

Detailed Action Plan - Prepared for the Select Standing Committee of Public Accounts

Ministry of Citizens' Services

AN INDEPENDENT AUDIT OF THE MINISTRY OF CITIZENS' SERVICES REAL ESTATE ASSET SALES MANAGEMENT Released July 10, 2018

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Initial PAC Meeting- 26/11/2018

1<sup>st</sup> Action Plan Update [DD/MM/YY]

2<sup>nd</sup> Action Plan Update [DD/MM/YY]

Rec. #	OAG Recommendations	Action Planned	Target Date	Assessment of Progress by Entity <sup>1</sup>	Action Taken <sup>2</sup>
1.	Ministries and agencies prepare cost-benefit analyses prior to submitting real estate assets to the Surplus Properties Program for approval to sell.	Monitoring by Ministry of Citizens' Services (CITZ) will continue to ensure compliance by ministries and agencies.	October 30, 2018	Fully implemented	A Triple Bottom Line Cost-Benefit Analysis (TBL-CBA) must be completed for properties identified for disposal and valued at \$10M or more, or where CITZ identifies a sensitivity or complexity, to assess whether disposal is the preferred action.
2.	That no real estate assets are added to the surplus properties list until ministries and agencies complete and submit a readiness checklist showing that they have completed the due diligence work required to prepare assets for sale.	Monitoring by CITZ will continue to ensure compliance by ministries and agencies.	October 30, 2018	Fully implemented	A Surplus Declaration and Readiness Checklist has been created with mandatory actions required to be completed, to demonstrate that ministries and agencies have completed the due diligence work required to prepare the asset for sale.
3.	The controls that ministries and agencies have in place are sufficient to prevent and detect real or perceived bias, bid rigging and collusion when selling real estate assets.	Monitoring by CITZ will continue to ensure compliance by ministries and agencies.	October 30, 2018	Fully implemented	Transaction Guidelines and strategies have been created for all ministries and agencies which provide a clear definition of real/perceived bias, bid rigging and

<sup>1</sup>The Select Standing Committee on Public Accounts (PAC) will request an update (i.e., Assessment of Progress and Actions Taken column completed) on a yearly basis from the audited organization until all recommendations are fully implemented or otherwise addressed to the satisfaction of the PAC.

<sup>2</sup> This action plan and their subsequent updates have not been audited by the OAG. However, at a future date that Office may undertake work to determine whether the entity has accurately represented their progress in addressing the recommendations. The results of that work will be reported in a separate report prepared by the OAG.

**Please provide your email response to:**

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					collusion, and information on warning signs to look for to avoid these from occurring.
4.	Ministries and agencies establish bid submission requirements for real estate asset sales to foster increased transparency of multi-parcel property bids.	Monitoring by CITZ will continue to ensure compliance by ministries and agencies.	October 30, 2018	Fully implemented	Guidelines for Solicitation of Offers have been created which will ensure that the principles of transparency and best value is followed when selecting an offer.
5.	Evaluate real estate purchase bids and provide Treasury Board with an opinion as to whether bids fairly reflect market conditions, based on appraisals and other market information.	Monitoring by CITZ will continue to ensure compliance by ministries and agencies.	October 30, 2018	Fully implemented	Mandatory actions required prior to property disposition have been developed, based on the value and complexity of the property. The disposal of a property valued at >\$10M will require an evaluation of the purchase bids by CITZ to be provided to the Treasury Board staff, along with an opinion as to whether the bids fairly reflect market conditions based on appraisals and other market conditions.
6.	Engage an independent consultant to conduct an evaluation of the RAEG initiative to identify opportunities to enhance public sector strategic real estate management.	An independent consultant (Colliers) has been hired through an RFP process. CITZ will be working closely with Colliers to identify and implement further opportunities to enhance public sector strategic real estate management.	March 31, 2019	Substantially implemented	An independent consultant (Colliers) has been selected through a Request for Proposals process to conduct an evaluation of the former RAEG initiative. Work is underway and the final report is expected in March 2019.
7.	Improve public accountability reporting on sales of surplus real estate assets.	This recommendation has been included as a deliverable for Colliers as part of the evaluation of the Surplus Properties Program. CITZ will be working closely with the consultant to identify and improve public accountability for reporting on sales of surplus real estate assets.	March 31, 2019	Substantially implemented	Actions taken against each of the recommendations will contribute to strengthening public accountability for the Surplus Properties program.  This recommendation is also included as a specific deliverable for the consultant hired to determine improvements to the Surplus Properties Program. This will ensure guidelines are in place to assist ministries and agencies to appropriately report on revenues, cost benefit analysis of sales, and economic impact.

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