

*Select Standing Committee on
Public Accounts*

*Summary of Activities
2013-14*



MAY 2014



May 2014

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Report of the Select Standing Committee on Public Accounts that contains the summary of its activities in the first session of the 40th Parliament.

Respectfully submitted on behalf of the Committee,

Bruce Ralston, MLA
Chair

Table of Contents

Composition of the Committee	i
Terms of Reference	ii
The Work of the Committee.....	iv
Information Technology Audits	1
Environment Audits.....	6
Health Audit	10
Transportation Audits	12
Governance and Accountability Audits.....	18
Financial Audit	22
Financial Statement Audit Coverage Plan.....	25
Documents Submitted	27

Composition of the Committee

Members

Bruce Ralston, MLA	Chair	Surrey–Whalley
Sam Sullivan, MLA	Deputy Chair	Vancouver–False Creek
Kathy Corrigan, MLA		Burnaby–Deer Lake
Marc Dalton, MLA		Maple Ridge–Mission
David Eby, MLA		Vancouver–Point Grey
Simon Gibson, MLA		Abbotsford–Mission
George Heyman, MLA		Vancouver–Fairview
Vicki Huntington, MLA		Delta South
Greg Kylo, MLA		Shuswap
Norm Letnick, MLA (<i>to April 30, 2014</i>)		Kelowna–Lake Country
Mike Morris, MLA		Prince George–Mackenzie
Linda Reimer, MLA		Port Moody–Coquitlam
Selina Robinson, MLA		Coquitlam–Maillardville
Shane Simpson, MLA		Vancouver–Hastings
Laurie Throness, MLA		Chilliwack–Hope
John Yap, MLA (<i>from April 30, 2014</i>)		Richmond–Steveston

Clerk to the Committee

Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees

Research Staff

Ron Wall and Gordon Robinson, Committee Researchers

Terms of Reference

1st Session (June 26, 2013 – February 11, 2014)

On July 8, 2013, the Legislative Assembly agreed:

1. That the reports of the Auditor General of British Columbia deposited with the Speaker of the Legislative Assembly during the First Session of the Fortieth Parliament be deemed referred to the Select Standing Committee on Public Accounts, with the exception of the report referred to in section 22 of the *Auditor General Act* (S.B.C. 2003, c.2), which is referred to the Select Standing Committee on Finance and Government Services, and in addition that the following reports of the Auditor General of British Columbia be referred to the Select Standing Committee on Public Accounts:
 - Summary Report: Results of Completed Projects (December 2011)
 - Development Initiative Trusts: An Audit of Legislative Compliance and Public Accountability Practices in the Three Statutory Trusts (April 2012)
 - Audits of Two P3 Projects in the Sea-to-Sky Corridor (July 2012)
 - The Status of IT Controls in British Columbia's Public Sector: an analysis of audit findings (July 2012)
 - Follow-up Report: Updates on the implementation of recommendations from recent reports (October 2012)
 - Summary Report: Results of Completed Projects and Other Matters (December 2012)
 - Observations on Financial Reporting: Summary Financial Statements 2011/12 (December 2012)
 - Securing the JUSTIN System: Access and Security Audit at the Ministry of Justice (January 2013)
 - An Audit of Biodiversity in B.C.: Assessing the Effectiveness of Key Tools (February 2013)
 - Health Benefits Operations: Are the Expected Benefits Being Achieved? (February 2013)
 - Striving for Quality, Timely and Safe Patient Care: An Audit of Air Ambulance Services in B.C. (March 2013)
 - An Audit of Carbon Neutral Government (March 2013)
 - Audit of the Evergreen Line Rapid Transit Project (March 2013)
 - Public Sector Board Use of Information in British Columbia 2012: Progress Update Since 2009 (April 2013)
 - School District Board Governance Examinations (April 2013)

- Follow-up Report: Updates on the Implementation of Recommendations from Recent Reports (April 2013)
2. That the Select Standing Committee on Public Accounts be the committee referred to in sections 6, 7, 10, 13 and 14 of the *Auditor General Act*.

In addition to the powers previously conferred upon the Select Standing Committee on Public Accounts, the Committee be empowered:

- a. to appoint of their number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;
- b. to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;
- c. to adjourn from place to place as may be convenient; and
- d. to retain personnel as required to assist the Committee,

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

The Work of the Committee

During the first session of the 40th Parliament, the Select Standing Committee on Public Accounts (PAC) held six meetings (July 17, 2013, October 9, 2013, November 18, 2013, November 19, 2013, November 20, 2013, and November 21, 2013).

At the July 17, 2013 meeting, Bruce Ralston, MLA was elected as Chair and Sam Sullivan, MLA as Deputy Chair, and the Committee established an agenda and procedure subcommittee. The Chair and Deputy Chair were subsequently in frequent communication on the management of PAC business.

On October 9, 2013, a full-day orientation session was held to support PAC as it prepared to tackle a heavy workload. Technical briefings were given by three representatives of CCAF-FCVI Inc. – a Canadian research and educational foundation dedicated to supporting effective performance audit and government oversight – as well as by the Acting Auditor General, the Comptroller General, and the Deputy Clerk and Clerk of Committees. Topics covered included the roles and responsibilities of PAC, best practices, and effectiveness. On November 21, 2013, the Comptroller General provided the Committee with a briefing on the framework for the provincial Public Accounts.

The Chair, Deputy Chair, and Shane Simpson, MLA, accompanied by the Clerk of the Legislative Assembly, attended the 34th Annual Conference of the Canadian Council of Public Accounts Committees held in Regina, Saskatchewan from August 25 to 27, 2013. The Chair and Deputy Chair were also delegates at the International Centre for Parliamentary Studies: Public Accounts Symposium 2013 held in London, UK, from October 22 to 23, 2013.

During the first session, PAC reviewed 10 audit reports and approved the Auditor General's annual financial statement audit coverage plan.

Copies of the Auditor General's reports are available at: <http://www.bcauditor.com/>.

Minutes and transcripts of PAC public meetings and reports are available on the Legislative Assembly's website at: <http://www.leg.bc.ca/cmt/pac>.

Information Technology Audits

OAG Report 9, 2012/13 Securing the JUSTIN System: Access and Security Audit at the Ministry of Justice

On November 18, 2013, the Public Accounts Committee (PAC) considered the audit report of the Office of the Auditor General (OAG) on the Ministry of Justice's integrated computerized criminal justice database, commonly referred to as the JUSTIN system. PAC heard presentations by the OAG and the Ministry of Justice.

Summary of OAG Report

OAG witnesses briefed PAC on the key points of the audit's findings and five recommendations:

- The JUSTIN system supports the administration of criminal justice cases from initial submission through to the court process, with sensitive information on over one million proceedings. Given the sensitivity of information, the audit team expected to find highly effective security controls. Instead, the audit revealed a serious lack of controls. Moreover, similar concerns were expressed in a 2008 audit on the corrections case management system, called CORNET (reviewed by PAC on October 24, 2008). This indicated that the Ministry had not applied the 2008 recommendations to other information technology (IT) systems.
- On IT security controls, the audit team found that attackers could gain access to JUSTIN data because the ministry firewall was not properly configured, remote accounts were not properly managed, account credentials were weak, and system updates were not installed. Recommendations were made to reconfigure the firewall, manage remote accounts, strengthen account credentials, and install system updates.
- The audit team also found that too many government employees (3,500) had access to the JUSTIN system. Recommendations were made to base access on the "need to know" principle, and implement tighter access procedures.
- Since highly sensitive data were not adequately secured, the audit report recommended changes to secure and classify sensitive files. To tackle ineffective control over information, recommendations were made to develop audit trails and tools to detect and investigate suspicious or unauthorized activity. To prevent unauthorized access to the JUSTIN system, the audit report recommended a strong monitoring program for the detection of unauthorized access and the removal of JUSTIN information.

Summary of Government Response

Ministry of Justice officials provided the following response to the audit report recommendations:

- The Ministry recognized that the report’s recommendations for the JUSTIN system mirrored those made in the 2008 CORNET audit, which had not been applied to other justice sector IT systems. The Ministry was now taking a different approach to IT security. Security improvements were being implemented across the whole ministry sector. A high priority had been assigned to IT security. Organizational changes had been made to improve the management of information security. IT functions had been consolidated under the Ministry’s Chief Information Officer, and resources for IT security had been expanded.
- On IT security controls, a “secure access gateway” was now required to connect to JUSTIN, there were no longer direct connections from non-government computers, password policies had been updated, and criminal records checks were required for new employees with JUSTIN access. Work was under way to move JUSTIN to a state-of-the-art facility with improved security. Work was planned to carry out vulnerability scanning of sensitive information and testing against external attacks.
- On government employee access, the number of users had been reduced to 2,600, and access was being managed on an ongoing basis. A “security access matrix” was being developed to determine which employee roles require access to JUSTIN information components. Work was planned to provide additional access information and monitoring.
- On audit trails and tools, ministry monitoring was being done to detect compromised accounts. New software tools were in progress to provide better access logs and auditing. Work was planned for additional audit capabilities. On the detection of unauthorized access and removal of JUSTIN information, monitoring was being done to limit unauthorized connections and inappropriate access, and a new director of IT security position had been filled. An IT security program was being developed, and a security information and event management program was planned to manage information monitoring.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members reiterated the audit report’s concern about the Ministry’s failure to apply the 2008 CORNET report’s recommendations to other justice sector IT systems, and asked about the Ministry’s overall approach to IT security. Ministry officials explained that, under a new approach to IT security, OAG recommendations in the JUSTIN and CORNET reports were being applied to all justice sector systems. Ministry officials emphasized that security of information is of the utmost importance for government.

- Members requested information about the audit report's findings that the JUSTIN system could be breached by outsiders and that government employees had uncontrolled access. Ministry officials reported that breaches by outsiders had involved the disclosure of routine or administrative information, and that sensitive information had not been disclosed. The Ministry had implemented more stringent office policies and procedures, and personnel actions had been taken to deal with the employees involved. For wireless access, layers of security provided numerous controls with higher bars for access to sensitive data.
- Members inquired about work to improve the protection of sensitive data. The Ministry explained that there were much higher standards for security and that safeguards to control access were being increased.
- Members sought clarification on timelines for the Ministry's responses to the audit report recommendations. Ministry officials indicated that by April 2014 a majority of the recommendations would be dealt with, and that a plan would be established for the remaining recommendations. OAG witnesses noted that ministry timelines to finalize plans by April 2014 involved the development of responses to several key recommendations, but actual work would not be completed until later.
- Members asked if OAG staff were consulted on Ministry responses to the audit report. Ministry officials advised that they meet regularly with the audit team on proposed actions.

Members requested follow-up information on whether the CORNET system is used by law enforcement agencies and asked for the number of people without criminal records checks who have access to JUSTIN. This information was circulated to the Committee on December 13, 2013.

OAG Report 3, 2012/13 The Status of IT Controls in British Columbia's Public Sector: an analysis of audit findings

On November 18, 2013, the Public Accounts Committee (PAC) considered the audit report of the Office of the Auditor General (OAG) on the status of information technology (IT) controls in BC's public sector. PAC heard presentations by the OAG and the Comptroller General.

Summary of OAG Report

OAG witnesses briefed PAC on the observations and main conclusions of the audit report:

- The private sector and government increasingly rely on IT to conduct operations and deliver services. While technology has the potential for increased efficiency and effectiveness, it is not without risks. Fraud, theft, service interruption, and privacy breaches can threaten IT systems. The development and implementation of adequate IT controls are important issues for BC's public sector and British Columbians.
- There is a need for more effective IT governance and controls across all parts of government. Almost one-third of concerns raised in OAG management letters to over 150 government organizations were about IT deficiencies.
- Of those IT issues, information security management accounted for 55% of the concerns identified by the audit team. IT control environment problems accounted for 17% of IT concerns, such as a lack of up-to-date plans and policies, training, and controls over contract management. 15% of IT concerns arose in the area of change management, involving a lack of formal policies, procedures, and documentation. 11% of IT issues related to difficulties with data processing availability, such as up-to-date disaster recovery plans, or backing up data off site. 2% of IT issues involved inadequate physical security.

Summary of Government Response

The Comptroller General presented government's response to the audit report:

- The OAG audit report provides a useful perspective on IT management across government and sets a baseline for further discussions and reviews. The Comptroller General reviews management letters – including IT issues identified by the audit team – with the senior officials and chief financial officer of each of the ministries. Other government entities, such as Crown corporations, school districts, universities, colleges, and health authorities, are responsible for establishing processes to review management letters based on their statutory governance provisions.
- IT issues identified by the audit team had not been substantial enough to affect any organization's financial audit recommendations. Moreover, while IT issues were a concern

across government, they were significant in a minority of organizations (34 of 163 government organizations). The value of future OAG reports could be increased by providing information on progress by specific organizations in addressing IT concerns.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members inquired about the audit report's findings regarding systemic IT issues across government, and sought clarification on whether progress on IT management was being made by government. The Comptroller General indicated that IT guidelines existed for all government systems, that he met with officials in ministries to follow up on OAG issues, and that follow-up in other government entities would be the responsibility of their boards.
- Members asked about overall public sector IT policies and guidelines for IT use, and whether standardized policies applied across government — particularly whether government's "COBIT" (Control Objectives for Information and related Technology) framework, which the audit report had identified as useful, applied across the public sector. One Member queried whether legislation was needed to ensure IT effective controls for all government entities. The Comptroller General explained that, while he could not speak about COBIT's application to organizations other than ministries, all government organizations were subject to IT policies, which were publicly available.
- Members observed that the bulk of the audit report's concerns involved Crown corporations and schools, universities, colleges and health authorities. Members sought clarification on responsibilities for ensuring follow-up on IT issues by Crown corporation boards of directors and school boards. Some Members suggested that ministries with established IT resources could offer to provide assistance to other entities within their minister's portfolio on fixing IT problems identified in management letters. The Comptroller General indicated that in cases where ministries had ongoing relationships with such entities, this assistance could be encouraged. Another Member received assurance that the OAG observations on IT issues did not include any violations of law.
- Members indicated that more information about follow-up on the OAG's management letters on audit issues would be useful in determining the extent of IT concerns as a public issue. They noted that while the OAG prepares high-level summaries of management letters, additional detail on progress and priorities for action would be valuable.

Environment Audits

OAG Report 10, 2012/13 An Audit of Biodiversity in B.C.: Assessing the Effectiveness of Key Tools

On November 18, 2013, the Public Accounts Committee (PAC) considered the audit report of the Office of the Auditor General (OAG) on the effectiveness of BC's biodiversity programs. PAC heard presentations by the OAG, the Ministry of Environment, and the Ministry of Forests, Lands and Natural Resource Operations (FLNRO).

Summary of OAG Report

OAG witnesses briefed PAC on the findings and six recommendations of the audit report:

- Biodiversity is critical to the health and well-being of British Columbians. With 94% of the province's area designated as Crown land, how this land is managed is pivotal in conserving biodiversity in BC.
- There are significant gaps in government's information on biodiversity, and a strategy has not been implemented for filling these gaps. Government cannot demonstrate that its actions are resulting in the conservation of biodiversity. The identification and monitoring of what habitat is needed to conserve species in BC have not been fully developed. Government is not adequately measuring and reporting on progress in conserving biodiversity.
- The audit report's recommendations were to: improve information; fill gaps in collection; assign responsibilities, timelines and priorities for biodiversity actions; establish goals, objectives, targets and timelines to implement habitat designation tools; complete sufficient monitoring on the effectiveness of actions; and to report to the Legislative Assembly and the public on the status of biodiversity.

Summary of Government Response

Officials from the two ministries, Environment and FLNRO, provided the following response to the audit report recommendations:

- On the collection of information, officials have streamlined policies to improve data collection and developed a process for making informed decisions about the conservation of biodiversity. On addressing collection gaps, a review of the legal framework is under way to identify and address collection shortfalls, and develop new methods to protect species at risk.
- On responsibilities, timelines, and priorities, officials are refining program delivery and tracking, and integrating ecosystem strategies into resource sector planning. On habitat tools,

an initial review has been completed and industry and other stakeholders have been engaged on recommendations for improvements.

- On monitoring, a more integrated and comprehensive approach is on track, and opportunities are being sought for new information-sharing with industry and other partners. On reporting, an initial report on the status of native vertebrates has been published, and a centralized, web-based approach to reporting on BC species at risk is being developed with a 2015 target for release.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members inquired about biodiversity information and monitoring, including data collection challenges, and measures to ensure quality data. Government officials explained that they were making investments in improving information, but challenges remained with collection in less populated areas and for rare species for which limited data are available. OAG staff noted that there were continuing challenges with dated or missing information.
- Members raised questions about the challenges for biodiversity arising from economic development, including increased resource extraction, and ways to help developers to recognize the need for the conservation of biodiversity in their business plans. Government officials indicated that government ministries assess environmental impacts in decision-making, and that many ecosystems can coexist with industry and development.
- Members expressed interest in the extent of public education on biodiversity, including ways to combine environmental protection with economic development, and invasive species education. Government officials cited examples of community engagement and education leading to strengthened conservation of biodiversity. They noted that invasive species are a growing threat to biodiversity in BC, and that officials are working with the Invasive Species Council of BC on rapid response protocols to address invasive species concerns.
- Members asked if follow-up measures align with the recommendations of a species-at-risk task force. Government officials advised that a draft species-at-risk five year plan has been produced based entirely on the work of the task force and addressing 98% of its recommendations.

Members requested follow-up information on biodiversity issues related to connectivity, international norms, government employees working on biodiversity, and data collection measures. This information was distributed to the Committee on December 13, 2013. Members also sought information on biodiversity designation. This information was distributed to the Committee on February 27, 2014.

OAG Report 14, 2012/13 An Audit of Carbon Neutral Government

On November 20, 2013 the Public Accounts Committee (PAC) considered the Office of the Auditor General's (OAG) audit report on government's carbon neutral policy. PAC heard presentations by the OAG, the Ministry of Environment, and the Pacific Carbon Trust.

Summary of OAG Report

OAG witnesses briefed PAC on the findings and six recommendations of the audit report:

- Government committed in the 2007 Speech from the Throne to become carbon neutral by 2010, contributing to a policy objective of reducing greenhouse gas emissions through capital investments and the purchase of carbon offsets from third parties. The Pacific Carbon Trust (the "trust"), a Crown corporation, was established to purchase carbon offsets needed by government to meet its carbon neutral objective.
- The audit report assessed two projects accounting for nearly 70% of purchased offsets: the Darkwoods Forest carbon project in southeastern BC; and the Encana drilling project near Fort Nelson. The audit report concluded that the two purchases were not credible in meeting government's carbon neutral objective because: they started without showing how the value of offsets was considered before going ahead; baselines were not properly determined; oversight was inadequate; and criteria were not in place to support the evaluation of actions to reduce emissions.
- Recommendations were made to establish clear public sector emissions targets; provide supplementary guidance for the use of the emission offsets regulation; strengthen analysis and documentation; enhance oversight; improve reporting on carbon neutrality; and provide greater transparency about the cost-effectiveness of carbon offset purchases.

Summary of Government Response

Ministry of Environment and Pacific Carbon Trust officials presented government's response to the audit report:

- With respect to the audit report finding about the credibility of carbon offset purchases, accredited independent professional experts audited the projects, confirmed that the projects met the emission offsets regulation, and concluded that they are sound purchases.
- On the audit report recommendations, government will make greater effort to promote greenhouse gas reductions and assess whether reductions are in line with targets; supplementary guidance for the emission offsets regulation will be formalized; and officials will continue to work with industry experts to improve risk management and due diligence.

Oversight has been improved by increased training on offsets verification, regular meetings to exchange information, and the development of an oversight plan. Greater transparency about the cost-effectiveness of offset purchases is being provided by the release of pricing and payment information, and reporting on emissions policies and actions will be expanded.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members questioned the audit team and government officials about their differing views on the Darkwoods and Encana carbon offset projects. Officials provided an affidavit for the Encana project to support the reliability of carbon offsets, and emphasized that independent professional experts had confirmed the validity of the two projects. The audit team reiterated its position that there was insufficient evidence to establish the credibility of the two carbon offset purchases, and that government's reliance on third party validations for the two projects was not based on adequate thoroughness or due diligence.
- Members sought clarification about the use of the principle of additionality, whereby only those projects that would not have happened anyway should be eligible for carbon credits. Trust officials stated that the use of liquidation logging as the baseline use of the Darkwoods project land was legal, and, consequently, the project was eligible for carbon credits. The audit team indicated that there was insufficient evidence that liquidation logging would have occurred.
- Members asked questions about the use of third-party experts in assessing the Darkwoods and Encana projects. Officials explained that the third-party experts were internationally recognized, and had verified the carbon offset purchases for the two projects. The audit team reported that reasonable procedures had been used to determine emissions, but there were no criteria to evaluate whether there were sufficient actions to reduce emissions.
- Members inquired about the audit report's statement that internal audit information had been disclosed to outside parties during the audit process, resulting in a letter-writing campaign, which demanded considerable audit staff time and delayed the report. The audit team reiterated this concern. Trust officials indicated that they had not been advised that the information was confidential, and that they had shared the information with outside experts in order to provide effective responses to technical questions from the audit team.

Members requested follow-up information on: Pacific Carbon Trust correspondence with the Nature Conservancy of Canada related to the Darkwoods project, which was distributed to the Committee on November 20, 2013; Pacific Carbon Trust information on the audit process, which was distributed to the Committee on December 13, 2013; and Ministry of Environment emissions reporting and government arguments on the audit report recommendations, which was distributed to the Committee on February 3, 2014.

Health Audit

OAG Report 11, 2012/13 Health Benefit Operations: Are the Expected Benefits Being Achieved?

On November 20, 2013, the Public Accounts Committee (PAC) considered the Office of the Auditor General's (OAG) audit report on health benefit operations. PAC heard presentations by the OAG and the Ministry of Health.

Summary of OAG Report

OAG witnesses briefed PAC on the findings and six recommendations of the audit report:

- In 2004, the Ministry of Health contracted health benefit operations, including administration of the Medical Services Plan and PharmaCare, to Maximus BC Health Inc., under a ten-year alternative service delivery contract worth \$324 million.
- The audit report found that the arrangement has resulted in some improvements, but the expected benefits have not been fully achieved. In this regard, service-level improvements could not be confirmed because of data limitations, there were delays in the transformation of legacy systems, information technology had not been fully maintained, and monitoring was incomplete.
- Recommendations were made to strengthen the assessment of the project, to define key terms in the contract and establish quantifiable thresholds, to monitor and enforce contract terms and deadlines, to obtain assurance on monitoring, to record decisions, and to publicly report on contract results in order to provide the public with an understanding of what is being achieved for what cost.

Summary of Government's Response

Ministry of Health officials presented government's response to the audit report:

- In early 2000, the number-one complaint received by Members of the Legislative Assembly was the inability of their constituents to register for the medical services program. Government needed a new business practice, identified an alternative service delivery approach, and launched a process leading to a contract with Maximus. While there were transition issues, Maximus had met all service level requirements since November 2005.
- Government appreciated the audit report as it coincided with a requirement to determine whether to extend the project or not, and provided advice on improving contract oversight.

- On the audit recommendations, officials have strengthened the review of service provider proposals; defined key terms with clear thresholds; ensured monitoring and balanced enforcement; enhanced audit assurance programs; improved records documentation; and expanded public reporting, including information in a 2013-14 annual report.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members raised questions about how to monitor whether performance metrics in the Maximus agreement were being met, whether this was a specific concern related to the Maximus contract or a more general concern in the public sector and, if monitoring was a general structural concern, whether government needed to take broad-based action to improve monitoring. The audit team explained that monitoring of performance metrics was a common concern for P3 and Alternative Service Delivery contracts, and an important issue for enabling Members, government, and the public to determine whether or not these contracts were providing good value for money. Ministry officials reported that work was under way to strengthen auditing tools for monitoring the Maximus agreement's performance.
- Members asked about the effectiveness of the alternative service delivery model, and whether government could evaluate whether the Maximus agreement had resulted in improved service delivery for health benefit operations. Ministry officials indicated that there was evidence that performance had improved under the Maximus agreement, noting reduced times in responses to telephone inquiries. That said, officials accepted the audit report's recommendation to enhance assurance programs, and were working on its implementation.
- Members sought assurances about the fundamental need to protect the privacy of people's private medical and personal information, and the Ministry's actions to address past privacy concerns. Ministry officials explained that they are working with the OAG to have Maximus strengthen its information protection tools, and they indicated that Maximus had impressive standards for privacy, security training, auditing privacy concerns, and follow-up to quickly address such concerns.
- Members requested information on the decision to sign an extension of the Maximus contract in the absence of comprehensive information on performance. Ministry officials indicated that the Maximus agreement included provision for a five-year extension. They were satisfied with the services from Maximus, and an internal review supported a decision to extend the contract. When the extension ends, government will go back to the market.

Members asked for follow-up information on the status of billing system updates; the use of a fairness officer in the request for proposals process; and privacy information and the US Patriot Act, which was distributed to the Committee on January 21, 2014. Members also sought follow-up information on change orders, which was distributed on February 27, 2014.

Transportation Audits

OAG Report 4, 2012/13 Audits of Two P3 Projects in the Sea-to-Sky Corridor

On November 19, 2013, the Public Accounts Committee (PAC) considered the Office of the Auditor General (OAG) audits of two public-private partnership (P3) projects: the Sea-to-Sky highway improvement project; and the Britannia Mine water treatment plant. PAC heard presentations by the OAG and government officials.

Sea-to-Sky Highway Improvement Project

Summary of OAG Report

OAG witnesses presented the audit report's findings and five recommendations on the Sea-to-Sky highway improvement project:

- The 95-km long Sea-to-Sky highway connects West Vancouver and Whistler. In 2003, government approved \$600 million to improve the highway. Pursuant to a 2002 policy which requires ministries to consider a P3 model for capital projects worth \$50 million or more, in 2005, government entered into a P3 agreement with private companies to design, build and finance two-thirds of the highway improvements, and to operate and maintain the entire highway for 25 years. In 2009, the P3 contractors completed the project, before the 2010 Vancouver Olympic and Paralympic Winter Games.
- The audit team found that the design and construction risks were effectively allocated between government and private partners, that the concession agreement, with a few exceptions, was effectively managed, but that the Ministry was not able to demonstrate its success in achieving the long-term safety, reliability and capacity objectives for the project.
- Recommendations were made to review and approve changes in the P3 structure, ensure all key project documents are identified and accessible, assess the financial impacts of switching from the PST to the HST and recover any overpayments made, measure and monitor the achievement of project objectives, and report publicly on achieving these objectives.

Summary of Government Response

Ministry of Transportation and Infrastructure officials provided the following response to the audit recommendations:

- On measuring and reporting on key objectives, the Ministry and the concessionaire monitor and measure safety, reliability and capacity of the corridor, with a 33% reduction in motor vehicle incidents, a 36% reduction in road closures, a 15-minute reduction in West

Vancouver-Whistler travel times, and an increase in development initiatives noted since the project opened. The Ministry and concessionaire will improve and automate traffic metrics and ensure data are publicly available commencing in 2014.

- On contract records and change management, project drawings have been documented and change management procedures will be finalized in the spring of 2014.

Committee Inquiry

Committee members asked questions about the following key points:

- Members inquired about the effectiveness of the Sea-to-Sky highway improvement project with respect to safety, traffic patterns, and travel time. Ministry officials explained that there had been a 33% reduction in highway accidents, and travel time savings in the range of 15 minutes for each user of the highway between West Vancouver and Whistler. Members also asked about the quality of work on the project, and ministry officials indicated that work had been of a high quality.
- Members sought clarification on government's management of tax payments to the P3 private sector partners, noting the audit report's concern about possible overpayments for sales taxes. Ministry officials indicated that the project's construction was completed before the HST came into effect (in July 2010), so the vast majority of payments to the contractor related to construction activities prior to the HST. When the Ministry reviewed the tax payments for a small number of charges, it concluded that the cost of renegotiating the agreement would be comparable to any possible benefits from the recovery of tax payments. As a result, the Ministry did not pursue the recovery of tax payments.
- Members questioned the effectiveness of the project's safety, reliability and capacity measurements. Ministry officials explained that existing data provided a clear basis for project payments, and ministry officials were working with the concessionaire to strengthen metrics. The audit team reported that, although existing data provided a "work-around" solution for project valuations, data improvements would strengthen project assessments.
- Members queried the decision to shift almost \$200 million from operating costs to capital costs. Ministry officials reported that this change resulted from a revised interpretation of accounting standards during the period of the project. The audit team advised that the change also reflected OAG advice.
- Members asked about the impact of the use of contingency funding on the project's cost and the accounting for \$56 million in change orders. The audit team reported that contingencies are a best practice in capital contracts, and that the contingency fund was built into the project's overall cost. Ministry officials explained that the change orders were part of the competitive procurement process for the project.

Members requested follow-up information on HST/PST costing, the value of the project risk transfer to the private sector partner, the methodology for measuring reliability, the value of additional user benefits, provision to recapture the value of any equity sale, and the value of the share sale. This information was distributed to the Committee on March 27, 2014.

Britannia Mine Water Treatment Plant

Summary of OAG Report

OAG witnesses presented the audit report's findings and three recommendations on the Britannia Mine water treatment plant, another P3 project in the Sea-to-Sky corridor:

- The Britannia copper mine is located 50 kilometers north of Vancouver on the Sea-to-Sky highway. The mine operated from the early 1900s to 1974. At its peak, the mine was the largest copper producer in the British Empire. It was also one of the largest sources of metal pollution in North America. In 2003, government and the mine owner reached a \$30 million settlement for pollution liabilities, which was used to offset a \$76 million water remediation project. As a key component of the project, in 2005, government entered into a 20-year (2005-25) P3 agreement with EPCOR Britannia Water Inc. for a water treatment plant. Since the project was implemented, there have been clear indications of environmental improvement, including the return of pink salmon to Britannia Creek.
- The audit found that construction of the plant met government's objectives and that financial and environmental goals are substantially being met.
- Recommendations were made to obtain periodic independent testing of water quality, to develop clear methods of maintaining records of plant decisions, and to develop long-term plans and guidelines for the goal of closing the contaminated site under the *Environmental Management Act*.

Summary of Government Response

Ministry of Forests, Lands and Natural Resource Operations and Ministry of Environment officials provided government's response to the audit recommendations:

- On independent water testing, officials will follow up and obtain periodic independent verification of the plant's water quality results. Officials have contracted for a report which has developed a staged-audit approach which will be implemented soon.
- On clear and concise records, officials have established a statutory decision-makers book for all decisions related to permits and approvals and a reasons-for-decision document for tracking decision. They are developing a concise method for ensuring that this documentation is completed on an ongoing basis.

- On plans and timelines for closure under the *Environmental Management Act*, an overall closure plan is being developed with objectives for specific tasks.

Committee Inquiry

Committee members asked questions related to the following key points.

- Members requested an explanation of delays in securing independent testing of water quality. Officials indicated that a consultant had prepared a report on how to proceed with testing, and that ministry implementation had been delayed because of the need to address other high-priority field projects. Administrative work was now being planned to have the necessary work done to carry out the independent testing.
- Members inquired about the long-term plan for the Britannia Mine treatment operation. Officials explained that flows from the mine site were continuing and that there were limits with the effectiveness of remediation from the available technology. Accordingly, a water treatment plant would be required as a long-term undertaking.

OAG Report 15, 2012/13 Audit of the Evergreen Line Rapid Transit Project

On November 19, 2013, the Public Accounts Committee (PAC) considered the audit report of the Office of the Auditor General (OAG) on the Evergreen Line Rapid Transit project. PAC heard presentations by the OAG and the Ministry of Infrastructure and Transportation.

Summary of OAG Report

OAG witnesses briefed PAC on the audit report's findings and four recommendations:

- The \$1.4 billion, 11-kilometre-long Evergreen Line, scheduled to open in 2016, will be a major addition to Metro Vancouver's rapid transit network, extending the SkyTrain system into northeast Burnaby and Coquitlam. Funding is being provided by the federal government, the Province, and TransLink. Government's 2008 assessment recommended a P3 arrangement for the project, consistent with government's "Provincial Capital Standard" which favours the use of P3 arrangements for large projects unless there are clear reasons against this. In December 2012, a design-build-finance P3 procurement contract was signed and construction began in 2013.
- The Evergreen Line will meet government's transportation objectives and the procurement decision was consistent with overall government policy.
- However, business cases fell short of government's capital asset management framework by not explaining the risks, costs and benefits of options, the assumptions underpinning assumed SkyTrain ridership, wider transit system risks, and how government would measure performance.
- Recommendations were made to strengthen guidelines, documentation and oversight, performance management, and transit ridership and benefit estimates.

Summary of Government Response

Ministry of Transportation and Infrastructure officials provided the following response to the audit recommendations:

- On guidelines, documentation and oversight, the audit observations are being taken into consideration as part of ongoing updates to the Capital Asset Management Framework. In this regard, a risk screen implementation tool has been implemented to ensure that oversight and review are commensurate with project risk and complexity. The Ministry is taking actions to improve analysis and engineering evaluations, which will ensure that decision-makers, stakeholders, and the public have the tools which are needed to support informed and open debate about choices on future projects.

- On performance management, the audit report noted that progress has been made in building a framework to measure and manage Evergreen Line performance. Additional work has been done to strengthen metrics and a consolidated plan was developed in May 2013. In the summer of 2013, outside expertise was sought on measuring performance.
- On transit ridership and benefit estimates, outside expertise was secured to develop measurements for ridership. Existing tools such as TransLink's trip diary and the implementation of the Compass Card will provide better management information on system use. Reporting will be done on a quarterly basis. A best practices review of traffic forecasting for transit projects across North America will assist in strengthening forecasting.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members inquired about the process for deciding to have a P3 arrangement for the Evergreen Line, and whether there were shortcomings with the due diligence needed for such a decision. The audit team explained that government had sufficient evidence so that they did arrive at the right decision, but there needed to be more documentation to help support the evidence that was going to Treasury Board to make the final decision.
- Members questioned whether there had been sufficient rigour in government's calculations on P3 versus public-project approaches. OAG officials indicated that information had been available, but that additional backup information would have provided greater certainty in making a determination. They encouraged government to ensure that there is adequate documentation to support decisions whenever a P3 was being considered.
- Members sought clarifications about the framework for transit, the business case assessments for constructing the Evergreen Line, government's assumptions in making the decision for a P3 approach to the Evergreen Line, financial comparisons between P3 and public projects, the development of a more standard approach to assessing capital projects, and the use of payment "holdbacks" pending the completion of contract requirements.

Governance and Accountability Audits

OAG Report 1, 2012/13 Development Initiative Trusts: An Audit of Legislative Compliance and Public Accountability Practices in Three Statutory Trusts

On November 21, 2013, the Public Accounts Committee (PAC) considered the audit report of the Office of the Auditor General (OAG) on public accountability practices by the three development initiative trusts – the Northern Development Initiative Trust, the Southern Interior Development Initiative Trust, and the North Island-Coast Economic Trust. PAC heard presentations by the OAG, the Ministry of Jobs, Tourism and Skills Training and the three trusts.

Summary of OAG report

OAG witnesses briefed the Committee on the audit report's findings and three recommendations:

- In 2004 and 2006, government established three statutory trusts – Northern, Southern Interior and North Island-Coast Development Initiative Trusts – to support economic development and job creation in their respective regions, with \$285 million in total funding. The trusts are not-for-profit corporations independent of government, and the audit team assessed whether they were carrying out their statutory mandates in an effective financial manner.
- The audit team found that the trusts were substantially meeting key statutory requirements, with good practices for public accountability reporting, although there were opportunities for improvement.
- Recommendations were made to: include discussion in their public accountability reports about how they were complying with legislative obligations; incorporate BC public sector reporting principles into their annual reports; and develop and report annual goals and key performance indicators that could be used to monitor progress in achieving these obligations.

Summary of Government Response

Officials from the Ministry of Jobs, Tourism and Skills Training and the three statutory trusts presented the following response to the audit report:

- Ministry officials commented that to date, \$201 million had been invested by the trusts in 1,500 projects, creating 10,544 jobs and supporting 5,647 students, and leveraging over \$1.4 billion in total investments through partnerships with the private and public sectors.

- As of April 2013, all of the above recommendations had been fully or substantially acted upon by the three trusts. Recommendations were incorporated in annual reports of the trusts commencing in 2011-12's multi-year plan, and/or operating procedures of the trusts.

Committee Inquiry

Committee members asked questions about the following key points:

- Members raised questions about the audit report's comment on concerns raised by the trusts' boards with respect to the timeliness of board member appointments by the Board Resourcing and Development Office. Trust officials explained that since the audit report, appointments had been done more expeditiously. The OAG witnesses confirmed this explanation.
- Members inquired about the differences in the approaches of the three trusts with respect to the rate of investment of their start-up funding. Trust officials indicated that the three regions had differing economic development needs and urgencies, which had resulted in different approaches to the rate of investment. For example, Vancouver Island had significant urgent transportation needs for local tourism and industry, which had led to decisions to invest start-up funds quickly.
- Members asked about the independence of the trusts and the role of MLAs in providing input into decision-making. Trust officials reported that structured programs, strong policy guidelines and due diligence had served to maintain the independence of the trusts, while enabling advocacy from MLAs, the private sector and local officials. Regional advisory committees served as forums for MLAs and other interested stakeholders to provide input into decision-making on investments, and the input of MLAs was recognized as a significant and useful contribution to the overall advice received by the trusts.

OAG Report 2, 2013/14 School District Board Governance Examination

On November 21, 2013, the Public Accounts Committee (PAC) considered the audit report of the Office of the Auditor General (OAG) on the governance practices of three school districts (Cariboo-Chilcotin – School District 27, Surrey – School District 36, and Mission – School District 75), as part of its ongoing review of public sector governance. PAC heard presentations by the OAG and the Ministry of Education.

Summary of OAG Report

OAG witnesses briefed PAC on the findings of the audit report:

- The audit team found that school district board members were engaged and dedicated to their roles, and there was evidence of good practices such as Cariboo-Chilcotin's documentation of board roles and responsibilities, Surrey's delegation of responsibility between the board and management, and Mission's code of conduct and ethical standards.
- The audit team concluded that board governance practices could be improved in the areas of board orientation and professional development, use of committees, and risk management. The audit report encouraged more direct communication between the Ministry of Education and school boards to clearly establish good practice expectations for governance.
- The OAG will follow up with the three school districts and the Ministry to review the status of work in response to the audit report, and plans to conduct additional governance examinations to strengthen board governance structures and processes.

Summary of Government Response

Ministry of Education officials presented the following response to the audit report:

- The Ministry was pleased with the audit finding that school boards had many areas of good governance practices, and agreed that there were areas for improvement. The Ministry expressed the view that the education sector's governance structures provided that information should flow from ministry officials to school board staff, which is then responsible for briefing elected representatives on school boards.
- The Ministry has a strong working relationship with the BC School Trustees Association (BCSTA) and is willing to work with it to facilitate the sharing of information on governance practices with school board staff. The Ministry participates in numerous BCSTA activities, and the BCSTA offers services to improve school trustee competencies, training and trusteeship competencies. The Ministry will continue to work closely with BCSTA staff to identify opportunities for improving communication with school boards.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members inquired about performance reviews for school board superintendents. Ministry officials explained that they were working with the BCSTA to ensure that information on performance management of superintendents was provided throughout the education system.
- Members sought details about the audit's recommendation that school boards develop specialized committees to support their work, such as finance and audit committees. The audit team indicated that a finance and audit committee was recognized as a best practice for organizations, in order to facilitate more focused discussion of financial matters than might be possible at the overall board level.
- Members requested information on the purpose and benefits of school boards, follow-up on the audit team's findings, and opportunities for the audit team and the Ministry to work together in ensuring the provision of more information and assistance to school boards on governance matters. Ministry officials and OAG witnesses advised that they would be pleased to cooperate with the BCSTA in facilitating the flow of information to school boards, including a discussion at a BCSTA two-day academy meeting in December 2013.

Financial Audit

OAG Report 7, 2012/13 Observations on Financial Reporting: Summary Financial Statements 2011/12

On November 21, 2013, the Public Accounts Committee (PAC) considered the report of the Office of the Auditor General (OAG) on observations on financial reporting with respect to the province's 2011/12 financial statements. PAC heard presentations by the OAG and the Comptroller General.

Summary of OAG Report

OAG witnesses briefed PAC on the report's findings and recommendations:

- The annual audit of the Summary Financial Statements – as published in government's annual Public Accounts – is prepared pursuant to section 11 of the *Auditor General Act*. The financial audit's scope covers the Legislative Assembly, eight statutory officers, the Office of the Premier, 16 ministries, and 148 government organizations.
- Government's financial statements must conform to the requirements of the *Budget Transparency and Accountability Act*. The Act requires government organizations to apply "generally accepted accounting standards" (GAAP), although section 23.2 allows Treasury Board to "make regulations to adopt all or part of an alternate standard or guideline."
- The audit team expressed concern about two regulations under section 23.2. First, BC Hydro has been authorized to use a US accounting standard for rate-setting, but can omit the US standard's requirement that the regulator must be independent of the organization being regulated. Second, government is continuing a historical practice of deferring government transfers, rather than complying with new Public Sector Accounting Board (PSAB) standards for such transactions.
- Recommendations were made to change financial reporting to conform to PSAB accounting standards, to provide more information in financial statements, to review how accountability and balanced budget frameworks influence decision-making, and to ensure timely follow-up on OAG management letters to government organizations.
- The audit team issued four qualifications to the financial statements. First, the Transportation Investment Corporation should not be classified as a business enterprise and should be fully consolidated in provincial financial accounts. Second, deep-well credits for natural gas extraction should be recorded as a liability. Third, the historical practice of accounting for the deferral of government transfers should be changed to meet evolving PSAB standards. Fourth, required business enterprise information should be disclosed.

Concerns were also raised about rate-regulated accounting, working capital management, the disclosure of capital lease obligations, and charges to the Provincial Capital Commission.

Summary of Government Response

The Comptroller General provided the following response to the report:

- Two of the four qualifications have been resolved. Agreement has been reached with the OAG to present more deep-well credit and business-enterprise information in the Summary Financial Statements.
- On the Transportation Investment Corporation qualification, government's initial investment in the Corporation is recorded in financial statements, the Corporation's operations are supported from toll revenue, and government does not provide the Corporation with subsidies or tax revenues. Accordingly, government's classification of the Corporation is appropriate.
- Government's approach for deferral of transfer revenues has been used since the early 2000s in BC, and this approach is used by Alberta and Ontario. Canadian comptrollers and auditors general have asked PSAB to examine accounting standards and clarify how to deal with the differing accounting approaches.
- Government's use of a 2010 regulation authorizing rate-regulated accounting for BC Hydro retained pre-existing Canadian regulatory accounting, and its compatibility with GAAP is being examined by standard-setters. A 2011 regulation confirming Canadian accounting standards on the deferral of contributions is, in government's view, consistent with Canadian public sector accounting standards guidance on transfers and liabilities.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members sought explanations for the differences of professional opinion between the OAG and the Comptroller General in the areas of qualifications. OAG witnesses and the Comptroller General indicated that BC is a leader when it comes to implementing GAAP, which has enhanced the credibility of its financial statements. Over time, some divergences between the OAG and government had been resolved by finding middle ground within the GAAP framework, but differences of opinion remained in significant areas.
- Members asked whether the audit team's qualifications had resulted in a change in BC's credit rating. The Comptroller General explained that the qualifications did not involve fundamental transactional problems, but related to the characterization of transactions in financial statements. Credit-rating agencies focused on indicators such as cash flow and the ability to service debt, and had not been concerned with the qualifications. The OAG

explained out that, drawing on private-sector experience, there is a risk that at some point credit rating agencies may look at the qualifications in the development of their ratings.

- Members raised a series of questions about the use of rate-regulated accounting, differences in deficit reporting between the budget documents and the provincial Public Accounts, processes and tools for ensuring good auditing practices, government's reporting and accounting rationale with respect to transfers, reporting on large long-term contractual obligations, the consequences of balanced budget legislation, trends in public sector accounting standards, and government effectiveness in following up on OAG management letter concerns.

Members requested follow up information on outstanding management letter issues, government transfers, and financial reporting. This information was circulated, respectively, to the Committee on January 21, 2014, February 27, 2014, and March 30, 2014.

Financial Statement Audit Coverage Plan

OAG Financial Statement Audit Coverage Plan for Fiscal Years 2014/15 through 2016/17

The *Auditor General Act* requires that the Auditor General submit to a committee of the Legislative Assembly each year a plan for the appointment of auditors for government organizations and trust funds for the following three fiscal years (section 10(6)).

The Act requires that this committee approve the plan, including any amendments the committee makes before giving its approval (section 10(9)), approve the Auditor General's continuation as the appointed auditor for a term exceeding five consecutive fiscal years (section 10(7)(d)), and provide the Auditor General with prior consent to accept or continue an appointment as auditor for an organization outside the government reporting entity (section 14).

Under the terms of reference adopted by the Legislative Assembly on July 8, 2013, the Public Accounts Committee (PAC) is specified as the committee for these purposes. On November 19, 2013, the Acting Auditor General presented the Committee with a three-year plan for determining which government entities the OAG would audit directly, and which would be audited by public sector firms.

Summary of Proposed Plan

OAG witnesses provided PAC with an overview of the proposed plan:

- Three levels of audit involvement were proposed for the entities that form the government reporting entity and prepare annual Summary Financial Statements. The first level was limited with no field work (the OAG directs and reviews other auditor files as required – 104 organizations). The second level was oversight (the OAG reviews other auditors' plans and files; attends audit committee meetings – 28 organizations). The third level was direct involvement (the OAG conducts audits with its own staff or staff contracted from private firms – 19 organizations).

OAG witnesses then asked PAC to approve:

1. The Financial Statement Audit Coverage Plan for the fiscal years 2014/2015 through 2016/2017.
2. The Auditor General continuing as the appointed auditor for 10 government organizations where the engagement term exceeds five consecutive fiscal years.

3. The Auditor General being appointed auditor for three organizations outside the government reporting entity: WorkSafeBC, the Provincial Employees Community Services Fund, and the Langley School District Foundation.

Committee Inquiry

Committee members asked questions related to the following key points:

- Members inquired about the OAG's budget for meeting its priorities and statutory obligations for government auditing. The Acting Auditor General indicated that he expected the planned work could be done within a budget envelope very similar to the one recommended last year by the Select Standing Committee on Finance and Government Services.
- Members requested information on the OAG's audit capabilities. They recognized that rotations can be a useful tool for ensuring cost-effective auditing directed at priority organizations. OAG witnesses explained that the audit coverage plan involved a nimble and targeted approach, with rotations used where possible. Noting a past committee concern that too much time was being spent on direct audits of marginal public significance, the OAG had reconfigured its allocation of audit resources to focus on higher priority organizations.
- Members sought clarification about the factors which had led to the selection of certain school boards for audits in rotation in the forthcoming financial plan period. Members asked about the OAG's use of risk factors to identify specific government entities for audit selection. OAG witnesses reported that audit selection reflected factors such as an entity's size, complexity, and distinctiveness with respect to mandate and functions.
- Members commented on the Committee's role in evaluating OAG audits, and asked if this was complemented by other scrutiny. OAG witnesses explained that its annual service plan included key performance indicators which were audited by an outside audit firm, and that auditees were surveyed on the audit process.

Committee Decision

The Public Accounts Committee endorsed the three recommendations listed above, and on page 3 of the *Financial Statement Audit Coverage Plan* for the fiscal years 2014/2015 through 2016/2017, as required by sections 10 and 14 of the *Auditor General Act*.

Documents Submitted

November 18, 2013 Meeting

Office of the Auditor General of British Columbia (OAGBC) Report 9: January 2013, *Securing the JUSTIN System: Access and Security Audit at the Ministry of Justice*

OAGBC Presentation to Select Standing Committee on Public Accounts re Securing the JUSTIN System: Access and Security Audit at the Ministry of Justice, November 18, 2013

Ministry of Justice Presentation to Select Standing Committee on Public Accounts re Securing the JUSTIN System: Access and Security Audit at the Ministry of Justice, November 18, 2013

Ministry of Justice, Information on CORNET System Use by Law Enforcement Agencies and Access to the JUSTIN System by People Who Have Not Had Criminal Records Checks (distributed December 13, 2013)

OAGBC Report 3: July 2012, *The Status of IT Controls in British Columbia's Public Sector: an analysis of audit findings*

OAGBC Presentation to Select Standing Committee on Public Accounts re The Status of IT Controls in BC's Public Sector, November 18, 2013

OAGBC Report 10: February 2013, *An Audit of Biodiversity in B.C.: Assessing the Effectiveness of Key Tools*

OAGBC Presentation to Select Standing Committee on Public Accounts re An Audit of Biodiversity in B.C.: Assessing the Effectiveness of Key Tools, November 18, 2013

Ministry of Forests, Lands and Natural Resource Operations and Ministry of Environment Presentation to Select Standing Committee on Public Accounts re An Audit of Biodiversity in B.C.: Assessing the Effectiveness of Key Tools, November 18, 2013

Ministry of Environment, Information on Connectivity in Protected Areas in BC, International Norm Standards and Best Practices, BC's Conservation Framework, Government Biodiversity Staff, and Measures for the Collection of Data to Inform Decision-Making (distributed December 13, 2013)

Ministry of Forests, Lands and Natural Resource Operations, Information on Biodiversity Designation (distributed February 27, 2014)

November 19, 2013 Meeting

OAGBC Report: November 2013, *Financial Statement Audit Coverage Plan for Fiscal Years 2014/2015 through 2016/2017*

OAGBC Presentation to Select Standing Committee on Public Accounts re Financial Statement Audit Coverage Plan for Fiscal Years 2014/2015 through 2016/2017

OAGBC Report 4: July 2012, *Audits of Two P3 Projects in the Sea-to-Sky Corridor*

OAGBC Presentation to Select Standing Committee on Public Accounts re Audits of Two P3 Projects in the Sea-to-Sky Corridor, November 19, 2013

Ministry of Transportation and Infrastructure Presentation to Select Standing Committee on Public Accounts re Sea-to-Sky Highway Improvement Project, November 19, 2013

Ministry of Forests, Lands and Natural Resource Operations and Ministry of Environment Presentation to Select Standing Committee on Public Accounts re Audits of Two P3 Projects in the Sea-to-Sky Corridor, November 19, 2013

Ministry of Environment, Information on Britannia Mine Water Treatment Plant P3 Contract Value (distributed November 20, 2013)

Ministry of Transportation and Infrastructure Information on Sea-to-Sky Highway Improvement Project with respect to HST/PST costing, the value of the project risk transfer to the private sector partner, the methodology for measuring reliability, the value of additional user benefits, provision to recapture the value of any equity sale, and the value of the share sale (distributed March 27, 2014)

OAGBC Report 15: March 2013, *Audit of the Evergreen Line Rapid Transit Project*

OAGBC Presentation to Select Standing Committee on Public Accounts re Audit of the Evergreen Line Rapid Transit Project, November 19, 2013

Ministry of Transportation and Infrastructure Presentation to Select Standing Committee on Public Accounts re Audit of the Evergreen Line Rapid Transit Project, November 19, 2013

November 20, 2013 Meeting

OAGBC Report 14: March 2013, *An Audit of Carbon Neutral Government*

OAGBC Presentation to Select Standing Committee on Public Accounts re An Audit of Carbon Neutral Government, November 20, 2013

Ministry of Environment and Pacific Carbon Trust Presentation to Select Standing Committee on Public Accounts re An Audit of Carbon Neutral Government, November 20, 2013

Pacific Carbon Trust, Nature Conservancy of Canada Letter (distributed November 20, 2013)

Pacific Carbon Trust, Information on Pacific Carbon Trust (distributed December 13, 2013)

Ministry of Environment, Information on Ministry Emissions and Government Arguments on the OAGBC Report Recommendations (distributed February 3, 2014)

OAGBC Report 11: February 2013, *Health Benefit Operations: Are the Expected Benefits Being Achieved?*

OAGBC Presentation to Select Standing Committee on Public Accounts re Health Benefit Operations: Are the Expected Benefits Being Achieved, November 20, 2013

Ministry of Health Presentation to Select Standing Committee on Public Accounts re Health Benefit Operations: Are the Expected Benefits Being Achieved, November 20, 2013

OAGBC, Information on Privacy Information and the US Patriot Act (distributed January 21, 2014)

Ministry of Health, Information on Change Order Details (distributed on February 25, 2014)

November 21, 2013 Meeting

Comptroller General Presentation to Select Standing Committee on Public Accounts re Public Accounts, November 21, 2013

Comptroller General, Information on Government Website on Public Accounts (distributed December 13, 2013)

OAGBC Report 7: December 2012, *Observations on Financial Reporting: Summary Financial Statements 2011/12*

OAGBC Presentation to Select Standing Committee on Public Accounts re 2011/12 Summary Financial Statements: Financial Reporting Observations, November 21, 2013

Comptroller General Presentation to Select Standing Committee on Public Accounts re Government Response to OAG Report Observations on Financial Reporting Audit Findings Report on the 2011/12 Summary Financial Statements, November 21, 2013

OAGBC, Information Bulletin re Audit Opinions Are Important: A Discussion on the Qualified Audit Opinion on B.C.'s 2012/13 Summary Financial Statements (distributed November 21, 2013)

OAGBC, Information re Outstanding Issues in Management Letter (distributed January 21, 2014)

Comptroller General, Information on Government Transfers (distributed February 27, 2014)

Comptroller General, Information on Financial Reporting (distributed March 30, 2014)

OAGBC Report 1: April 2012, *Development Initiative Trusts: An Audit of Legislative Compliance and Public Accountability Practices in the Three Statutory Trusts*

OAGBC Presentation to Select Standing Committee on Public Accounts re Development Initiative Trusts: An Audit of Legislative Compliance and Public Accountability Practices in the Three Statutory Trusts, November 21, 2013

Ministry of Jobs, Tourism and Skills Presentation to Select Standing Committee on Public Accounts re Development Initiative Trusts: An Audit of Legislative Compliance and Public Accountability Practices in the Three Statutory Trusts, November 21, 2013

OAGBC Report 2: April 2013, *School District Board Governance Examination*

OAGBC Presentation to Select Standing Committee on Public Accounts re School District Board Governance Examination, November 21, 2013

Ministry of Education Presentation to Select Standing Committee on Public Accounts re School District Board Governance Examination, November 21, 2013

