

Report 7: October 2011

## FOLLOW-UP REPORT: UPDATES ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM RECENT REPORTS

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**Auditor General**  
of British Columbia



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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:

As mandated under Section 11 of the Auditor General Act, I have the honour to transmit to the Speaker of the Legislative Assembly of British Columbia my 2011/2012 Report 7: *Follow-up Report: Updates on the implementation of recommendations from recent reports*.

This report includes 11 self-assessments from audited entities and two progress assessments. It also includes a cumulative update on the implementation of all recommendations covered by my Office's follow-up reports since April 2009.

Of the 273 recommendations included in the cumulative update, 74% have been addressed. 64% have been fully or substantially implemented and 10% were addressed through alternative action by the respective agency.

As always, I will continue to follow up on recommendations that are only partially implemented or where no substantial action has been taken.

John Doyle, MAcc, CA  
Auditor General

Victoria, British Columbia  
October 2011

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# AUDITOR GENERAL'S COMMENTS



**JOHN DOYLE, MAcc, CA**  
Auditor General

**ON BEHALF OF THE** Select Standing Committee on Public Accounts, I ask audited agencies to provide progress updates every six months regarding the implementation of the recommendations made in my Office's reports.

This is the seventh follow-up report issued during my term and it includes new updates on 13 pieces of work, as well as a cumulative update on the implementation of all recommendations covered by my Office's follow-up reports since April 2009 (page 5). The cumulative chart provides a rolling three-year progress update.

Of the 273 recommendations included in the cumulative update, 74% have been addressed. 64% have been fully or substantially implemented and 10% were addressed through alternative action by the respective agency. As this is the first time that the three-year cumulative chart has rolled old reports off (some with a large number of recommendations) as well as added new reports on, I anticipate greater shifts in our results given the increased volatility. Since October 2008 when my Office began follow-up reports of this nature, 84% of recommendations have been addressed.

Three of the recommendations on which no substantial action has been taken were made in our report *School District 35 – Langley (Summary Report, December 2010)*. However, another three recommendations from this report were self-assessed as being “fully or substantially implemented” and the remaining three recommendations have been “partially implemented.” I am encouraged by the positive progress of the board and senior management of Langley School District 35, but also recognize that there is still some way to go. I will continue my Office's ongoing working relationship with the district's board and senior management as its external auditor, and will follow up on all of our 2010 report recommendations in one year to give the new board members time to acclimatize.

Five of nine recommendations from our September 2010 report *Audit of the Agricultural Land Commission* have yet to be addressed and four are only partially implemented. I am disappointed that the ALC has made

negligible progress on implementing the recommendations. Although the Chair of the ALC also provided a report of his strategic vision for the ALC to government in November 2010, government has not yet provided direction to the ALC. I will seek further information on the implementation status of these recommendations in the near future and report on this in my April 2012 follow-up report.

Finally, I acknowledge and commend the Ministry of Transportation and Infrastructure for including specific completion dates for implementing the nine outstanding recommendations detailed in *Upkeep of the Provincial Roads Network by the Ministry of Transportation and Infrastructure* (November 2010). I look forward to following their timeline and seeing their progress.

The results of the 11 reports for which we recently requested self-assessments from the audited entity are summarized in a chart on page 7. Eight of these were initial follow-ups, containing a total of 48 recommendations, and three were subsequent follow-ups. Of the 62 total recommendations, 23% are fully or substantially implemented or have been addressed through alternative action, 61% are partially implemented and 16% have yet to be substantially addressed. I note in this particular report that there is a vast increase in the number of recommendations that are “partially implemented” or that have “yet to be substantially addressed.” I appreciate that some recommendations require a longer period to address, but would expect that by the *April 2012 Follow-up Report* (a minimum of one and a half to two years since the release of the original report) that the majority of these recommendations will be “fully or substantially implemented.”

As always, I will continue to follow up on recommendations that are only partially implemented or where no substantial action has been taken. For a list of reports currently in the follow-up stage, please see Appendix A.

As explained on page 4, one format for follow-up work is a progress assessment. This report includes two progress assessments, the first of which provides an update on *Hand Hygiene: Self-Assessment* from our December 2010 *Summary Report*. This assessment is on page 43. The second progress assessment concerns *Electronic Health Record Implementation in British Columbia*. Since the report's initial release in February 2010 we have published links to the government's quarterly *eHealth Quarterly Status Report*. Our recent work on this issue and future plans are outlined on page 42.

As always, I invite Members of the Legislative Assembly — particularly members of the Public Accounts Committee — and other readers to

provide feedback about which general areas or specific responses warrant further work.

With 74% of 273 recommendations addressed, follow-up reports demonstrate the positive results that can and will continue to be achieved through the audit and review processes.

My thanks to the participating agencies, both for providing updates when requested and for their work in implementing these recommendations.

John Doyle, MAcc, CA  
October 2011

## COORDINATING TEAM

Heather Walker  
*Research Analyst*

Colleen Rose  
*Manager, Communications*



# AN EXPLANATION OF THE FOLLOW-UP PROCESS

**THE AUDITOR GENERAL'S REPORTS** often contain recommendations, specific to each audit topic, to improve the management of government resources and responsibilities. The number of recommendations varies with each audit, depending on the subject matter and the findings. The audit team discusses these recommendations with the audited organization before the report is published and encourages the organization to begin addressing them right away. The Public Accounts Committee (PAC) also reviews the recommendations and reports annually to the Legislative Assembly.

Follow-ups are a necessary process for ensuring that recommendations are addressed and that British Columbians receive full value from the Auditor General's work. On behalf of PAC, the Office of the Auditor General (the Office) follows up with agencies in varying formats, including action plans, agency self-assessments, progress assessments and progress audits.

## ACTION PLANS

Agencies are asked to provide an action plan describing how they will implement the recommendations and by when. If the action plan is not available in time to publish in the report as part of the agency's formal response to the report, we post it on our website alongside the audit report once it is received.

## SELF-ASSESSMENTS

Since October 2008, the Office has issued semi-annual follow-up reports such as this one. These reports are comprised of self-assessments by previously audited agencies. In their own words, agencies describe the progress they have made in implementing the Auditor General's recommendations and their plans going forward. We publish these submissions unedited and in their entirety so that readers can assess for themselves whether progress is satisfactory.

The initial follow-up is conducted approximately one year after the report is issued, often sooner for information technology reports because technology changes so quickly, as well as for urgent matters or where organizations had the opportunity to address significant issues in advance of the report's release. The Auditor General expects that most recommendations will be cleared in the initial follow-up.

Subsequent follow-ups may be required on outstanding recommendations or certain key recommendations that have not been satisfactorily addressed. Published within one year of the initial follow-up, subsequent follow-ups are also unedited self-assessments from the agency. In order to remain relevant, successive follow-ups where necessary will be conducted generally up to a maximum of two years.

## PROGRESS ASSESSMENTS

A third form of follow-up involves assessing the organization's self-assessment of certain recommendations to confirm their reliability. The results of progress assessments are published in the next available semi-annual follow-up report.

## PROGRESS AUDITS

The fourth form of follow-up is the progress audit whereby audit level assurance is provided as to the validity of the entity's self-assessments. This involves conducting the entire audit again. Given the resources required to complete this form of assessment, the Office has yet to conduct work of this nature and would only do so when prudent.

As always, your comments and feedback regarding the follow-up process are encouraged. Contact the Office of the Auditor General of British Columbia at [bcauditor@bcauditor.com](mailto:bcauditor@bcauditor.com).

# CUMULATIVE TOTALS OF RECOMMENDATIONS MADE IN APRIL 2009 - OCTOBER 2011 FOLLOW-UP REPORTS

Report	Report Initially Released	Number of Recommendations in Report	Cumulative Status of Recommendations			
			Fully or Substantially Implemented	Alternative Action Taken	Partially Implemented	No Substantial Action Taken
<b>Education</b>						
Literacy: Creating the Conditions for Reading and Writing Success	Feb 2008	8	7		1	
A Major Renovation: Trades Training in British Columbia	Nov 2008	11	10		1	
Planning for School Seismic Safety	Dec 2008	7	1		6	
<b>Finance</b>						
An Audit of Joint Solutions Procurement and the Revenue Management Project	Apr 2008	8	6	2		
BC Arts Council Grant Administration	Dec 2008	9	6		3	
Management of Working Capital by Colleges and School Districts	Aug 2010	4		1	3	
Managing Fraud Risks in Government	Aug 2010	1			1	
Infrastructure Grants	Aug 2010	5	5			
Year-End Government Transfer Expenditures	Aug 2010	3			3	
<b>Environment</b>						
Preventing Fatalities and Serious Injuries in B.C. Forests: Progress Needed	Jan 2008	15	9	5	1	
Removing Private Lands from Tree Farm Licenses 6, 19 & 25: Protecting the Public Interest?*	Jul 2008					
Oil and Gas Site Contamination Risks: Improved oversight needed	Feb 2010	9	5		4	
Conservation of Ecological Integrity in B.C. Parks and Protected Areas	Aug 2010	7	1	1	5	
Audit of the Agricultural Land Commission	Sep 2010	9			4	5
<b>Governance &amp; Accountability</b>						
Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos	Jul 2005	13	12	1		
Strengthening Accountability in British Columbia: Trends and Opportunities in Performance Reporting	Apr 2008	5	5			
Public Participation: Principles and Best Practices for British Columbia	Nov 2008	1		1		
How Are We Doing? The Public Reporting of Performance Measures in British Columbia	Dec 2008	4	4			
British Columbia Crown Corporations Executive Compensation Arrangements: A Work in Progress	Nov 2009	8	7	1		
School District 35 - Langley	Dec 2010	9	3		3	3

\*Formal recommendations were not made in the TFL report; however, the Ministry's update notes improvements in documentation, public consultation and communication - consistent with our Public Participation Report.

continued on next page

# CUMULATIVE TOTALS OF RECOMMENDATIONS MADE IN APRIL 2009 - OCTOBER 2011 FOLLOW-UP REPORTS

continued...

Report	Report Initially Released	Number of Recommendations in Report	Cumulative Status of Recommendations			
			Fully or Substantially Implemented	Alternative Action Taken	Partially Implemented	No Substantial Action Taken
<b>Health</b>						
Interior Health Authority: Working to Improve Access to Surgical Services	Aug 2008	12	8	2	2	
Electronic Health Record Implementation in British Columbia	Feb 2010	1	1			
<b>Information Technology</b>						
Managing Access to the Corrections Case Management System**	Mar 2008	9	9			
Managing Government's Payment Processing	May 2008	34	26	4	4	
Wireless Networking Security in Victoria Government Offices: Gaps in the Defensive Line	Feb 2009	4	4			
The PARIS System for Community Care Services: Access and Security	Feb 2010	10	9		1	
Wireless Networking Security in Government: Phase 2	Mar 2010	17	13	1	3	
IT Continuity Planning in Government	Apr 2010	9	6		2	1
<b>Social Services</b>						
Management of Aboriginal Child Protection Services: Ministry of Children and Family Development	May 2008	10	4	6		
Home and Community Care Services: Meeting Needs and Preparing for the Future	Oct 2008	10	9		1	
Homelessness: Clear Focus Needed	Mar 2009	7	1	1	5	
<b>Transportation</b>						
Changing Course - A New Direction for British Columbia's Coastal Ferry System: A Review of the Transformation of BC Ferries	Dec 2006	3	1	2		
Switching Tracks: A Review of the BC Rail Investment Partnership	Mar 2007	1	1			
Upkeep of the Provincial Roads Network by the Ministry of Transportation and Infrastructure	Nov 2010	10	1		8	1
<b>Total Recommendations</b>		<b>273</b>	<b>174</b>	<b>28</b>	<b>61</b>	<b>10</b>
<b>Percentage of Total Recommendations</b>			<b>63.7%</b>	<b>10.3%</b>	<b>22.3%</b>	<b>3.7%</b>

\*\* 92 recommendations were made in the detailed management report. Due to the sensitivity of the information involved, the public report contained only nine summarized recommendations.

# SUMMARY STATUS OF RECOMMENDATIONS FROM OCTOBER 2011 FOLLOW-UP REPORT

				Status of Recommendations			
	Report	Report Initially Released	Number of Recommendations in Report	Fully or Substantially Implemented	Alternative Action Taken	Partially Implemented	No Substantial Action Taken
<b>Initial Follow-ups</b>							
1	Management of Working Capital by Colleges and School Districts	Aug 2010	4		1	3	
2	Managing Fraud Risks in Government	Aug 2010	1			1	
3	Infrastructure Grants	Aug 2010	5	5			
4	Year-End Government Transfer Expenditures	Aug 2010	3			3	
5	Conservation of Ecological Integrity in B.C. Parks and Protected Areas	Aug 2010	7	1	1	5	
6	Audit of the Agricultural Land Commission	Sep 2010	9			4	5
7	Upkeep of the Provincial Roads Network by the Ministry of Transportation and Infrastructure	Nov 2010	10	1		8	1
8	School District 35 - Langley	Dec 2010	9	3		3	3
<b>Subsequent Follow-ups</b>			Number of Outstanding Recommendations After Previous Follow-up Report	Status of Recommendations			
				Fully or Substantially Implemented	Alternative Action Taken	Partially Implemented	No Substantial Action Taken
9	Planning for School Seismic Safety	Dec 2008	6			6	
10	Wireless Networking Security in Government: Phase 2	Mar 2010	5	1	1	3	
	Government		2			2	
	Simon Fraser University		2		1	1	
	British Columbia Institute of Technology		1	1			
11	IT Continuity Planning in Government	Apr 2010	3			2	1
<b>October 2011 Follow-up Total Recommendations</b>			<b>62</b>	<b>11</b>	<b>3</b>	<b>38</b>	<b>10</b>
<b>Percent of Total Recommendations</b>				<b>17.7%</b>	<b>4.8%</b>	<b>61.3%</b>	<b>16.1%</b>



## Management of Working Capital by Colleges and School Districts

Released: [August 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [October 2010 Transcript](#)

### Self-assessment conducted by the Ministry of Finance, Ministry of Education and Ministry of Advanced Education

- The Ministry of Education and Provincial Treasury (Ministry of Finance) have formed a working group with school district officials to build a cash management strategy which deploys cash balances in a manner which reduces government debt and related debt service costs and centralizes investment management. Development of a working business model is targeted for December 2011.
- The Ministry of Education, in partnership with School Districts, has made progress in raising awareness of the need for more effective management of working capital. Effective April 2010, the ministry implemented a new cash disbursement model to ensure the timing of grant payments better match the cash requirements of school districts. As a result, the Ministry of Education has reduced its average yearly draw on provincial debt, potentially reducing debt servicing costs for Government. In addition, the Ministry has encouraged school districts to utilize unspent grants received from Government in prior years. Results to date indicate lower cash balances.
- The Ministry of Advanced Education (AVED) has conducted additional research into the college sector's cash-flow requirements, cash management and investment policies. AVED has confirmed the college sector has multiple working groups that share information, collaborate on issues and ensure effective and efficient financial management. AVED also found the sector's cash flow requirements vary depending on an institution's size, geographic location, number of campuses, regional economy and reliance on provincial funding. Individual institution's tuition and other revenue collection policies also significantly influence when revenues are received. AVED is continuing to review this data and will work with the Ministry of Finance regarding a cash management strategy for this sector.
- AVED has also explored investment options for the Colleges' individual operating accounts with the BC Investment Management Corporation (bcIMC). While the college sector has prudent investment management practices in place, AVED is working to determine post-secondary sector best practices and will supplement the "Investment Governance: Good Practice Checklist" as appropriate.

## Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 1:</b> Government should review how the accountability frameworks and the mechanisms for delivering funds interact to influence decision making in colleges and school districts around working capital management. The framework should be designed so that appropriate incentives are in place to encourage good working capital management.</p>	<p><b>Partially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>The Ministry of Education has modified the timing of grant payments to better match cash requirements of school districts. A working group of representatives from Government and the BC Association of School Business Officials (School District Secretary-Treasurers) has been struck. The purpose of the working group is to improve cash management between Government and the K-12 sector. Through this group, incentives to encourage good working capital management are being investigated.</p> <p>The Ministry of Advanced Education is working with Treasury Board Staff on a review of the fiscal accountability framework for the post-secondary sector to simplify it and ensure an appropriate operating environment for the post-secondary sector once Public Sector Accounting Board standards take effect April 1, 2012. The impact on cash management will be considered as part of this review.</p> <p>The Ministry of Finance will provide assistance to the Ministries of Education and Advanced Education on implementing cash management strategies.</p>	

## Recommendations (Cont.)

**Recommendation 2:** Government should pursue opportunities to access and reduce excess liquidity in colleges and school districts. For example, the timing of payments could be aligned with forecasted operating cash flow requirements and excess cash could be deposited with central government in order to improve investment returns or reduce government borrowing costs. **Partially implemented**

### Actions taken, results and/or actions planned

Provincial Treasury (Ministry of Finance) and the Ministry of Education presented to Treasury Board and obtained a mandate to collaborate with school districts on a new liquid and safe cash management strategy which provides school districts with ability to deposit their cash with the province in exchange for compensation. The objective is to reduce the province's debt burden without impacting school governance, budgets and ownership of the cash and keeping districts "whole". Development of a working business model is targeted for December 2011 with Treasury Board guidance on implementation sought as necessary. Based on the results of this collaborative effort, the Ministry of Advanced Education will consider rolling it out to entities in its sector.

The Ministry of Education has taken the following actions:

- Effective April 1, 2010, Annual Facility Grants flow to school districts only when cash is required by the school district to pay for maintenance of school buildings.
- Effective July 1, 2010, Operating Grants flow to school districts on a more timely basis to better match cash requirements of school districts. This new approach to funding school districts prevents school district working capital balances from accumulating. Also other grants, such as the Pay Equity grant, are disbursed over the entire school year to match payroll expenses.

To improve understanding of college sector cash flow requirements, the Ministry of Advanced Education obtained 2010/11 cash flow information from twelve institutions. While some trend analysis is possible from the data, there are some key data challenges which hinder the ability to draw specific cash flow conclusions for the sector as a whole. For example, cash flow requirements will vary depending on an institution's size, geographic location, number of campuses, regional economy and reliance on provincial funding. Individual institution's tuition and other revenue collection policies also significantly influence when revenues are received. The current requirement for institutions to balance annual financial results influences the level of cash that must be retained in order to offset non-cash expenditures (such as amortization).

AVED is continuing to review this data. This analysis will be considered in the context of the above note cash management strategy.

**Recommendation 3:** Government should pursue opportunities to improve investment management either by centralizing the management of investments or by providing clear direction and support to colleges and school districts. **Partially implemented**

### Actions taken, results and/or actions planned

The Ministry of Finance has developed and published "Investment Governance: Good Practice Checklist" on its website (under Treasury Board Staff, Crown Agency Resource Office, Guidelines and Publications). The checklist is a guide to assist readers with a better appreciation of prudent practices as generally applied in the investment field. The checklist has been forwarded to the attention of SUCH sector ministries and Crown corporations. The cash management strategy described in the response under Recommendation 2 above contemplates centralizing investment management of cash and temporary investments with the province.

To improve understanding of institutions' investment management practices, the Ministry of Advanced Education requested the college sector to provide details on investment policies. Some college sector institutions either have no- or low-value investments. Those that have regular long-term investments, or endowment funds, have board-approved policies in place and generally use external investment management firms. Ministry of Advanced Education staff are working with the three largest post-secondary institutions to better understand the accounting for investments and overall investment management strategies. Information from this exercise will be used to supplement the "Investment Governance: Good Practice Checklist" as appropriate.

## Recommendations (Cont.)

**Recommendation 4:** Government should consider pursuing opportunities to allow colleges and school districts to share purchasing power and investment expertise they do not all have at present. **Alternative action taken**

### Actions taken, results and/or actions planned

The cash management strategy described under Recommendation 2 contemplates investment management of cash and temporary investments with the province, thus minimizing requirements for investment expertise. This initiative may result in banking fees increasing to cover lower cash on deposit with the banks. Provincial Treasury (Ministry of Finance) will monitor and assess opportunities with the school districts for beneficially leveraging government and sector-specific purchasing power.

The Ministry of Education has determined that many school districts currently share purchasing power. The BC Association of School Business Officials actively discusses further opportunities for school districts to share purchasing power and investment expertise. The Educational Resource Acquisition Consortium (ERAC), a consortium of BC public school districts and independent schools, works together to cooperate on learning resource evaluations and purchases, in order to realize process efficiencies to generate financial savings. Further opportunities for shared services across school districts will be investigated.

The Ministry of Advanced Education (AVED) has subsequently explored investment options for the Colleges' individual operating accounts with the BC Investment Management Corporation (bcIMC). bcIMC has advised AVED that yields on money market securities have declined considerably from the yields referenced in the OAG report. In addition, as is customary with many investment managers, bcIMC applies a minimum fee to each individual client account in order to ensure that it recovers its costs in servicing very small accounts. Given these two factors, after careful review, AVED has concluded that using bcIMC, or another investment manager, at this particular time, would not be the most cost-effective option to manage all of the individual cash accounts. AVED will continue to monitor and review their investments, seeking to maximize the return on cash balances, while taking into careful consideration liquidity requirements, risk tolerance, and efficiency of operations.

The college sector collaborates on many financial initiatives, including optimizing purchasing power through a number of working groups, organizations and sharing agreements, such as:

- Higher Education Information Technology BC (HEIT BC), which is a consortium of 23 BC public colleges and universities that negotiates and manages software licensing agreements and bulk purchasing (estimated to provide discounts ranging from 30-40%); and
- The Education Cooperative Purchasing Group (EDCO), which is a consortium of 22 school districts and post-secondary institutions in Greater Vancouver that promotes inter-institutional financial co-operation and joint supply agreements.



## Managing Fraud Risks in Government

Released: [August 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [November 2010 Transcript](#)

### Self-assessment conducted by the Ministry of Finance

The Office of the Auditor General’s report which prescribes the adoption of strategies necessary to build a robust fraud risk strategy in the provincial government is currently being considered as a practical guide in the approach to managing fraud risks in government.

While substantial progress has been made in some areas, we recognize that additional effort and re-allocation of existing resources may be required in other areas. Accordingly, we have assessed our overall status as partially implemented.

### Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 1:</b> Government adopt the five fraud risk management principles we have drawn up and use them as the basis for developing and implementing a comprehensive fraud risk management strategy.</p> <p>Principle 1: Government should have a well-developed understanding of the fraud risk inherent in its programs</p> <p>Principle 2: Fraud risk in government should be managed through clear roles and responsibilities</p> <p>Principle 3: Government should have appropriate preventative and deterrence measures in place and regularly monitor their performance</p> <p>Principle 4: Government should have appropriate detective, investigative and disciplinary procedures in place and regularly monitor their performance</p> <p>Principle 5: Government should have appropriate reporting procedures in place to communicate the results of its fraud risk management activities to its stakeholders</p>	<p><b>Partially implemented</b></p>

### Actions taken, results and/or actions planned

Work has commenced on the development of a robust Fraud Policy which will further clarify responsibilities for fraud detection, prevention and reporting, as well as the consequences of fraudulent behaviour. The new policy will also provide the necessary direction to ministries to ensure they are well equipped to effectively respond and manage any fraud risks that may arise.

These efforts are in addition to the current provisions in Government’s core policies and procedures which describe the ministries’ requirement for reporting suspected fraud to the Office of the Comptroller General, as well as internal policies and procedures in those ministries that currently have a specialized investigative function.

Improvements have also been made in the reporting and coordination of fraud and loss incidents with recent enhancements to a centralized loss reporting mechanism. These enhancements enable key stakeholders including IAAS, Risk Management Branch, central agencies and ministries to access critical information which is essential to effectively coordinate government’s fraud response and recovery efforts.

Although Government recognizes that fraudulent activities could be further deterred by increased reporting to the public, there are practical and legal limitations to doing so, as matters are frequently before the courts and disclosure is prohibited.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Infrastructure Grants

Released: August 2010

1st Follow-up: October 2011

Discussed by the Public Accounts Committee: November 2010 Transcript

### Self-assessment conducted by the Ministry of Community, Sport and Cultural Development and Ministry of Transportation and Infrastructure

Both the Ministry of Community, Sport and Cultural Development (MCSCD) and the Ministry of Transportation and Infrastructure (MOTI) have taken several actions to address the OAG's recommendations. Key Initiatives include:

#### Provincial Programs:

- improved public reporting;
- development and tracking of quantified performance measures;
- development of the Local Government Information System (an online database);
- improved documentation for program procedures and risk management;
- program and financial compliance audit plans for provincial programs.

#### Joint Federal/Provincial Programs

- developing public website to highlight projects.
- improved documentation for program procedures and risk management.
- enhancement of coordination and procedures with federal partners to ensure federal and provincial funding sources are identified, reconciled and are in compliance with terms of agreements and guidelines.

## Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<b>Recommendation 1:</b> Specific, measurable, outcome-oriented goals be set for each program so that the ministry can develop benchmarks and collect appropriate information to publicly report program results.	<b>Fully or substantially implemented</b>

### Actions taken, results and/or actions planned

In 2010 MCSCD made available online Program Progress Reports for the LocalMotion and Towns for Tomorrow programs. The Program Progress Reports publicly report on the status of the programs and the projects which they support. MCSCD has prepared similar annual public progress reports for all provincial only capital grant programs. Performance measures are now included in these reports. The newly developed reports and updated 2011 reports for LocalMotion and Towns for Tomorrow are available on program websites. To view Program Status Reports for LocalMotion and Towns for Tomorrow, go to:

- [www.localmotion.gov.bc.ca/progress\\_report.html](http://www.localmotion.gov.bc.ca/progress_report.html) and
- [www.townsfortomorrow.gov.bc.ca/progress\\_report.html](http://www.townsfortomorrow.gov.bc.ca/progress_report.html)

Although there are challenges in creating quantifiable performance measures for provincial programs that fund projects as diverse as bike lanes, sewage treatment plants and community centre retrofits, MCSCD will refine its goal-setting and performance measures tracking for future programs.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

(Cont.)

MCSCD is currently developing the Local Government Information System (LGIS) which will help with public reporting on program progress and results. This online database will collect information that will assist in a broad range of public reporting including MCSCD's Service Plan, provincial Program Progress Reports and reports generated by the federal government for federal/provincial programs.

MCSCD is also involved with the development of internal financial and infrastructure benchmarking initiatives which will support the development of future programs and identification of realistic, quantifiable, outcome-orientated goals when future funding opportunities are identified and programs developed.

Both MCSCD and MOTI will continue to work with their federal partners in the development of more specific program measures and goals for future joint programs, keeping in mind the need for measures that can be applied Canada-wide and which address a diverse range of topics.

MOTI is developing a public website that will provide project information for projects throughout the province. The intention is to allow citizens the ability to easily find information. The website will highlight ministry projects, including joint federal/provincial projects.

Both Ministries will continue to report project progress information to their federal partners, who provide periodic updates on Canada's Economic Action Plan. Ongoing public announcements are made jointly with municipal and federal partners on a project by project basis rather than by program. These announcements provide the public with information on the project, completion and benefits. In addition, existing program websites will continue to provide an online location for the public to access program and project information.

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<b>Recommendation 2:</b> Ministries employ principles of proper records management including retaining records for the complete legislated retention period and documenting risk assessments, reasons for funding decisions and reviews of expenditure claims and progress reports.	<b>Fully or substantially implemented</b>
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### Actions taken, results and/or actions planned

With one exception noted in the report, both Ministries maintain full records for all infrastructure programs, both electronically and in paper form. While clear eligibility and evaluation criteria were established for the first year of the LocalMotion program, some elements of the assessment process were not well documented. MCSCD recognized improvements were necessary and adopted a fully documented process for the subsequent years of that program.

Additionally, both Ministries are taking action to enhance existing risk management documentation including development of a comprehensive risk management protocol which pulls together all existing risk management measures into a consolidated document. The draft document is complete and is scheduled for finalization by Fall 2011.

A new project-by-project risk assessment tool has also been established. MCSCD piloted it in the recent Towns for Tomorrow application assessments.

Finally, decision records for Towns for Tomorrow were developed and implemented for the 2011 approval process. Where required, this procedure will be implemented for future provincial only programs. This procedure is already in place for federal/provincial programs.

All programs have in place effective procedures and documentation for the review of expenditure claims. Procedures for the review of progress reports have been updated to ensure consistent documentation across all programs.

Both provincial and federal staff have undertaken site visits to a number of joint federal/provincial projects over the past year including MRIF and BCF projects. Site visits will continue for the duration of the Canada/BC programs.

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# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 3:** Procedures be established to enable the Province to reconcile sources of federal and provincial funding for each project, in this way ensuring compliance with Canada/British Columbia cost-shared agreements and provincial program funding guidelines.

**Fully or substantially implemented**

### Actions taken, results and/or actions planned

The Ministries have enhanced coordination and procedures with federal and provincial partners to ensure federal and provincial funding sources are identified, reconciled and are in compliance with terms of agreements and guidelines. The Ministries continue to draw attention to the program guides, application forms and claim reporting documents that address funding guidelines. The Final Report form has been updated to ensure recipients document the sources of federal and provincial funding received for a project. This allows the Ministries to identify and address any potential compliance issues prior to release of the final payment.

The federal/provincial Joint Secretariat has committed to develop a procedural guide that will support both federal and provincial staff in ensuring compliance with federal/provincial cost-shared agreements, the Gas Tax fund, and provincial program funding guidelines. Deliverable is expected in Fall 2011. Western Economic Diversification, MCSCD, MOTI and the Union of British Columbia Municipalities are collaborating on the guide.

**Recommendation 4:** An overall plan for monitoring projects be established for provincial programs. It should include the audit of a sample of projects annually, particularly all higher risk/or higher value projects, to ensure that only claims for valid expenditures are paid, and projects are completed as required.

**Fully or substantially implemented**

### Actions taken, results and/or actions planned

As recommended, MCSCD initiated financial compliance audits for provincial only programs similar to those found in the federal and provincial funding programs. All infrastructure programs have monitoring procedures, a claims process based on eligible costs, and quarterly and final progress reporting.

Additionally, a comprehensive program wide audit plan was developed and implemented for provincial programs and carried out by the Office of the Comptroller General (OCG). The initial draft audit report and fact-finding has been received by MCSCD and comments have been shared with the OCG. A final draft is expected by the end of August, 2011. The purpose of the audit, beyond meeting the OAG recommendations, was to:

- provide reasonable assurance to MCSCD's executive that individual project costs financed under the program comply with the terms and conditions of the agreement and that all project costs are supported by appropriate documentation; and
- to assess whether local governments' procurement practices support the principles of fairness, transparency and competitiveness and measurable program benefits have been achieved.

Since the report is still in draft form, providing comments on the outcomes is premature. However, some of the facts identified in the report are worth sharing at this time. The report identified greater than 98% financial compliance with the expenditures/claims reviewed. The audit's recommendations note that after deductions of ineligible costs, many recipients would still claim the maximum grant amount. The report identifies that programs and projects are being well managed and that value for money is being achieved. The report also identified a need to improve performance measures which MCSCD has now addressed in the 2011 Program Progress Reports.

Additionally MCSCD is re-instating its site-visit practices to enhance accountability and risk management of all programs/projects.

Both Ministries continue to perform financial compliance audits on all of its federal/provincial programs. The latest audit identified greater than 99% compliance with program financial requirements. Audit plans are in place for this year's recipient financial compliance audit and the Build Canada Fund - Communities Component Program audit, both of which are scheduled for completion in spring 2012.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

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## Recommendations (Cont.)

**Recommendation 5:** In keeping with good financial management practices, government not advance significant government transfers until the funds are needed by the recipient, unless the results of a cost-benefit analysis show there is a net benefit. **Fully or substantially implemented**

### **Actions taken, results and/or actions planned**

MSCSD will continue to evaluate the costs and benefits of advance payments and accelerated funding on a case-by-case basis.

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## Year-End Government Transfer Expenditures

Released: [August 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [November 2010 Transcript](#)

### Self-assessment conducted by the Ministry of Finance

Year-End Government transfers are not anticipated for the 2010/11 or 2011/12 fiscal years. A comprehensive review of government transfers policy and procedure is under way in the context of implementing revised guidance of the Public Sector Accounting Board in this area. Revised policy will be implemented for fiscal year 2012/13 and will address the recommendations.

### Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 1:</b> In keeping with good financial management practices, government not advance significant government transfers until the funds are needed by the recipient, unless the results of a cost-benefit analysis show there is a net benefit.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>Subject ministries have reviewed transfer programs and where appropriate are transferring funds when required by recipients.</p>	<p><b>Partially implemented</b></p>
<p><b>Recommendation 2:</b> All transfer agreements include appropriate accountability requirements and provisions to recover or re-direct any funds not spent for the intended purposes.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>Subject ministries have reviewed transfer programs and where appropriate ensure accountability requirements and provisions are included in transfer agreements.</p>	<p><b>Partially implemented</b></p>
<p><b>Recommendation 3:</b> Government ensure that government transfers are recorded consistently to provide better information for financial management and decision making.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>The financial community has been engaged to provide greater understanding of the definitions in current government transfer guidance, as well as the direction of new guidance implemented in fiscal year 2012/13.</p>	<p><b>Partially implemented</b></p>

## Conservation of Ecological Integrity in B.C. Parks and Protected Areas

Released: [August 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [December 2010 Transcript](#)

### Self-assessment conducted by the Ministry of Environment

Overall, BC Parks has been making good progress regarding the seven recommendations made by the OAG in last year's performance audit on the ecological integrity of parks and protected areas. For this self-assessment, we have included the original ministry response to each of the recommendations in the first paragraph. The second paragraph outlines our progress to date on the commitments made in our response. As noted below, BC Parks' commitment to a couple of the recommendations are in the process of being finalized, the bulk are well under way and a couple are in early stages.

### Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 1:</b> The ministry update its BC Parks Program Plan so that it includes clarification of ecological integrity and performance targets that adequately address the ministry's goal of proactive stewardship of ecological integrity.</p>	<p><b>Alternative action taken</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>Ministry response: The BC Parks Program Plan will include a definition of ecological integrity and will clarify how ecological integrity will be considered at a system level as well as an individual protected area level. The program plan performance measures will be updated by the spring of 2011.</p> <p>The existing BC Parks Program Plan is due for a complete update in 2012. As a result, BC Parks will be ensuring that ecological integrity is defined, context is provided and performance targets are included in the new program plan so long as the direction related to ecological integrity is maintained as a key goal of the agency. In the meantime, BC Parks has prepared a definition of ecological integrity that is relevant to the agency, provided context of where it is used as a goal of park management and a number of performance indicators. In the absence of a revised Program Plan, the ADM will be sending a memo to all staff in early September with this information as interim direction until a new program plan is developed.</p>	
<p><b>Recommendation 2:</b> The ministry complete the strategic direction and procedural guidelines for its Conservation Management Program and ensure that the Conservation Program policies are consistently upheld.</p>	<p><b>Partially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>Ministry response: BC Parks Conservation Management policy will be updated by the end of the 2011/12 fiscal year.</p> <p>Policy review has been initiated. While we are fully committed to fulfilling the ministry's commitment to this recommendation, we are anticipating that we may need to extend this work beyond March 2012 due to the large scope of this work and the need to have full staff buy in for successful implementation. We are currently re-examining the scope of work which will result in a development of phases of policy review and new policy development. We anticipate that much of the review and updating of existing relevant policy will occur before the end of March 2012. New policy development will likely occur in 2012 and beyond.</p>	

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 3:** Government develop a plan to address current gaps in the parks and protected areas system.

**Partially implemented**

### Actions taken, results and/or actions planned

Ministry response: The Ministry will maintain the land acquisition program and ensure that ecological representation continues to be a primary consideration in the prioritization of properties. Work will continue with other provincial resource management ministries to use a variety of land management tools to manage for ecological function across regional landscapes. This includes specific identification and protection of rare and endangered habitats.

BC Parks is committed to reviewing its land acquisition criteria to ensure that ecological values are appropriately represented. The review of these criteria will occur in the Fall of 2011 with any changes to be implemented by end of March 2012.

**Recommendation 4:** The ministry obtain the information it needs in order to determine management actions for the conservation of ecological integrity and ensure that its policy of developing a five-year conservation management activities plan (research, inventory and monitoring) is met.

**Partially implemented**

### Actions taken, results and/or actions planned

Ministry response: Staff training will occur on the use of the Conservation Risk Assessment (CRA) tool and annual business plans will be updated to include targets for completion of the risk assessments. BC Parks will update its policies to reflect advancements in the CRA model. The ministry will continue to develop the Citizen Science Monitoring Program for protected areas and pilot this approach in regions in 2011/12.

The BC Parks Conservation Risk Assessment is an existing tool that holds both information about ecological values and threats to those values on a park by park basis. We have committed to updating this database and ensuring that all field staff are trained in using it which includes, adding data and using the data to assist with management decisions. Training has occurred in two locations in the winter of 2011. Once staff are retrained on the database, they will be expected to keep it up to date and use it for such things as park management planning, and annual management planning. The second major piece of work related to this recommendation is the development of a long term ecological monitoring program using citizen science. Program development is well underway with key indicators chosen for the major biomes of BC. Simple protocols for each of the indicators are being field tested this summer (winter protocols were tested in the winter of 2011). Staff testing protocols are being asked to provide feedback to ensure that protocols are easy to use and provide useful data. A data storage system is in development. Further roll out of protocols will occur in summer 2012 and beyond.

**Recommendation 5:** The ministry review and update its Master Plans Policy to clarify what type of management plan is required for each park and protected area, how ecological integrity in each area will be conserved and when each plan should be reviewed and updated.

**Partially implemented**

### Actions taken, results and/or actions planned

Ministry response: By the end of 2011/12 the Management Plan policy will be updated to reflect current approaches. This will include the shift from prescriptive to outcome based direction. Management plans will be developed and reviewed on a priority basis using a risk management approach subject to available funding.

Strategic policies for management planning have been drafted and are in the review process. Approvals and roll out for implementation are expected by end of January 2012.



# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 6:** The ministry conduct annual planning for each park and protected area to determine what actions are needed to address conservation objectives, threats and stressors, determine priorities from this plan, and monitor and evaluate action items against conservation objectives.

**Partially implemented**

### **Actions taken, results and/or actions planned**

Ministry response: BC Parks will revise the Annual Management Planning (AMP) process using best practices by the end of 2011/12. The revised process will assist the agency in identifying key priorities to undertake and include a process to evaluate and monitor progress.

A working group of BC Parks staff refined the existing Annual Management Planning process in Winter 2011 to ensure a simple and consistent approach across the province. A number of regions tested the revised process and have provided feedback. The working group will regroup in September 2011 to make any revisions. The revised process will be approved and rolled out for implementation in December 2011.

**Recommendation 7:** The ministry report periodically to the Legislative Assembly and public on how it is conserving ecological integrity in the province's parks and protected areas system.

**Fully or substantially implemented**

### **Actions taken, results and/or actions planned**

Ministry response: The ministry will consider options for enhanced reporting of parks program performance measures. The annual report published on the web will include more comprehensive information on all measurable program outcomes.

The 2010/11 Annual Report for BC Parks is being developed. It is expected that the report which includes information about the BC Parks conservation program will be released in September 2011.

## Audit of the Agricultural Land Commission

Released: [September 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [December 2010 Transcript](#)

### Self-assessment conducted by the Agricultural Land Commission

The Agricultural Land Commission (ALC) appreciates the opportunity to update the Auditor General on the progress to date in implementing the recommendations outlined in the September 2010, "Audit of the Agricultural Land Commission". The challenges facing the commission and identified in the audit continue and only modest steps have been taken to address the recommendations. The recommendations in the audit were helpful to the Chair in carrying out his review of the ALC's organization and operations in the Fall of 2010. The Minister of Agriculture asked the Chair to conduct a thorough review of ALC operations, policy, regulation and legislation to ensure the ALC continues to effectively fulfill its mandate to support farm families and enhance the integrity and sustainability of agriculture in British Columbia. The Chair's report "Review of the Agricultural Land Commission - Moving Forward: A Strategic Vision of the Agricultural Land Commission for Future Generations" was submitted to the Minister of Agriculture in November 2010. Further action on the recommendations is awaiting direction from government.

### Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 1:</b> Ensure that ALR boundaries are accurate and include land that is both capable of and suitable for agricultural use.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed for ALR boundary reviews.</p>	<p><b>No action taken</b></p>
<p><b>Recommendation 2:</b> Seek government's support to make changes that will allow it to more effectively preserve agricultural land and encourage farming through the application process.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government.</p>	<p><b>Partially implemented</b></p>
<p><b>Recommendation 3:</b> Engage in proactive long-term planning with local governments to encourage farming.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed for proactive long-term planning.</p>	<p><b>No action taken</b></p>
<p><b>Recommendation 4:</b> Work with Fraser-Fort George Regional District to address concerns it has with the District's processes.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed to properly oversee delegation agreements.</p>	<p><b>No action taken</b></p>

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 5:** Work with the Oil and Gas Commission to develop an action plan to implement the recommendations of the 2009 audit. **Partially implemented**

### Actions taken, results and/or actions planned

The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed to properly oversee delegation agreements. Discussions with the OGC have taken place.

**Recommendation 6:** Ensure that it has a sufficiently robust compliance and enforcement program. **Partially implemented**

### Actions taken, results and/or actions planned

The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. The ALC is beginning to collaborate with provincial government resource management staff through the Resource Management Coordination Project, which provides the ability to draw on C & E resources throughout the province. Also, the ALC has undertaken a preliminary assessment of the resources needed to establish a robust compliance and enforcement program.

**Recommendation 7:** Prioritize completion of the new database and finalize conversion of the original paper ALR maps into digitalized format. **Partially implemented**

### Actions taken, results and/or actions planned

The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed for database management and mapping. The original paper ALR maps have been digitized, however, they are not currently linked to the Commission's database and analysis capability is extremely limited.

**Recommendation 8:** Evaluate the collective impacts of its decisions on applications and its broader policy decisions. **No action taken**

### Actions taken, results and/or actions planned

The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed for database management.

**Recommendation 9:** Report publicly on the cumulative impacts of its decisions. **No action taken**

### Actions taken, results and/or actions planned

The Chair's report was submitted to the Minister of Agriculture in November 2010. The ALC is awaiting direction from government. Also, the ALC has undertaken a preliminary assessment of the resources needed for database management.

## Upkeep of the Provincial Roads Network by the Ministry of Transportation and Infrastructure

Released: [November 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [February 2011 Transcript](#)

### Self-assessment conducted by the Ministry of Transportation and Infrastructure

The ministry would once again like to thank the Auditor for identifying opportunities for improvements in our maintenance and preservation programs. As continual improvement is part of our ministry's culture, the Auditor's recommendations provide our organization an opportunity to reflect on these areas of our program.

The Ministry has prepared an action plan in response to the Auditor's recommendations to move us forward into the future and respond to the noted opportunities for improvement.

In the area of highway maintenance, the ministry's action plan has been developed to ensure a broad collaborative effort with our highway maintenance contracting partners and ministry staff and incorporate the information gained from that effort into the upcoming highway maintenance contract tendering process. The collaborative process is underway now and will conclude by the spring and early summer of 2012.

In the area of highway preservation the ministry has identified a team of experts in various fields to assist in determining factors that could impede our success in maintaining the infrastructure's current condition. We are also in the process of reviewing models used in other jurisdictions that may assist in promoting enhanced life cycle asset management processes.

The ministry is also considering various performance measures that may be useful in informing ministry staff, executive, legislators and the public with regard to both safety and how the ministry itself contributes to the success of our maintenance programs.

The ministry is confident that significant progress will be made during the coming fall and winter period on these initiatives.

### Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 1:</b> Identify the factors that could impede its success in meeting its road network condition standard. In addition, the ministry should periodically monitor the likely impact of such factors and determine when a comprehensive needs assessment is required to enable adjustments in condition standards, actions or funding.</p>	<p><b>Partially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p>	
<p>The ministry has established a project team of experts in various fields, such as pavements and structures, who are currently identifying factors contributing to the success of our infrastructure rehabilitation programs. The project team will then determine the frequency of monitoring of these factors to enable adjustments in condition standards or required actions.</p>	
<p>The ministry anticipates this work to be completed by December 2011.</p>	

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

<p><b>Recommendation 2:</b> Set firm but attainable timelines for each highway district to have the Central Highway Resource Information System (CHRIS) fully functional and updated with the inventory of road and bridge assets.</p>	<b>Fully or substantially implemented</b>
<p><b>Actions taken, results and/or actions planned</b></p> <p>The ministry has completed an in-depth review of the Corporate Highway Resource Information System (CHRIS) resulting in a rationalization of how and what information we maintain about both the highway network and highway fixtures located along that network.</p> <p>Information on these requirements has been communicated to all District Offices within the Ministry with the expectation that network updates will be submitted to Headquarters staff by November 2011. This will ensure system updates are completed by March 2012.</p>	
<p><b>Recommendation 3:</b> Make it a priority to complete the development of a network level life-cycle costing model to improve the estimating process used in planning for network upkeep.</p>	<b>Partially implemented</b>
<p><b>Actions taken, results and/or actions planned</b></p> <p>The ministry is reviewing life-cycle costing models that are in use by other jurisdictions. At the completion of the review a team of ministry experts will then determine if any of these models can be applied to the ministry's business to further optimize network life cycle modelling and cost estimating.</p> <p>Work is anticipated to be completed by the Fall of 2012.</p>	
<p><b>Recommendation 4:</b> Collaborate with the wider road-building industry to assess whether or not the performance incentives are effective in encouraging excellence and, if they are not, modify the system appropriately.</p>	<b>Partially implemented</b>
<p><b>Actions taken, results and/or actions planned</b></p> <p>Discussions have taken place with the Roadbuilding industry on this topic, and will continue through September of this year. This industry input will be incorporated as part of the assessment and design for the next round of Highway Maintenance Contracts.</p> <p>The ministry anticipates this work will be completed by the Spring of 2012.</p>	
<p><b>Recommendation 5:</b> Revise the stakeholder consultation part of its contractor assessment program to ensure that judging of contractor performance by ministry staff is done in a way that is clearly fair and objective.</p>	<b>Partially implemented</b>
<p><b>Actions taken, results and/or actions planned</b></p> <p>Discussions have taken place with the Roadbuilding industry on this topic with further, more detailed discussions to occur in September of this year. This industry input will be considered as an important part of the assessment and design for the next round of Highway Maintenance Contracts.</p> <p>The ministry will complete this work by the early Fall of 2012.</p>	

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 6:** Reassess its current service area configuration to determine if there are opportunities to improve efficiency. **Partially implemented**

### **Actions taken, results and/or actions planned**

The ministry has canvassed its District and Regional Offices for input that should be considered in this review and is also currently developing terms of reference and will be engaging an independent firm to review the current and future economic influences which may impact the effectiveness or efficiency of the current configuration of service areas. This work will be completed by the Fall of 2012.

**Recommendation 7:** Set safety-related performance objectives and measures for its road upkeep programs so that Legislators and the public can better assess how well the programs are contributing to the ministry-wide goal of providing a safe environment for travel. **Partially implemented**

### **Actions taken, results and/or actions planned**

The ministry is currently in the process of hiring an engineering consultant who will; assess the ministry's current safety performance measures, review practices in relation to other jurisdictions, identify other potential safety related performance measures, undertake analysis and make recommendations regarding opportunities for the ministry to adopt further safety related performance measures to better inform legislators and the public regarding the ministry road upkeep programs.

This work will be completed by March of 2012.

**Recommendation 8:** Provide the results of network-wide assessments of road and bridge condition, and options for future funding, to personnel responsible for planning and overseeing upkeep work at the district and regional levels. In addition, a summary of those results and the funding options provided should be presented to Legislators and to the public as a report card on ministry efforts at network upkeep. **Partially implemented**

### **Actions taken, results and/or actions planned**

The ministry is evaluating the practices of other jurisdictions in North America regarding both the type of condition information publically reported and the form in which it is published, to determine best practices. The ministry will use this evaluation to improve our current public reporting. The ministry currently provides condition information to staff for asset preservation planning activities.

The ministry anticipates this work will be completed by March of 2012.

**Recommendation 9:** Create a set of service-related objectives and performance measures to assess its own contributions to the success of contracted routine maintenance services. **Partially implemented**

### **Actions taken, results and/or actions planned**

The ministry has established a project team that will; assess the ministry's current service performance measures, review practices and performance measures in relation to other jurisdictions, undertake analysis and make recommendations regarding opportunities to adopt further service-related objectives and performance measures with respect to the ministry's own contributions to the success of contracted routine maintenance services.

This work will be completed by the Fall of 2012.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

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## Recommendations (Cont.)

**Recommendation 10:** Analyze customer complaints and enquiries, and use this information to identify areas for making improvements in the road upkeep programs and in results reporting.

**No action taken**

### **Actions taken, results and/or actions planned**

The ministry has established a project team that is; reviewing our current practice for receiving customer complaints and enquiries, undertaking analysis to identify opportunities for improvement, and making recommendations that will provide opportunities to use customer information to improve road upkeep programs.

This work will be completed by the Spring of 2012.

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# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## School District 35 – Langley (Summary Report)

Released: [December 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [February 2011 Transcript](#)

### Self-assessment conducted by School District 35 – Langley

In the 12 months since the Board received the Report from the Office of the Auditor General, some good progress has been made. As a first step, all Trustees agreed to the Recommendations and have come together to begin the work of implementing them. Trustees have focussed on working together, better understanding their role and responsibilities and improving the tone at the top in order to benefit the students of the Langley School District. The hiring of a new Secretary Treasurer to the District has further strengthened the Senior Management team and the Board's confidence in it's ability to fully implement the recommendations. While the Board is pleased with the progress to date, we recognize that there is more to be done and are committed to continuing to work towards full implementation.

### Recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<b>GOVERNANCE</b>	
<p><b>Recommendation 1: Board trustees develop ways to work together to effectively discharge their responsibilities.</b></p>	<p><b>Fully or substantially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>Although not fully, we feel we have substantially implemented ways to work together in order to better discharge our responsibilities. Trustees have participated in BCTSA Pro-D, have reviewed the OAG's House of Governance, reviewed our By-Laws and Code of Conduct which have helped to create a better tone in the room and a more mutually respectful dialogue. The Board implemented a rotating chair structure when a sitting trustee resigned in the fall of 2010, and following the By-Election, the Board then agreed to maintain this structure for the remainder of the term.</p>	
<p><b>Recommendation 2: Board trustees ensure that they understand, accept, and address their governance roles and responsibilities.</b></p>	<p><b>Partially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>The Board has had some success in implementing this recommendation. We have been able to review the roles and responsibilities of a trustee through various professional development opportunities. We have also successfully implemented a fully functioning Audit Committee. However, to date we have not had the opportunity to focus on developing a communication plan or an internal audit function.</p> <p>The Board will work toward addressing these areas in the upcoming year. In working to address improved governance, the Board has set out criteria for Question Period at Regular Board Meetings in order to ensure a more respectful and professional meeting and are considering other changes to it's By-Laws, again to ensure more professional and respectful Regular Meetings.</p>	



# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 3:** The Board require senior management to provide it with sufficient, appropriate and regular information.

**Fully or substantially implemented**

### **Actions taken, results and/or actions planned**

Trustees are aware of and understand the importance of having all the information necessary to make informed decisions. Trustees recognize that they are responsible for asking for what they need, in the event that it has not been provided by senior staff. The hiring of a Secretary Treasurer in the fall of 2010 has significantly improved the flow of financial information. Board members are receiving regular financial reporting through the Audit Committee and updates at most Regular Board Meetings. Reports on Student Achievement are provided by the Superintendent to Trustees at both Planning Meetings and during the Superintendent's Report at Regular Board Meetings.

**Recommendation 4:** The Board engage in a healthy level of questioning and hold senior management accountable, in a respectful, professional and appropriate manner.

**Fully or substantially implemented**

### **Actions taken, results and/or actions planned**

Trustees feel more comfortable to ask and question senior staff. Trustees acknowledge that there is strengthened dialogue between Trustees and SM and there is more sharing of information on both sides of the table. There is less anxiety about bringing up difficult topics. When this does happen, dialogue remains respectful and there is an improved climate with regard to opposing views.

## INTERNAL CONTROLS

**Recommendation 5:** Senior management prepare and put to action a plan that includes responsibilities and timelines to address identified control weaknesses, including those outlined in our detailed management letter, and provide regular updates on progress to the Board.

**Partially implemented**

### **Actions taken, results and/or actions planned**

A detailed action plan was developed in the late summer of 2010, largely in response to the OAG's detailed management letter. The action plan contained anticipated timelines and had assigned responsibilities. Since the action plan was prepared, the Board has hired a well-respected Secretary Treasurer which gives the Board confidence that the work of the Finance Department is being properly managed and that the necessary oversight is being done. As part of the action plan, the District implemented an Audit Committee, which is now fully functioning and reports regularly at both In-camera and Regular Board Meetings. A progress report was presented to the Audit Committee in September and November 2010. The action plan was also shared with the Ministry during the first reporting out meeting relating to the Deficit Elimination Plan. While the original plan contained recommended improvements in all areas of control weaknesses identified, many of the detailed improvements have yet to be implemented, due largely to time constraints. In their place management has implemented larger scale control measures in the areas of purchasing and budgetary control intended to mitigate the risks the district has been exposed to in the past.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 6:** The Board ensure that it receives regular updates from senior management and that a strong system of controls is in place, working effectively and mitigating risk to an acceptable level.

**Partially implemented**

### Actions taken, results and/or actions planned

The Office of the Auditor General is the District's Auditor of Record and the Board is confident that the additional oversight this will provide, together with our new Secretary Treasurer and finance team will ensure that strong controls are being implemented. The Board receives monthly reporting via the Audit Committee and the monthly statements that are received contain an improved level of detail and are clearer and easier to understand. The Board has received regular updates on the progress the District has made this year to produce balanced and surplus budgets while also positioning itself to make significant changes to school resource allocations. The Board understands that Management is anticipating receipt of the Auditor General's management letter pertaining to the audit of the District's accounts for the 2010-2011 fiscal year and that they will be implementing a process whereby the points raised in that letter, in conjunction with the 2010 detailed management letter points, will be reviewed at the Audit Committee and Board level in 2011-2012. While Trustees are confident that the measures that have been put into place to date, together with the additional work that staff will undertake once the AG's management letters have been received will continue to strengthen the District's position, we are mindful that this is an area that requires continual follow-up and improvement.

## LONG-TERM PLANNING

**Recommendation 7:** Senior management and the Board move to a longer-term period of at least five years for strategic planning, and that the District's strategic plan include a link between its educational goals and financial resource planning.

**No action taken**

### Actions taken, results and/or actions planned

The Board has had a long-standing practice of developing 3 year District Strategic Plans which focus on educational programming, facilities, human resources, operations & community engagement. Budget decisions are based on the Board's priorities as set out in the Strategic Plan. For the next three years, the Board's priority will be on ensuring that the objectives of the Deficit Elimination Plan are adhered to and educational goals will continue to be guided by the District Strategic Plan and the Achievement Contract. In order to meet the requirements of the Deficit Elimination Plan, a complete review of the current DDM funding allocation system will be necessary and a new system for allocating resources will need to be implemented. The Board recognizes the value of a longer term Strategic Plan. As the deficit is repaid, the Board will begin discussions on the purpose and utilization of a longer term plan with a goal of presenting a formal written document which links educational goals with District resources.

**Recommendation 8:** Management provide more regular information to the Board on longer-term strategic and facilities planning and progress, including annual evaluation of its facilities planning and financial management.

**No action taken**

### Actions taken, results and/or actions planned

This recommendation has also proven to be a challenge for both the Board and Senior Staff.

Workload and staffing issues, together with a joint understanding that getting our financial situation under control was the most pressing matter for the District, have resulted in slower progress than may have been anticipated. Despite these challenges, the Board has received updates on the disposal progress of two sites which are being held by the bank as security for the District's \$3.0 million commitment on the Langley Events Centre. The Board has also been informed of the land exchange of our Routley site which will position the District for a new school site in Yorkson. The Board has also been updated regularly on the development of the new Lynn Fripps Elementary School. The retirement of the District's AFG deficit and the planning of work for the next fiscal year has also been provided. In addition, the ST's office is working with the Facilities Department to get a clear understanding of the District's capital asset base, which will be shared with the Board on a regular basis commencing in 2011-2012.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

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## Recommendations (Cont.)

**Recommendation 9:** The District prepare a 10-year School District Facilities Plan.

**No action taken**

### **Actions taken, results and/or actions planned**

The Board recognizes the importance of implementing this recommendation. While no formal work has been undertaken by the Board to date, there have been some conversations and work done by staff behind the scenes. The Board is mindful of the cost, time and implications of preparing this Plan. The Secretary Treasurer has committed to begin undertaking this work in the winter of 2012.

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## Planning for School Seismic Safety

Released: [December 2008](#)

1st Follow-up: [April 2010](#)

2nd Follow-up: [October 2010](#)

3rd Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [June 2010 Transcript](#)

### Self-assessment conducted by the Ministry of Education

The Ministry of Education is pleased to provide an update on progress in implementing the recommendations of the Office of the Auditor General's "Planning for School Seismic Safety".

To date, 134 seismic upgrade projects are complete, under construction or proceeding to construction. Since 2001, government has spent more than \$580 million on seismic upgrading of schools in 37 school districts in B.C.

In implementing the school seismic mitigation program, the Ministry of Education continues to work closely with the Association of Professional Engineers and Geoscientists (APEGBC). On behalf of the Ministry, APEGBC completed an updated risk assessment of schools. This work has improved the identification and prioritization of school seismic mitigation needs.

The Ministry continues to work closely with boards of education to improve its capital process and ensure that seismic projects are assessed, prioritized and effectively delivered and communicated.

### Recommendations

RECOMMENDATIONS ADDRESSED IN PREVIOUS FOLLOW-UP REPORT(S):	SELF-ASSESSED STATUS
<b>Recommendation 5:</b> The ministry and boards of education work together to ensure future seismic projects are integrated into a long-term capital planning framework.	<b>Fully or substantially implemented</b>

### Outstanding recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<b>Recommendation 1:</b> The ministry identify how much of the program it can deliver within the available budget, and use this information to confirm future priorities and funding for the structural program.	<b>Partially implemented</b>

#### Actions taken, results and/or actions planned

The Ministry, through the work of APEGBC and UBC, has completed an updated risk assessment of schools. This important new work has resulted in a significant reduction in the known seismic risk at existing schools. And importantly, this work will have positive results for the schools requiring priority seismic upgrading in the future.

The Ministry plans to provide government with an update for the Seismic Mitigation Program this fall, including updated risk analysis, estimated completion costs, as well as future priorities, funding and project delivery strategies. The updated risk assessment and cost estimates prepared by APEGBC will form the basis of this update.

The Ministry plans to also provide a public communication on the updated risk assessments, as well as make the assessment information available to school districts for updating existing capital plans and project priorities.

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

**Recommendation 2:** The ministry confirm whether the current levels of funding to school districts for non-structural remediation are sufficient to address non-structural needs. **Partially implemented**

### Actions taken, results and/or actions planned

The Ministry continues to work with an expert consultant (VFA Canada) to complete a building condition assessment of all 1600 public schools in the province. VFA has completed assessment of approximately 80% of all public schools.

The non-structural assessments of schools is being undertaken as part of the overall building condition assessment. UBC assisted VFA in developing assessment methodologies based on Canadian Standard CSA-S832 to evaluate non-structural building components. VFA's assessment activities should be complete in 2012.

As structural upgrades are implemented for approved projects; non-structural work is included in the project scope and cost estimates.

The assessment will identify non-structural project priorities for public schools in seismic risk zones. The Ministry plans to present a program of implementation of non-structural projects and strategies, including the level of funding required, to government this fall as part of the status update for the Seismic Mitigation Program.

**Recommendation 3:** The ministry consolidate its current risk management activities into a comprehensive risk management framework, including the monitoring of significant external risks. **Partially implemented**

### Actions taken, results and/or actions planned

The Ministry has completed a comprehensive risk assessment of all public schools resulting in a significant risk reduction. The Ministry has also enhanced its capital asset management framework and ongoing cost monitoring, including expanded cost estimates to include managing potential risk such as construction escalation, temporary accommodation costs, removal of hazardous materials, and project phasing and procurement.

The Ministry continues to work with APEGBC, as well as the Canadian Society of Civil Engineering and the UBC Soder Business School, in developing its overall risk management framework. The risk management framework is to be completed this summer, along with an external/independent review of the high risk assessment study and the associated retrofit construction cost estimates.

The Ministry will also be working with the Vancouver School Board and the City of Vancouver this fall to develop a strategy for managing external risks related to heritage preservation and containment strategies on other municipal requirements.

**Recommendation 4:** The ministry: **Partially implemented**

- make it a matter of urgency to implement a program delivery model and commit sufficient resources to it; and
- fully evaluate all options before deciding on how the program will be delivered.

### Actions taken, results and/or actions planned

The Ministry has been working closely with Vancouver School Board to complete a comprehensive review of its facilities integrating updated seismic assessments of Vancouver schools, as well as assessing opportunities for an enhanced delivery model. VSB is finalizing the review now. It is expected this information will help determine the priority for VSB schools, define scope for the projects and form a basis of agreement for alternate procurement and improved project delivery as government approves new projects.

The Ministry will be working with Partnerships BC and the VSB to procure future school projects through a design-build procurement. It is anticipated that this new procurement method will reduce risk and cost on future projects, as well as enhance project delivery and schedule.

Alternative project delivery options will also be presented to government this fall as part of the status update for the Seismic Mitigation Program, as well as work being done with school districts with respect to shared services.

## Recommendations (Cont.)

**Recommendation 6:** The ministry require boards of education to collect information about the progress and status of non-structural mitigation programs, and use this information to assess whether the status and rate of progress of non-structural mitigation is acceptable and whether funding is adequate.

**Partially implemented**

### **Actions taken, results and/or actions planned**

VFA Canada has been engaged to complete a building condition assessment of all public schools in the province. Data recorded will include the status of non-structural upgrades for all schools in seismic-risk zones. Data gathering is at approximately 80% and will be complete in early 2012.

When the assessments are complete early next year, the data will be used by the Ministry and school districts to determine non-structural project priorities, track and report progress on the progress on non-structural upgrading and determine funding requirements. The level of funding required, the program for implementation of remaining non-structural projects, and monitoring strategies for progress and completion will be presented to government this fall as part of the status update of the Seismic Mitigation Program.

In addition, non-structural deficiencies in high risk blocks will be addressed as structural upgrades are implemented; cost is included in structural cost estimates.

**Recommendation 7:** The ministry work in partnership with boards of education to develop and implement an information plan that will inform the public about seismic hazard, risk and the constraints around the program, and give the public opportunities to provide input on future program objectives and priorities.

**Partially implemented**

### **Actions taken, results and/or actions planned**

The Ministry, with the assistance of APEGBC and UBC, continue to inform school districts on the updated risk assessments and the implications for public schools. Web-based program status updates are available to the public and updated materials regarding seismic risk at schools is pending.

APEGBC and UBC continue to assist the Ministry in the development of web-based materials for public access. Improved public access to seismic risk materials for schools is being considered in the development of the ministries Open Government strategy.

## Audit of Wireless Networking Security in Government, Phase 2

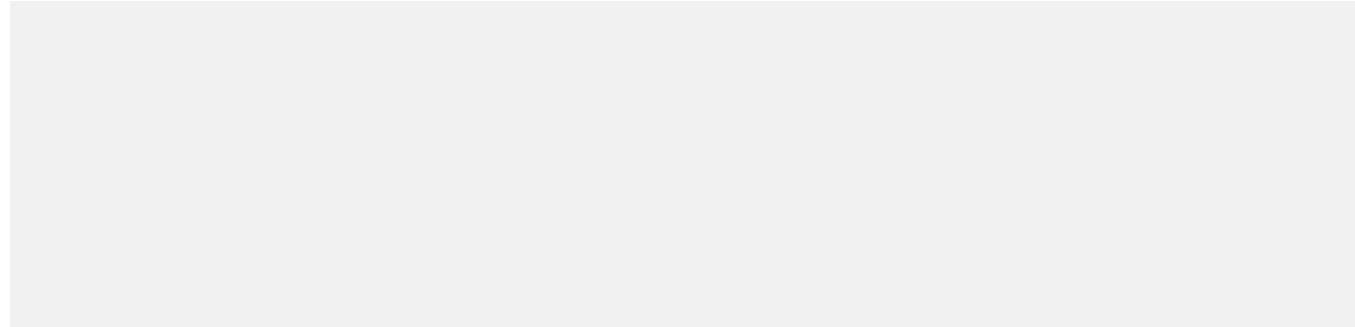
Released: [March 2010](#)

1st Follow-up: [April 2011](#)

2nd Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [May 2010 Transcript](#)

### Self-assessment conducted by the BC Institute of Technology



### Recommendations

RECOMMENDATIONS ADDRESSED IN PREVIOUS FOLLOW-UP REPORT(S):	SELF-ASSESSED STATUS
<b>Recommendation 1:</b> BCIT ensure its policies address wireless network infrastructure in detail, and that the policies be supported by detailed wireless networking standards and specific procedures and guidelines for managing wireless network resources.	<b>Fully or substantially implemented</b>
<b>Recommendation 2:</b> BCIT's management reviews its policies to ensure that those relating to ad hoc and peer-to-peer networking, the enforcement of password security, and retention of activity logs generated by wireless systems follow recognized best practices.	<b>Fully or substantially implemented</b>
<b>Recommendation 4:</b> Job positions in IT network operations be supported by clearly defined responsibilities to ensure incompatible duties are not assigned to one individual. If segregation of duties is not possible or feasible because of resourcing limitations, we recommend that there be closer management oversight of the activities carried out by those in IT network operations.	<b>Alternative action taken</b>

### Outstanding recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<b>Recommendation 3:</b> Management require, in policy, staff with higher level access rights to systems, applications and data to log on using secured wireless methods only.	<b>Fully or substantially implemented</b>

#### Actions taken, results and/or actions planned

BCIT has completed the documentation, review, approval and publication of the Information Security Policy - Policy 3502 (<http://www.bcit.ca/files/pdf/policies/3502.pdf>). The policy speaks to this issue throughout the policy, and specifically in section 5.8.2. The specific guidelines and procedures that accompany the policy have both been developed and are currently in the approval process. The procedures and guidelines for accessing confidential and secure information include the use of the secured and encrypted SSID (Eduroam) and/or the use of a secured and approved VPN tunnel. Use of the BCIT VPN tunnel requires an explicit set of actions that include the individual requiring access to have Management approval, and the logging of the individuals AD identity in order for them sign on and use the VPN using that approved ID and password.

## Audit of Wireless Networking Security in Government, Phase 2

Released: [March 2010](#)

1st Follow-up: [April 2011](#)

2nd Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [May 2010 Transcript](#)

### Self-assessment conducted by the Ministry of Labour, Citizens' Services and Open Government

Currently three recommendations are fully or substantially implemented and two are partially implemented.

### Recommendations

RECOMMENDATIONS ADDRESSED IN PREVIOUS FOLLOW-UP REPORT(S):	SELF-ASSESSED STATUS
<b>Recommendation 1:</b> To support the government's IM/IT (information technology and management) policies relating to wireless network security, government establish adequate procedures to ensure ministry compliance with the policies as established by the Office of the Chief Information Officer.	<b>Fully or substantially implemented</b>
<b>Recommendation 2:</b> Shared Services BC regularly update the job descriptions of all key IT personnel to ensure the roles and responsibilities are clearly delineated.	<b>Fully or substantially implemented</b>
<b>Recommendation 5:</b> For monitoring purposes, Shared Services BC develop a process for establishing and updating an inventory list of authorized wireless access devices and that the list be verified periodically.	<b>Fully or substantially implemented</b>

### Outstanding recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<b>Recommendation 3:</b> Government develop a network access control solution for monitoring and detecting, on a real time basis, unauthorized computing devices — particularly wireless — connected to the government network, including devices that are not configured properly.	<b>Partially implemented</b>

#### Actions taken, results and/or actions planned

Shared Services BC completed a proof of concept for basic Network Access Control. A Findings and Recommendation document was reviewed by Shared Services BC Executives and the document is now being revised based on the feedback, which will also align the document with the Transformation and Technology Initiatives.



# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

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## Recommendations (Cont.)

**Recommendation 4:** Shared Services BC implement mechanisms and procedures to scan and confirm that only properly configured and authorized wireless access devices are installed when connecting to the government network infrastructure.

**Partially implemented**

**Actions taken, results and/or actions planned**

Fully addressing this recommendation is dependent on the implementation of Recommendation 3. Network Access Control will fulfill this requirement. This is also being addressed by the enhanced monitoring tools being implemented for the Payment Card Industry Data Security Standard.

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## Audit of Wireless Networking Security in Government, Phase 2

Released: [March 2010](#)

1st Follow-up: [April 2011](#)

2nd Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [May 2010 Transcript](#)

### Self-assessment conducted by Simon Fraser University

All recommendations have now been dealt with, except Recommendation 3, which has been waiting for SFU's new IT governance framework to mature sufficiently. The policies, standards, and procedures implied by Recommendation 3 will come before the committee during the Fall 2011 semester.

### Recommendations

RECOMMENDATIONS ADDRESSED IN PREVIOUS FOLLOW-UP REPORT(S):	SELF-ASSESSED STATUS
<b>Recommendation 1:</b> Establish a formal IT committee with a strong mandate to oversee IT strategic direction, IT needs of the university community and, most importantly, the protection of the university's IT network.	<b>Fully or substantially implemented</b>
<b>Recommendation 2:</b> Establish an IT Security Officer position that has exclusive duties and responsibilities relating to IT security and is accountable to independent senior management.	<b>Fully or substantially implemented</b>
<b>Recommendation 4:</b> Establish policy and procedures to ensure that users are formally and regularly asked online to accept the policy for appropriate use of communication technology (including wireless) provided by the university.	<b>Alternative action taken</b>
<b>Recommendation 5:</b> Enforce periodic change of password.	<b>Alternative action taken</b>
<b>Recommendation 6:</b> Require staff with high-level access rights to systems, applications and data to access system resources using secured wireless methods only.	<b>Alternative action taken</b>
<b>Recommendation 8:</b> While monitoring wireless networking activities, ensure that log reviews are fully documented and include such information as the type of reports reviewed, the date of the review, and what action has taken place.	<b>Alternative action taken</b>

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Outstanding recommendations

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 3:</b> Ensure that the Information Security Policy is supported with detailed wireless security standards and procedures to guide the implementation and maintenance of a robust wireless security network.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>A senior SFU committee, the IT Strategies committee, has met six times since its creation last year, and has discussed the new governance framework, developed an overall strategic plan for IT, formalized funding and approval processes for major IT projects, and approved several urgent projects. Wireless security policies and procedures will be brought to the committee for discussion and approval during the Fall 2011 semester.</p>	<p><b>Partially implemented</b></p>
<p><b>Recommendation 7:</b> Conduct review to limit the use of ad hoc and peer-to-peer networking.</p> <p><b>Actions taken, results and/or actions planned</b></p> <p>Most staff computers in administrative departments, and a growing number of them in academic departments, are “managed” desktops. Users do not have administrator access to them, the ability to act as a peer-to-peer server is disabled, and the software image on the machine is designed, enforced, and maintained by SFU IT Services.</p>	<p><b>Alternative action taken</b></p>

## IT Continuity Planning in Government

Released: [April 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [February 2011 Transcript](#)

### Self-assessment conducted by Emergency Management BC

EMBC & SSBC continue to address the recommendations of the Office of the Auditor General and are pleased to report on our status.

- Substantial progress has been made since OAG released “IT Continuity Planning in Government”.
- Of the 9 recommendations, 6 have been fully or substantially implemented while 3 are still underway.
- Current progress on the remaining 3 recommendations are discussed in detail below.
- EMBC and SSBC remain fully committed to the implementation of all 9 recommendations and thanks The Office of the Auditor General for its ongoing support.

### Recommendations

RECOMMENDATIONS ADDRESSED IN PREVIOUS FOLLOW-UP REPORT(S)	SELF-ASSESSED STATUS
<b>Recommendation 1:</b> Preparation of a business impact analysis and risk assessments annually, as outlined in government policy	<b>Fully or substantially implemented</b>
<b>Recommendation 4:</b> Assessment of risk associated with alternate arrangements being in the same geographical area as the primary operations and data centre facility, and feasibility of relocation	<b>Fully or substantially implemented</b>
<b>Recommendation 5:</b> Finalization of business continuity plans for all mission-critical business functions	<b>Fully or substantially implemented</b>
<b>Recommendation 6:</b> Preparation of disaster recovery plans to support the availability of significant operating environments and network infrastructures within the timelines required	<b>Fully or substantially implemented</b>
<b>Recommendation 7:</b> Inclusion, in contracts with third-party providers of critical services, of provisions regarding both the preparation and testing of business and IT continuity plans and	<b>Fully or substantially implemented</b>
<b>Recommendation 9:</b> Updating of business continuity plans for all mission-critical business functions annually	<b>Fully or substantially implemented</b>

# SELF-ASSESSED PROGRESS IN IMPLEMENTING RECOMMENDATIONS

## Recommendations (Cont.)

RECOMMENDATION AND SUMMARY OF PROGRESS	SELF-ASSESSED STATUS
<p><b>Recommendation 2:</b> Prioritization of the recovery of mission-critical applications at the ministry level and across government</p>	<p><b>No action taken</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>EMBC &amp; SSBC have determined that recommendation 3, the establishment of recovery timelines, must complete before recommendation 2 can occur because prioritization requires accurate and agreed upon recovery timelines in order to be effective. Work on this recommendation will begin once the cross government information sessions referenced below have been delivered.</p>	
<p><b>Recommendation 3:</b> Establishment of realistic and achievable recovery timelines for shared systems and program applications</p>	<p><b>Partially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>SSBC and EMBC are preparing materials for the cross government launch of Service Bulletin 178 Information Sessions. These sessions will be held for Ministry Executives, Advisors and IT professionals and are designed to assist ministries develop appropriate recovery timelines and strategies.</p>	
<p><b>Recommendation 8:</b> Regular testing of continuity plans and restoration procedures for all mission-critical applications and supporting systems</p>	<p><b>Partially implemented</b></p>
<p><b>Actions taken, results and/or actions planned</b></p> <p>TSD completed a business continuity recovery exercise for mission-critical applications and supporting systems on June 23rd.</p>	



## Electronic Health Record Implementation in British Columbia

Released: [February 2010](#)

1st Follow-up: [October 2010](#)

2nd Follow-up: [April 2011](#)

3rd Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [May 2010 Transcript](#)

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**RECOMMENDATION 1:** *Every six months the Ministry of Health Services provide our Office with a progress update on its results against planned measures of time, cost, quality and outcomes, as well as explanations of these results, and we will review and report this information to the Legislative Assembly.*

### Note from the Auditor General of British Columbia:

Electronic Health Record (EHR) implementation is a very large, multi-year initiative, with several major projects planned for deployment in 2012. In February 2010, I published a report on EHR implementation. In that report, I noted challenges that remained in other EHR areas, and indicated I would regularly follow up until the projects were completed. The public has a right to know about what is likely to be achieved through this initiative, and what is likely not to be achieved.

My staff completed a province-wide review of the EHR projects in early 2011, which involved interviewing a number of officials in all health authorities. This was not an audit; however, a summary of the issues we heard was conveyed to the Ministry of Health in May 2011, to provide the opportunity for these issues to be considered and dealt with as the project moves forward.

Much of the planned costs have now been committed in large, multi-year projects and contracts. In my view, conducting a full-scale audit at this time would not contribute positively to the issues that have been raised with the ministry. I will consider starting a full EHR value-for-money-audit in mid to late 2012, subsequent to the targeted implementation date. In the meantime, my staff will continue monitoring the progress and issues related to the EHR initiative.

## Hand Hygiene: Self-Assessment

Released: [December 2010](#)

1st Follow-up: [October 2011](#)

Discussed by the Public Accounts Committee: [February 2011 Transcript](#)

### Background

Hospital-acquired infections occur worldwide and represent one of the major causes of death among hospitalized patients.<sup>1</sup> In Canada, it is estimated that roughly 220,000 patients contract hospital-acquired infections each year, resulting in 8,000 to 12,000 deaths.<sup>2</sup> Of these, it is estimated that 50% are preventable.

In 2007, the Office of the Auditor General (OAG) audited the effectiveness of infection prevention and control systems in British Columbia's health authorities. Given the ongoing significance of this area and importance to the public, it was determined that a second look was warranted. We chose to focus our subsequent work on hand hygiene practices, which have long been recognized as one of the most important ways to prevent and reduce the transmission of infection in healthcare settings. In fact, a Health Canada report found that hand carriage of bacteria is one of the strongest routes of transmission for infection between patients and healthcare providers.<sup>3</sup> Additionally, guidelines from national and international infection prevention and control organizations, including the World Health Organization and the Centre for Disease Control, have repeatedly stressed that hand washing is the single most important procedure for preventing infections.<sup>4</sup> Despite the importance of proper hand hygiene, improving compliance with good practice has remained a challenge both internationally and in British Columbia.

### Self-Assessment

#### Approach

In April 2010, a self-assessment was issued to the five regional health authorities, the Ministry of Health and Providence Health Care to gauge the current status of both the provincial accountability framework for hand hygiene and regional compliance programs.

We asked each entity to self-assess their progress against a set of good practice criteria and to provide documentation to support their assessments. The self-assessment criteria were largely informed by the World Health Organization and the Joint Commission (Consensus Measurement in Hand Hygiene Project) and included questions that focused on the presence of a regional framework as well as hand hygiene strategy, evaluation, monitoring, reporting and continuous improvement. The Ministry's self-assessment was focused solely on the attributes of a provincial accountability framework.

Given the methodology applied through this work, the information and explanations provided were the representations of the self-assessment participants. The OAG did not provide assurance on the accuracy of the assessments. However, to provide a reasonable basis for comparing results across the entities, and to ensure rating consistency, the OAG assessed the explanations and supporting documentation.

The project covered the years 2009/2010 to 2010/11. It also included baseline assessments and data from previous years.

1 World Health Organization (2011). Prevention of Hospital-Acquired Infections. A Practical Guide. 2nd Edition.

2 Zoutman, D., Ford, B.D., Bryce, E., Gourdeau, M., Hébert, G., Henderson, E., and Paton, S. Canadian Hospital Epidemiology Committee, Canadian Nosocomial Infection Surveillance Program and Health Canada.

3 Health Canada (1998). Hand Washing, Cleaning, Disinfection and Sterilization in Health Care.

4 CDC (2002). Guideline for Hand Hygiene in Health-Care Settings: Recommendations of the Healthcare Infection Control Practices Advisory Committee and the HICPAC/SHEA/APIC/IDSA Hand Hygiene Task Force and WHO (2009). Guide to Implementation: A Guide to the Implementation of the WHO Multimodal Hand Hygiene Improvement Strategy.



## Results

The results of the self-assessment revealed that the majority of work in this area was in progress. Both the Ministry and health authorities reported that components of a framework or program were in place, but additional work was needed to ensure these were both comprehensive and based on good practice. It is important to note that the health authorities reported varying degrees of program maturity. While some health authorities led in this area, with near fully-developed programs, others were only in the beginning stages of developing a compliance program.

Feedback was provided individually to each health authority and the Ministry of Health, and results were summarized in our *Summary Report*, published December 2010.

## Follow-Up

### Approach

Although we did not issue recommendations through the self-assessment, the OAG did request that each entity provide an action plan to address the areas for improvement noted within their report. In February of this year, each entity submitted an action plan that substantially addressed these areas. That is, if action plans are implemented as described, they should enable the entity to fully address the area for improvement that was identified through the self-assessment.

To gauge the degree of progress made in the year since the self-assessment was completed, each entity was subsequently asked to submit a sample of documentation on those areas for improvement that were reported to have already been implemented. Documentation was received in July and reviewed for its reasonableness and completeness. However, like the self-assessment, our follow-up work does not provide assurance on the accuracy of each entity's submission.

## Results

### Provincial Accountability Framework

An accountability framework is the means through which provincial leaders can communicate the importance of good hand hygiene practices, share best practices, facilitate consistency and hold the health authorities to account for their results. When the self-assessment was issued, the Ministry reported that much of the work in this area was in progress.

Since completing the self-assessment, a number of achievements have been reported to us regarding a new provincial accountability framework. One of the most significant is the Provincial Hand Hygiene Working Group (Group) that was formed in September 2010. Its purpose is to:

*... create a comprehensive Provincial Program to improve and sustain hand hygiene compliance rates with the goal to decreasing healthcare associated infections and to support the implementation of Clinical Care Management...*

The Group is comprised of members from the Ministry of Health, each of the regional health authorities, Providence Health Care, the BC Patient Safety and Quality Council and the Provincial Infection Control Network and is accountable to the Leadership Council.<sup>5</sup>

Since its formation, the group reports that it has worked to confirm the key components of a provincial hand hygiene framework and standardize the compliance audit methodology in use throughout the health authorities. Additional work remains ongoing to standardize hand hygiene policy, education, communication, evaluation and reporting across the province.

### Regional Compliance Programs

Regional compliance programs should exist at the health authority level and include a framework, strategy and activities to build and sustain hand hygiene compliance among staff. As previously noted, the self-assessment identified significant variation in the maturity of each health authority's compliance program. For those health authorities that were close to having a complete program in place, much of the work that still remains outstanding focuses on their compliance results to ensure they continue to increase and/or achieve internal targets.

For those health authorities that were not as far advanced in implementing their compliance program, considerable progress has been reported, building upon best practices and implementing foundation pieces. As a result, most health authorities have now:

- gained leadership support for hand hygiene;
- communicated the importance of hand hygiene to all staff throughout their organization;
- drafted hand hygiene policy and guidelines; and
- established a strategy for implementing a hand hygiene program.

<sup>5</sup> ...by way of the Provincial Clinical Care Management Steering Committee and Health Operations Committee.

# PROGRESS ASSESSMENTS

Each health authority also reports completing quarterly compliance audits throughout most of their acute care sites. Quarterly audits should continue to ensure improvements are made to sites with low results and overall rates increase to achieve the targets set by the Provincial Working Group.

Although considerable progress has been reported, a majority of the health authorities maintain that efforts are still needed to:

- assess and request resources for the entire program;
- confirm the ongoing governance structure, with clear articulation of roles and responsibilities;
- train all staff throughout the organization, including physicians and contractors;
- establish infrastructure standards and implement solutions to align with standards;
- regularly report results both within the organization and to the public; and
- sustain improvements to ensure successes are maintained.

Work in some of these areas, as previously noted, has been intentionally deferred to align with the Provincial Hand Hygiene Working Group and ensure a standard, best practice approach is achieved across the province.

## Next Steps

We are pleased by the reported progress being made in this area and encourage the Ministry and the health authorities to continue implementing their action plans and working towards a provincial hand hygiene model that includes both a comprehensive accountability framework and effective regional hand hygiene compliance programs.

Going forward, the OAG will continue to follow up on each entity's progress in implementing their action plan and building a provincial hand hygiene model. Additional follow-up work will be conducted in one year to assess the success programs have had in increasing and sustaining compliance. At that point, a determination on the need for additional work will be made.

# APPENDIX A: PROJECTED FOLLOW-UP SCHEDULE

This appendix details the Office of the Auditor General's current schedule for follow-ups over the next 12 months. For more information on the follow-up process, please see "An Explanation of the Follow-Up Process" on page 4.

Reports by Sector	Report Initially Released	1st Follow-up	2nd Follow-up	3rd Follow-up
<b>Environment</b>				
Oil and Gas Site Contamination Risks: Improved Oversight Needed	Feb 2010	Oct 2010	Apr 2011	Apr 2012
Conservation of Ecological Integrity in B.C. Parks and Protected Areas	Aug 2010	Oct 2011	Apr 2012	
Audit of the Agricultural Land Commission	Sep 2010	Oct 2011	Apr 2012	
An Audit of the Management of Groundwater Resources in British Columbia	Dec 2010	Apr 2012		
An Audit of the Environmental Assessment Office's Oversight of Certified Projects	Jul 2011	Oct 2012		
<b>Finance</b>				
Management of Working Capital by Colleges and School Districts	Aug 2010	Oct 2011	Apr 2012	
Managing Fraud Risks in Government	Aug 2010	Oct 2011	Apr 2012	
Year-End Government Transfer Expenditures	Aug 2010	Oct 2011	Apr 2012	
<b>Governance &amp; Accountability</b>				
School District 35 - Langley	Dec 2010	Oct 2011	Oct 2012	
The Status of Enterprise Risk Management in the Government Ministries of British Columbia	Jun 2011	Oct 2012		
<b>Health</b>				
Hand Hygiene: Self-Assessment	Dec 2010	Oct 2011	Oct 2012	
<b>Information Technology</b>				
Wireless Networking Security in Government: Phase 2	Mar 2010	Apr 2011	Oct 2011	Apr 2012
IT Continuity Planning in Government	Apr 2010	Apr 2011	Oct 2011	Apr 2012
Information Security Management: An Audit of How Well Government is Identifying and Assessing its Risks	Dec 2010	Apr 2012		
<b>Justice &amp; Public Safety</b>				
British Columbia Coroners Service	Jul 2011	Oct 2012		
<b>Transportation</b>				
Upkeep of the Provincial Roads Network by the Ministry of Transportation and Infrastructure	Nov 2010	Oct 2011	Oct 2012	