of the new model is that coastal ferry services be delivered in a safe, reliable and customer-service driven manner. The Ministry monitors BC Ferries operations against these objectives. In its Annual Reports, BC Ferries provides reporting on detailed Performance Measures which are directly linked to government's objectives. Performance Measures are used to assess financial and operational performance, safety and customer service.</p> <p>The ministry is in regular communication with BC Ferry Services and the Ferry Commission. The ministry has also engaged coastal community stakeholders to discuss coastal ferry services.</p>	<p>In assessing the coastal ferry system, the province has taken into consideration the challenges facing the ferry system as a result of skyrocketing fuel prices and the global economic downturn by providing additional targeted funding on a one-time basis to address these specific challenges.</p>
<p><b>Recommendation 2:</b> The Ministry of Transportation and Infrastructure should issue, separately or as part of its annual service plan report, a comprehensive summary report on the coastal ferry system.</p>		
AA	<p>While there is no single report that covers all aspects of the ferry system, the ministry believes independent entities such as BC Ferry Services are best positioned to report on their activities on a timely basis.</p> <p>In order to address the concern raised in the report that information about the ferry system is no longer available through a single source, the ministry determined it would be beneficial to provide links to relevant information on the website.</p> <p>There are two primary sources of information on coastal ferry services. The Ferry Commission publishes extensive information including an Annual Report required under the <i>Coastal Ferry Act</i>. BC Ferry Services</p>	<p>In 2007, the ministry's website was redesigned to provide more information on the coastal ferry model and easier access to the large amounts of publicly reported information. The website provides clear links to the various sources of information on coastal ferries. The website is continually updated as new information becomes available.</p>
<p><b>Status</b></p>		
<p>F or S – Recommendation has been fully or substantially implemented</p>		
<p>P – Recommendation has been partially implemented</p>		
<p>AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding</p>		
<p>NA – No substantial action has been taken to address this recommendation</p>		



Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	Inc also publishes extensive information on its website. Some examples are Annual Reports, audited Financial Statements, and Annual Reports to the Ferry Commission that include Customer Satisfaction Surveys, operational information and route financial information.	
<p><b>Recommendation 3:</b> The Ministry of Transportation and Infrastructure and BC Ferries should develop performance measures relating to the quality of service, as required by the <i>Coastal Ferry Services Contract</i>.</p>		
F	Reporting relating to the quality of service has been developed in the areas of on-time performance, customer satisfaction and traffic congestion. The ministry had further discussions with BC Ferries on additional Performance Measures relating to safety, operational reliability and value for money.	Starting in 2006/07, BC Ferries added new performance measures in their Annual Report. The new measures relate to employee safety, passenger safety, reliability and cost per passenger.

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## Section 10

Update on the implementation of  
recommendations from:

**Literacy: Creating the Conditions for  
Reading and Writing Success**

February 2008

April 2009



**RECOMMENDATION STATUS SUMMARY**  
*Literacy: Creating the Conditions for Reading and Writing Success*  
 As at January 30, 2009

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. We recommend that the Ministry of Education and Ministry of Advanced Education, Boards of Education and post-secondary institutions work together to develop ways of encouraging greater use of literacy services, such as through awareness campaigns on literacy and "one window" approaches to delivering information on literacy at both the provincial and local levels.	√				
2. We recommend that the Ministry of Education develop implementation plans that are supported by more comprehensive data and information on the needs of the population it is targeting and on costing information for each of its strategies to improve literacy.		√			
3. We recommend that the Ministry of Education provide appropriate support (such as guidance and resources) to the Boards of Education in the development of their literacy plans and reports.		√			
4. We recommend that the Ministry of Education monitor implementation of the revised accountability framework and assess the effectiveness of the framework with respect to the focus on literacy.		√			
5. We recommend that the Boards of Education develop their literacy plans: <ul style="list-style-type: none"> <li>• in the context of the provincial strategic framework; and</li> <li>• in consultation with key organizations within their local communities to determine needs and preferred strategies for addressing those needs.</li> </ul>	√				
6. We recommend that the Ministry of Education ensure that monitoring and reporting at all levels – provincial, ministry and community – be aligned with evidence-based, qualitative and quantitative performance measures.		√			

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
<p>7. We recommend that the Boards of Education work with the key stakeholders within their communities to</p> <ul style="list-style-type: none"> <li>1) measure progress and adjust strategies as necessary to meet local needs; and</li> <li>2) report annually on the progress they make within their communities in achieving the literacy objectives identified in the community literacy plans.</li> </ul>	√				
<p>8. We recommend that the government issue a province-wide annual public report on its progress in achieving its literacy goals and objectives.</p>			√		

**-PROGRESS IN IMPLEMENTING RECOMMENDATIONS FORM**

***Literacy: Creating the Conditions for Reading and Writing Success***

**As at January 30, 2009**

**General comments**

Since the February 2008 Office of the Auditor General (OAG) literacy audit report (the Report), significant progress has been made on a comprehensive, coordinated, and collaborative system for improving literacy in British Columbia through implementation of the cross-ministerial provincial literacy action plan, ReadNow BC. Specific actions and outcomes as related to the OAG recommendations published in the Report are identified in the tables below.

The Report focused on the activities of the Ministries of Education (provincial lead for literacy) and Advanced Education and Labour Market Development (responsible for adult literacy), four school districts and four post-secondary institutions. The scope of the audit extended only to Kindergarten to Grade 12 and adult literacy training. It is worth noting that this is augmented by a broader scope of literacy and literacy-related initiatives from other ministries collaborating on the over-arching provincial literacy action plan, ReadNow BC. These additional initiatives support all four ReadNow BC pillars: early learners, school-age learners, adult learners, and Aboriginal learners.

Improvements in literacy are generational and will occur over time as literacy becomes embedded into all aspects of life and a learning culture is developed. As such, improving literacy will happen with a sustained, coordinated effort, as set out by ReadNow BC. Success depends on a firm foundation and targeted efforts that can be sustained and adapted over time based on changing demographics and needs.

**Status**

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- NA** – No substantial action has been taken to address this recommendation

1

Progress by recommendation

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 1:</b> We recommend that the Ministry of Education and Ministry of Advanced Education, Boards of Education and post-secondary institutions work together to develop ways of encouraging greater use of literacy services, such as through awareness campaigns on literacy and “one-window” approaches to delivering information on literacy at both the provincial and local levels.</p>		
<p><b>F</b></p>	<p><u>One-Window Approach</u></p> <ul style="list-style-type: none"> <li>• “One-window” approach/website through ReadNow BC.</li> <li>• Database of literacy programs services is provided through the Literacy BC 1-800 line and BC Literacy Directory website.</li> <li>• With federal funding, the Ministry of Advanced Education and Labour Market Development (ALMD) is developing a website to promote recruitment and training of volunteer tutors for immigrant newcomers in small and remote communities.</li> <li>• Updated Welcome BC website with a direct link to provincial literacy services and programs on the BC Literacy Directory website.</li> </ul>	<ul style="list-style-type: none"> <li>• The “one-window” approach has been fully implemented through the ReadNow BC website. It has provided links to literacy resources, services and organizations in a user-friendly format since its launch in September 2007. This action is ongoing.</li> <li>• The hotline and website, accessible from the ReadNow BC website, were launched in January and September 2007 respectively. A system to keep the database updated will be introduced to Regional Literacy Coordinators and Literacy Outreach Coordinators in February 2009. This action is ongoing.</li> <li>• To be launched by the ESL Settlement Assistance Program by the summer, 2009. The site will be administered by Open School and linked to Welcome BC, Literacy BC, ReadNow BC, and other literacy and ESL stakeholder sites. Increases awareness of ESL and literacy services, and provides the opportunity for interested individuals to become involved with the literacy needs of newcomers in their communities.</li> <li>• January 2009.</li> </ul>

Status

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## Response from the Ministry of Education

## and the Ministry of Advanced Education and Labour Market Development

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p><b>Public Awareness</b></p> <ul style="list-style-type: none"> <li>• Bus posters.</li> <li>• Developed and distributed Literacy Hotline poster to promote the Literacy BC 1-800 line.</li> <li>• 5<sup>th</sup> annual Raise-A-Reader campaign throughout the province including other similar reader campaigns in rural communities.</li> <li>• 3<sup>rd</sup> annual Speaker's Tour featuring Craig Alexander, Vice President and Deputy Chief Economist, TD Financial Group.</li> <li>• Developed and distributed the ReadNow BC family literacy DVD.</li> <li>• Developed and distributed the ReadNow BC booklet, a high level overview of the literacy challenges and opportunities in B.C.</li> <li>• "Communicating About Literacy", a communications guide for communities was developed through 2010 Legacies Now. The communications toolkit was launched through a training workshop to over 100 Literacy Outreach Coordinators and Regional Literacy Coordinators in February 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Literacy posters up on buses around the province.</li> <li>• 1,000 posters were distributed through seniors' centres, income assistance offices, StrongStart BC early learning centres, school districts, public libraries, and special events, raising public awareness of literacy hotline service.</li> <li>• Canwest and its partner newspapers throughout B.C. raised \$866,000 dollars through the 2008 campaign. This was matched by the Province, bringing the total raised to \$1.7 million. The Canwest Foundation ensures that every dollar donated stays in the community where it was given, to support local literacy programs.</li> <li>• Raised awareness for literacy in B.C.'s business community in Vancouver and Chilliwack.</li> <li>• Promotes family literacy and literacy in the early years while providing parents with ideas on how to incorporate literacy into everyday family activities. Distributed 9,000 copies.</li> <li>• Sets a common understanding around ReadNow BC, the provincial literacy action plan, and the literacy challenges and opportunities in B.C. Distributed 12,000 copies.</li> <li>• Provided communities with the tools and templates they need to undertake local public awareness campaigns. A communications website with resources as well as a promotional campaign for use throughout the province will be completed over the next 6 months.</li> </ul>

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3

# Response from the Ministry of Education

## and the Ministry of Advanced Education and Labour Market Development

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>• Council of Ministers of Education, Canada (CMEC) Pan-Canadian Interactive Literacy Forum. B.C.'s theme: "Communities as the Foundation".</li> <li>• Post-Pan-Canadian Forum interactive literacy website launched for practitioners, teachers and literacy stakeholders to share effective practices, research, on-line conferences and events.</li> <li>• International Literacy Day events have been promoted through the ReadNow BC website and the post-forum online literacy community. In 2008, a series of announcements regarding rural and remote literacy initiatives/programs was highlighted.</li> <li>• Family Literacy Day expanded to a week of awareness events across the province.</li> <li>• Literacy Outreach Coordinators have been hired in every school district.</li> </ul>	<ul style="list-style-type: none"> <li>• In April 2008, approximately 3,000 learners, literacy experts, and representatives from education, non-profit, community, Aboriginal groups, business, government and labour at nine sites in five time zones across the country connected on the issue of literacy. The Forum was the catalyst to moving the literacy agenda forward in BC and across Canada.</li> <li>• Provides a free and interactive post-Forum venue accessible from the ReadNow BC website for participants, presenters, and new members to continue the dialogue on literacy. This action is ongoing.</li> <li>• September 2007 and 2008. This action will continue annually.</li> <li>• Events, including the annual Breakfast of Champions in Vancouver, held in 46 communities across B.C. in January 2009. B.C. events calendar accessible from ReadNow BC website. This action will continue annually.</li> <li>• Enhanced literacy co-ordination within each region supports school districts as they work with their communities on district literacy planning. Regional meetings were held throughout the province October-December, 2008 to help school district and community literacy representatives develop a common understanding of the role and responsibilities of the Literacy Outreach Coordinators.</li> </ul>

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4

# Response from the Ministry of Education

## and the Ministry of Advanced Education and Labour Market Development

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>ALMD has established full-time Regional Literacy Coordinators at 16 public post-secondary institutions in B.C.</li> <li>Delivered Books for BC Babies Program.</li> <li>Hosted Ready, Set, Learn events in local schools.</li> <li>Government is continuing to expand the number of StrongStart BC Centres – there are now 189 Centres throughout the province.</li> <li>Public post-secondary college deans are working with Literacy Now and Literacy BC on publicity and awareness strategies.</li> <li>Colleges regularly participate in regional planning sessions and meetings with Literacy Now.</li> </ul>	<ul style="list-style-type: none"> <li>Enhances coordination, standards and integration of Adult Literacy across the province; and provides a coordinating and strategic role in regional literacy.</li> <li>Promotes a positive association with books and public libraries for babies and their parents. This action is ongoing.</li> <li>Continued to build connections between new families, the school system and community agencies by providing a kit containing an age-appropriate book, a booklet of helpful tips for parents supporting their preschooler's development and additional information from the school district. This action is ongoing.</li> <li>More children have access to StrongStart BC Centres, which supports emergent literacy in young children.</li> <li>Ongoing.</li> <li>Ongoing.</li> </ul>
<p><b>Recommendation 2:</b>  <b>We recommend that the Ministry of Education develop implementation plans that are supported by more comprehensive data and information on the needs of the populations it is targeting and on costing information for each of its strategies to improve literacy.</b></p>		
<p><b>S</b></p>	<ul style="list-style-type: none"> <li>Literacy costing has been developed to outline annual funding expenditures for literacy since 2006/07.</li> </ul>	<ul style="list-style-type: none"> <li>Original literacy expenditure report (for internal use only) was completed in April 2008 with updates completed in July 2008. The next update will be completed in February 2009. This action is ongoing.</li> </ul>
<p><b>Status</b></p>	<p>F or S – Recommendation has been fully or substantially implemented  P – Recommendation has been partially implemented  AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  NA – No substantial action has been taken to address this recommendation</p>	

5

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>• Hosting a Kindergarten-Grade 12 Provincial Literacy Planning and Strategy meeting with stakeholders to plan for coordinated services, effective practices and evaluation.</li> <li>• Hosted a Family Literacy Planning and Strategy meeting with stakeholders to plan for effective practices and evaluation.</li> <li>• Funded a paper on segmentation analysis of the low literacy population in B.C. This included a cost analysis on remediation.</li> <li>• Douglas College and UBC contributed to a national report on the investment necessary to improve literacy entitled <i>Addressing Canada's Literacy Challenge: A Cost-Benefit Analysis</i>.</li> <li>• Foundation Skills Assessment testing is conducted annually to measure the literacy and numeracy skills of children in grades 4 and 7.</li> </ul>	<ul style="list-style-type: none"> <li>• To be held in February 2009.</li> <li>• January 2009. Follow up will include distributing a strategy paper with action recommendations. This will follow with specific actions to be undertaken over the next 2 years.</li> <li>• Spring 2008.</li> <li>• ALMD and MED are working with the Canadian Council on Learning to develop a similar report focussing on B.C.</li> <li>• FSA results are a source of data and trends that can be used to develop implementation plans and identify the needs of specific populations.</li> </ul>
<p><b>Recommendation 3:</b>  <b>We recommend that the Ministry of Education provide appropriate support (such as guidance and resources) to the Boards of Education in the development of their literacy plans and reports.</b></p>		
<p><b>S</b></p>	<ul style="list-style-type: none"> <li>• District Literacy Plan Planning Guide published and circulated.</li> <li>• District Literacy Plans were reviewed by a team of educators and community literacy practitioners. Information about each plan was gathered in order to provide feedback and guidance for on-going planning in each district/community.</li> </ul>	<ul style="list-style-type: none"> <li>• First distributed at Provincial District Literacy Plan Forum in January 2008. The Guide provided effective practices on continuing development and suggested approaches for District Literacy Plans.</li> <li>• This action was completed in September 2008. This action is ongoing.</li> </ul>

Status

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6

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>To streamline reporting and demonstrate the ways that initiatives are connected, Literacy Innovation Grant reports are being incorporated into District Literacy Plans and Achievement Contracts.</li> <li>Superintendent of Literacy, Literacy BC and Literacy Now representatives met with school district and community representatives at eight regional meetings.</li> <li>Conference calls were organized to allow an opportunity for each school district/community literacy team to share information and receive feedback on their planning by the Superintendent of Literacy and Director of Literacy Now.</li> <li>One-day meeting held with community literacy planning representatives, school district and college representatives.</li> <li>Two day training event to be held for all Literacy Outreach Coordinators and Regional Literacy Coordinators across the province.</li> </ul>	<ul style="list-style-type: none"> <li>This action is ongoing.</li> <li>This action was completed in the period of Oct-Dec 2008. Provided information and support regarding District Literacy Plans and the infrastructure that is in place to support the planning and implementation process.</li> <li>This action is ongoing.</li> <li>25 conference calls will have been conducted with representatives from 25 school district regions by the end of February 2009.</li> <li>120 coordinators to participate in training to assist them in working with their school districts and college regions in implementing their literacy plans, working with target populations including corrections clients, Aboriginal people, immigrants, families, employers and employees. The “literacy infrastructure” was introduced, which is the concept of a coordinated multi-level (community, regional and provincial) approach to literacy. To be held in February 2009.</li> </ul>
<p><b>Recommendation 4:</b>  <b>We recommend that the Ministry of Education reports monitor implementation of the revised accountability framework and assess the effectiveness of the framework with respect to the focus on literacy.</b></p>		

Status

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7

# Response from the Ministry of Education

## and the Ministry of Advanced Education and Labour Market Development

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>S</b></p>	<ul style="list-style-type: none"> <li>• The Ministry has established a monitoring framework that summarizes quantitative data to capture progress on all four pillars of ReadNow BC: early learners, school-age learners, adult learners, and Aboriginal learners. As not all assessments and data gathering tools occur annually, the monitoring framework is now 90 percent populated with current quantitative data.</li> <li>• The Ministry has developed and piloted an evaluation framework in eight program areas. This macro-level evaluation will assist program areas in determining how well the program aligns with the objectives of ReadNow BC.</li> <li>• ALMD's Adult Literacy Assessment and Reporting Initiative:               <ul style="list-style-type: none"> <li>○ Monitor Adult Literacy Rates: A pilot of interim adult literacy assessment is complete. When the full study is complete, ALMD and Human Resources Services Canada will break down results for key sub-populations (Aboriginal people, new Canadians and youth, ages 19-21) and provide a provincial comparison with the 2003 IALSS data.</li> <li>○ Community Adult Literacy providers, led by Literacy BC and funded by ALMD have established a community adult literacy framework with benchmarks and standards.</li> <li>○ A <i>Crosswalk</i> framework of learner outcomes in different sectors delivering literacy programs is under development; <i>Crosswalk</i> will be linked to IALSS and facilitate learner transition and offer information about the effectiveness of literacy programs.</li> <li>○ Project future demand for Adult Literacy: A BC micro simulation report has been drafted by the Canadian Council on Learning, projecting future adult literacy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• First cycle of reporting to be completed in February 2009. The monitoring framework is updated and analyzed against current demographics as data becomes available to ensure that programs/services are targeted at areas in need. Areas in need are based on service gaps and where progress is/is not being made.</li> <li>• The evaluation framework will set the standard expectation around program/initiative evaluation and data collection. The information collected will tell the story of program objectives, efforts and resources, progress towards achievement of objectives, and areas for improvement. Development of framework completed in January 2009. Further evaluation of 10 additional programs areas will take place in spring 2009</li> <li>• Further implementation of the mini-assessment to continue.</li> <li>• Adult Literacy frameworks, benchmarks and standards will continue to be refined and completed in other sectors.</li> <li>• Report due for release Spring 2009.</li> </ul>

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8

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<p>rates in the province, based in population projections.</p> <ul style="list-style-type: none"> <li>o ALMD is pursuing initiatives regarding common assessment standards:</li> </ul>	<ul style="list-style-type: none"> <li>• ALMD will facilitate the use of the Test of Workplace Essential Skills (TOWES) for Ministry-funded essential skills initiatives.</li> <li>• ALMD is continuing to support the work of the Canadian Council on Learning on its ECHO tool, which is designed to articulate a variety of frameworks and learning objectives and will benefit the assessment and reporting of literacy levels.</li> <li>• Work with stakeholders to establish a valid research design to identify leading practices in literacy program and course delivery.</li> </ul>
<p><b>Recommendation 5:</b></p> <p><b>We recommend that the Boards of Education develop their literacy plans:</b></p> <ul style="list-style-type: none"> <li>- in the context of the provincial strategic framework; and</li> <li>- in consultation with key organizations within their local communities to determine needs and preferred strategies for addressing those needs.</li> </ul>		
<p><b>F</b></p>	<ul style="list-style-type: none"> <li>• Ministry provided flexibility for districts to use Literacy Innovation Grants for innovative literacy practices and/or for District Literacy Plan development.</li> <li>• District literacy planning takes place in conjunction with the key literacy groups in each of the communities included in the district, thereby incorporating existing community literacy planning.</li> <li>• Training for Boards of Education and Community groups have been jointly planned and delivered by Ministry of Education staff, Literacy BC and Literacy Now representatives.</li> </ul>	<ul style="list-style-type: none"> <li>• District Literacy Plans submitted July 2008 demonstrated Boards of Education are taking steps to consult with key organizations in their communities. District Literacy Plans are being supported by the Community Literacy Planning process that was introduced to communities through the Legacies 2010 Literacy Now initiative.</li> <li>• Although there are differences in the stage of collaborative efforts between community organizations and Boards of Education, all District Literacy Plans indicate a trend toward greater consultation and joint planning.</li> <li>• Training and development work with School Districts and Community Groups has demonstrated how District Literacy Planning incorporates both the Community Literacy Planning initiatives as well as addresses the four pillars of the provincial strategic framework, ReadNow BC: early learners, school-age learners, adult learners, and Aboriginal learners.</li> </ul>

Status

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9

Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
<p><b>Recommendation 6:</b></p> <p><b>We recommend that the Ministry of Education ensure that monitoring and reporting at all levels – provincial, ministry and community – be aligned with evidence-based, qualitative and quantitative performance measures.</b></p>	<p><b>S</b></p> <ul style="list-style-type: none"> <li>Literacy Now has done analysis on the implementation of Literacy Task Groups, which includes quantitative and qualitative outcomes, indicating trends.</li> <li>B.C. participates on a Pan-Canadian research data and assessment strategy.</li> <li>The Ministry has developed and piloted an evaluation framework in eight program areas representing all levels – provincial, ministry and community. This macro-level evaluation will assist program areas in determining how well the program aligns with the objectives of ReadNow BC.</li> <li>The Ministry has established a monitoring framework that aligns core literacy measurement tools with the four pillars of ReadNow BC – early learners, school-age learners, adult learners, and Aboriginal learners – to measure progress against the targets set for each pillar.</li> </ul>	<ul style="list-style-type: none"> <li>Statistical data has been collected from 33 communities participating in community literacy planning. The information highlights increased collaboration across a variety of community sectors and increased inclusion of literacy in social planning. This is leading to increased collaboration between community planning tables and school districts and an increase in literacy programs.</li> <li>B.C. has established and is participating in a group reporting to the Canadian Education Statistics Council (CESC) that focuses on Pan Canadian literacy research. One of the significant outcomes expected from our engagement is to develop more efficient and effective ways of using the International Adult Literacy Skills Survey data to improve literacy programs and policy.</li> <li>The evaluation framework will set the standard expectation around program/initiative evaluation and data collection. The information collected will tell the story of program objectives, efforts and resources, progress towards achievement of objectives, and areas for improvement. Development of framework completed in January 2009. Further evaluation of 10 additional programs areas will take place in spring 2009.</li> <li>First cycle of reporting to be completed in February 2009. Based on results from the measurement tools, the monitoring framework summarizes quantitative data to capture progress at all levels, including provincial, regional and community. The monitoring framework is updated and analyzed against current demographics as data becomes available to ensure that progress</li> </ul>

Status

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10



Self-Assessed Status	Actions Taken Since Report Issued	Results of Actions and/or Actions Planned (with information on implementation)
	<ul style="list-style-type: none"> <li>ALMD's Adult Literacy Assessment and Reporting Initiative supports this recommendation as well.</li> </ul>	<p>is being made towards the aggressive targets which have been set for each pillar.</p> <ul style="list-style-type: none"> <li>See recommendation #4.</li> </ul>
<p><b>Recommendation 7:</b></p>		
<p><b>We recommend that the Boards of Education work with the key stakeholders within their communities to: 1) measure progress and adjust strategies as necessary to meet local needs; and 2) report annually on the progress they make within their communities in achieving the literacy objectives identified in the community literacy plans.</b></p>		
<p><b>F</b></p>	<ul style="list-style-type: none"> <li>In 2007, new provincial Superintendents of Achievement were appointed by the Province to report and make recommendations on improving student achievement.</li> <li>Boards of Education submitted their first annual District Literacy Plans. Boards of Education will report annually on their progress towards achieving literacy objectives identified in Community and District Literacy Plans.</li> <li>There are 90 task groups, representing more than 300 communities, working collaboratively with school districts to ensure that community assets and literacy challenges are addressed.</li> </ul>	<ul style="list-style-type: none"> <li>Superintendents of Achievement ensure that Boards of Education are focused on literacy and that Boards report annually on progress.</li> <li>Boards of Education submitted their first annual District Literacy Plans on July 15, 2008. District Literacy Plans will be submitted annually. District Literacy Plans are living documents which are continually updated as goals/objectives/strategies/outcomes change and evolve. These documents also enable school districts to annually evaluate on progress towards their goals. This action is ongoing.</li> <li>This action is ongoing.</li> </ul>
<p><b>Recommendation 8:</b></p>		
<p><b>We recommend that the government issue a province-wide annual public report on its progress in achieving its literacy goals and objectives.</b></p>		
<p><b>P</b></p>	<ul style="list-style-type: none"> <li>An annual report on progress is under development.</li> </ul>	<ul style="list-style-type: none"> <li>This action is in progress.</li> </ul>

Status

F or S – Recommendation has been fully or substantially implemented  
P – Recommendation has been partially implemented  
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding  
NA – No substantial action has been taken to address this recommendation

