

Action Plan and Progress Assessment (APPA) for the implementation of audit recommendations from the OAG- Prepared for the Select Standing Committee of Public Accounts
Attention: Mike Bernier, Chair and Rick Glumac, Deputy Chair of the Select Standing Committee on Public Accounts

An Audit of Mid-Size Capital Procurement in Post-Secondary Institutions Released May, 2016

<http://www.bcauditor.com/pubs>

PAC Meeting Plan¹	23/11/16	Prepared by: Kevin Brewster, Ministry of Advanced Education	Reviewed by: Sandra Carroll DM
1st APPA Update	22/12/17	Prepared by: Kevin Brewster, Ministry of Advanced Education	Reviewed by: (was not reviewed by DM due to Gov't transition priorities)
2nd APPA Update	09/03/20	Prepared by: Kevin Brewster, Ministry of Advanced Education	Reviewed by: Shannon Baskerville DM
3rd APPA Update	23/02/21	Prepared by: Kevin Brewster, Ministry of Advanced Education and Skills Training	Reviewed by: Shannon Baskerville DM

Rec. # Accepted? Yes / No ²	OAG Recommendations	Actions Planned & Target Date(s) ³	Assessment of Progress to date ⁴ and Actions Taken ⁵ (APPA update)
2.	RECOMMENDATION 2: <i>We recommend that the Ministry of Advanced Education use its improved understanding of the condition of its facilities to prioritize significant maintenance and new construction projects, and to inform its capital planning goals and priorities.</i>	The Ministry agrees the incorporation of facility condition into the prioritization of new capital investments is an important principle. The Ministry is on its second iteration of assessing the physical condition of post-secondary assets at publicly funded post-secondary institutions in British Columbia. The results of those assessments are used to inform the approval process for projects currently before government for funding approval. – Completed	Progress to Date: Fully implemented The Ministry of Advanced Education and Skills Training's use of facility condition index data has increased since 2011, and now forms part of the decision making for all new capital projects and capital planning goals and priorities.

¹ The audited organization will be required to present their initial action plan at this meeting (i.e. First three columns completed for each OAG recommendation included in the audit report)

² For each recommendation, the audited organization should state whether or not they have accepted the recommendation and plan to implement it fully by typing either "Yes" or "No" under the number of the recommendation.

³ Target date is the date that audited organization expects to have "fully or substantially implemented" the recommendation. If several actions are planned to implement one recommendation, indicate target dates for each if they are different.

⁴ The Select Standing Committee on Public Accounts (PAC) will request that the audited organization provide a yearly update (i.e completed "Assessment of Progress and Actions Taken" column) until all recommendations are fully implemented or otherwise addressed to the satisfaction of the PAC. This is for the APPA update.

⁵ This action plan and the 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 implemented 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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3.	<p>RECOMMENDATION 3: <i>We recommend that the Ministry of Advanced Education follow its documentation processes to ensure capital submissions are complete.</i></p>	<p>The Ministry has improved its capital planning and documentation processes since 2011. Project business plans are linked closely with the associated approval documents and are retained for future reference. – Completed</p>	<p>Progress to Date: Fully implemented</p> <p>The Ministry of Advanced Education and Skills Training continues to communicate to its post-secondary institutions of our expectation to follow both the Capital Asset Management Framework (general guidance on capital asset management (CAMF)) and the Capital Asset Reference Guide (capital planning, business plan process and capital project development guidance specific to the post-secondary sector (CARG)).</p> <p>Project business plans submitted to the Ministry are reviewed systematically and are retained with approval documents for future reference.</p>
4.	<p>RECOMMENDATION 4: <i>We recommend that the Ministry of Advanced Education require post-secondary institutions to report on their compliance with the conflict-of-interest principles in the Capital Asset Management Framework for major projects, as part of the post-awarding communication to the ministry.</i></p>	<p>The Ministry takes conflict of interest very seriously and has begun communicating to post-secondary institutions the importance of conflict of interest declarations for any staff involved in the procurement of consultants or contractors for capital projects. – 2020/21</p>	<p>Progress to Date: Partially implemented</p> <p>The Ministry of Advanced Education and Skills Training has communicated the need for conflict of interest declarations to post-secondary institution representatives in verbal updates since 2017/18.</p> <p>Proposed Actions:</p> <p>The terms and conditions included in the funding approval letter for all major capital projects require all post-secondary institutions to “...proceed in accordance with various provincial government requirements and policies, including, but not limited to, the CAMF.”</p> <p>In 2021/22, the Ministry will:</p> <ol style="list-style-type: none"> 1. Update the terms and conditions attached to all future major funding approval letters to specifically mention the requirement to adhere to conflict-of-interest principles outlined in the CAMF. 2. Update the Ministry’s Capital Asset Reference Guide (Template 12 – Project Close-out Report) to require written confirmation in the PSIs’ project close-out reports that the conflict-of-interest principles were adhered to upon project award. 3. Send written communication to PSIs, notifying them of the above changes. 4. Review and monitor project close-out reports for compliance.
5.	<p>RECOMMENDATION 5: <i>We recommend that the Ministry of Advanced Education create a risk-based audit plan to ensure that periodic independent procurement or financial audits (or both) are completed for significant, provincial government-funded capital projects.</i></p>	<p>The Ministry has established project boards to govern the development of major capital projects. This will be supplemented by periodic risk-based audits on projects. - 2020/21</p>	<p>Progress to Date: Partially implemented.</p> <p>The Ministry of Advanced Education and Skills Training has successfully undergone audits as part of the Federal Strategic Investment Fund initiative.</p> <p>Proposed Actions:</p> <p>In 2021/22, the Ministry will develop a risk-based audit plan, which will identify and outline the first set of audits to be undertaken this fiscal year.</p>

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6.	<p>RECOMMENDATION 6: <i>We recommend that the Ministry of Advanced Education improve its knowledge management practices by requiring project managers to review lessons learned on significant projects and share and discuss project successes and challenges with ministry staff.</i></p>	<p>The Ministry will incorporate an assessment of “lessons learned” during the planning, design, procurement, construction and close-out phases of major capital projects, and share the findings with post-secondary institutions for continuous improvement. - 2020/21 and 2021/22</p>	<p>Progress to Date: Not yet implemented. Workload related to COVID has prevented further action on this recommendation.</p> <p>Proposed Actions: In 2020/21, Ministry staff will attend one of the regular post-secondary facilities directors’ meetings for the public post-secondary sector to advise them of this requirement and to initiate discussion regarding lessons learned about planning and procurement on recent major capital projects.</p> <p>In 2021/22, the Ministry will:</p> <ol style="list-style-type: none"> 1. Update the Ministry’s Capital Asset Reference Guide (Template 12 – Project Close-out Report) to include a requirement for a summary of lessons learned in the PSIs’ project close-out reports. 2. Send written communication to PSIs, notifying them of the change. 3. Review and monitor project close-out reports for compliance.
7.	<p>RECOMMENDATION 7: <i>We recommend that the Ministry of Advanced Education require post-secondary institutions, after they complete a capital project, to assess and report back on their progress against the original business case objectives.</i></p>	<p>The Ministry will work with post-secondary institutions to establish a post-occupancy evaluation process to determine if a project achieved business plan objectives. - 2020/21 and 2021/22</p>	<p>Progress to Date: Not yet implemented. Workload related to COVID has prevented further action on this recommendation.</p> <p>Proposed Actions: In 2020/21, the Ministry will attend the regular post-secondary facilities directors’ meeting for the public post-secondary sector to advise them of this requirement and to initiate discussions regarding lessons learned on recent major capital projects.</p> <p>In 2021/22, the Ministry will:</p> <ol style="list-style-type: none"> 1. Update the Ministry’s Capital Asset Reference Guide (Template 12 – Project Close-out Report) to include a requirement to assess and report back on their progress against original business case objectives in the PSIs’ project close-out reports. 2. Send written communication to PSIs, notifying them of the change. 3. Review and monitor project close-out reports for compliance.

Prepared by: Ministry of Advanced Education and Skills Training

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