



# PERFORMANCE AUDIT COVERAGE PLAN

2021/22–2022/23

March 2021



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The Office of the Auditor General of British Columbia would like to acknowledge with respect that we conduct our work on Coast Salish territories. Primarily, this is on the Lkwungen-speaking people's (Esquimalt and Songhees) traditional lands, now known as Victoria, and the WSÁNEĆ people's (Pauquachin, Tsartlip, Tsawout, Tseycum) traditional lands, now known as Saanich.

# REPORT AT A GLANCE

## About the plan

Performance audits provide valuable assurance and advice through an assessment of the efficiency, economy and effectiveness of provincial programs, services and resources.

The plan period is now two years rather than three, as in previous plans, due to future uncertainty resulting from COVID-19 and ever-changing circumstances in our environment.

## A new and refreshed approach

We are making changes to improve the effectiveness of the work we do to serve the Legislative Assembly of British Columbia. You can expect:

- increased community consultation
- more tightly scoped audits
- shorter, more focused reports
- faster completion and delivery of audits
- one-page summaries with key information
- new communication initiatives, such as audit report videos and enhanced social media
- more regular reporting on our performance, including audits cancelled and delayed

## Plan overview

### **Audits in plan:**

- 17 audits in process
- 20 future audits

### **Upcoming report releases:**

- Management of the Conservation Lands Program
- Avalanche Safety Program
- Oversight of Home Share Providers

### **Performance audits in planning:**

- Rural Internet Connectivity
- Effectiveness of Northern Bus Services
- Cybersecurity in Teleworking Environments

### **Key issues reflected in our audits:**

- impacts of COVID-19
- challenges faced by Indigenous communities
- challenges in supporting our most vulnerable people
- the need for continued focus on diversity and inclusion



## AUDITOR GENERAL'S COMMENTS

**MICHAEL A. PICKUP**, FCPA, FCA  
Auditor General of British Columbia

Each year, my office produces two plans—the *Financial Statement Audit Coverage Plan* and the *Performance Audit Coverage Plan*—that highlight the work we intend to do. These plans are a first for me since starting my eight-year term as B.C.'s new Auditor General in July 2020.

This plan—the *Performance Audit Coverage Plan*—outlines the 17 performance audits we have underway as well as the 20 audits that we plan to start in the coming two years. Combined, these audits enable us to meet our key performance indicator of 12 reports per year, which you can see—in the [Current Audits](#) section starting on page 10—that we are on track to achieve in 2021/22.

The audits in this plan are the result of extensive planning as well as discussions with legislators and senior government staff. We work hard to ensure that the topics we select are relevant and that they add value to the legislative assembly and the people of B.C.

This is partly why we have now shifted from a three-year plan to a two-year plan. The environment we operate in is constantly changing—now more than ever—making it difficult to forecast where our priorities will be in three years' time.

The COVID-19 pandemic played a significant role in our decision to change the time span of this plan. The B.C. government has had to react quickly to the pandemic, and its response continues to change. In September 2020, my office published [Summary of COVID-19 Pandemic Funding Allocations and Other Financial Relief Measures](#) on government spending related to the pandemic, and we have several audits in our plan (e.g., Procurement of Hotels During the COVID-19 Pandemic, Providing Safe Spaces During the COVID-19 Pandemic, the COVID-19 Economic Recovery Program and the Co-ordinated Response to Vulnerable Populations Living in Encampments) that will examine key parts of government's response. There is also our new financial management and controls work, which will focus on controls for select COVID-19 expenditures. However, these plans could change even more as the pandemic evolves and we learn more about government's response.

The audits in this plan—be it those that are already underway or those planned for a future start—touch on a number of areas, including several important issues facing our province and those who live here. Over the next two years, we will examine programs for vulnerable populations (e.g., Substance Use Services, Mental Health in Corrections and Legal Aid) and Indigenous Peoples (e.g., Post-secondary Indigenous Education, Indigenous Representation in the K–12 Teaching Workforce and Indigenous Health) and will look for opportunities to explore diversity and inclusion. We remain committed to ensuring our work reflects issues that are top of mind for the people of B.C., and it is for this reason that we will be creating a group of external thought leaders to gain important insight on key issues.

Moving forward, we will continue to provide timely, independent, high-value audit reports. That is not changing. But we will be making some improvements to the way we work. You can look forward to shorter, easier-to-read audit reports with an Audit at a Glance section up front to help you get to the heart of the matter, faster. You can also expect more information on our plans and performance, including a more robust audit schedule with reporting dates as well as regular updates on our progress (e.g., the audits we have had to cancel or delay). This is all part of our ongoing commitment to foster greater transparency and engagement in the work that we do.

Finally, I would like to thank you for your ongoing interest in the work my office does. We look forward to delivering on these commitments and continuing to support a legislative assembly, government and public service that work effectively for the people of B.C.



Michael A. Pickup, FCPA, FCA  
Auditor General of British Columbia  
Victoria, B.C.  
March 2021

# BACKGROUND

## What we do

The Office of the Auditor General of British Columbia is a non-partisan, independent office that reports directly to the legislative assembly. We conduct financial and performance audits that provide assurance and advice on the overall operation of the B.C. government.

**Financial audits** provide independent opinions on whether government's financial statements are presented fairly and free of material errors, misstatements and omissions.

**Performance audits** assess the efficiency, economy and effectiveness of provincial programs, services and resources. They are often referred to as value-for-money audits because they can determine whether the province received value for the money it spent.

Our performance audits vary in size, complexity and approach. For example, this past year, some of our audits focused on broad issues, like IT asset management in select ministries, while others focused on a particular program, like the Provincial Nominee Program. Regardless of size or scope, all of our performance audits follow generally accepted auditing standards.

From time to time, we also produce reports that provide important information to the legislative assembly, but are not audits. Our [\*Summary of COVID-19 Pandemic Funding Allocations and Other Financial Relief Measures\*](#) is a good example of this. We compiled information from various government sources in an effort to provide legislators and the public with a timely snapshot of the province's pandemic spending. But we did not audit the information.

There is also our financial management and controls (FMC) work that will focus on key areas of financial management and control risk through small, tightly scoped reports. This builds on the work led by our compliance, controls and research (CCR) team in the past. Next year, our FMC work will focus on controls for select COVID-19 expenditures, as part of our Summary Financial Statement audit.

## How we select audit topics

Our audit universe is vast. There are over 160 government entities, such as ministries, Crown corporations, universities, colleges, school districts and health authorities, that are controlled by, or are accountable to, the provincial government. We cannot audit all of these entities, so we plan our work in a manner that focuses our resources on the areas that are most significant and relevant to our stakeholders. Moving forward, we will be engaging with a group of external thought leaders with representation from diverse backgrounds to help us improve our understanding of key issues across our province and better focus our work.

Our *Financial Statement Audit Coverage Plan* outlines the government organizations that we will audit directly and those that will be audited by a private-sector firm as part of our annual audit of government's Summary Financial Statements. Section 10 of the *Auditor General Act* requires that our office produce this plan and have it approved by the Select Standing Committee on Public Accounts (also known as PAC).

Our *Performance Audit Coverage Plan* outlines the performance audits that we have underway as well as those that we plan to start over a two-year period. This body of work helps us meet our objective to provide valuable assurance and advice, which we measure in part through our key performance indicator of 12 reports per year. Information on all of our key performance indicators can be found in our [Service Plan](#).

We use a comprehensive and systematic approach to select performance audit topics that best meet our mandate and allow us to have the greatest impact.

Potential performance audit topics come from:

- past and ongoing audits, including the work of our financial audit team
- discussions with stakeholders, including the public service, members of government and the opposition, and Indigenous Peoples
- information and requests from members of the legislative assembly, the public and other stakeholders
- the work of other audit offices

We filter information from the above sources through a rigorous and objective process that considers:

- significance (financial, economic, social, health and environmental importance of the topic)
- risk (likelihood or impact of an organization's failure to achieve its objectives)
- relevance (importance to members of the legislative assembly and the public)

- influence (potential to support effectively governed and well-managed programs, services and resources)
- timing
- relationship to our past, current and future work
- degree of change in sectors and programs

The Auditor General decides which audits to undertake—a safeguard that allows us to maintain our independence. The only exception to this is where we are requested by the legislative assembly or one of its committees (a requirement of the Act) to undertake specific work.

## How we will use this plan

This coverage plan guides the use of staff time over the coming two years and provides a starting point for developing individual audit plans. Staff will develop the scope of work through audit planning as they meet with the people responsible for these areas to gain a better understanding of the subject matter.

This coverage plan may change. In fact, this year, we shifted the time span of our *Performance Audit Coverage Plan* from three years to two years to provide a more realistic snapshot of the work we intend to carry out. We found that the ever-changing environment meant that many of the topics we intended to start toward the end of our plan had shifted and were no longer a priority by the time we came to start them.

The COVID-19 pandemic played a significant role in our decision to move to a more focused plan. No one knows how the pandemic will evolve and the impact it will have on government programs, services and resources. Our staff are constantly monitoring new developments, which may require that we re-prioritize our work to address emerging demands related to the pandemic. This is easier to do with a two-year plan.

As we have done in the past, we will continue to refresh our coverage plan annually by building on our list of topics and explaining where our plans have changed. However, in the meantime, we will provide more regular updates on how we are tracking against this plan and explain where we have decided to cancel or delay an audit, and why. Our first progress report will be coming out later this month.

## What happens next

Audit planning is the first phase of the audit process. It involves working with each organization to fully understand the program area and its responsibilities. Organizations are asked to provide us with access to documents, staff and work sites so that our teams can form a decision on whether to proceed with an audit. Sometimes, after carrying out planning work, we decide not to complete an audit or decide to push back the start date. This is often the case when we find that significant changes are underway in the program area.

However, if we decide to do an audit, teams will develop a plan that establishes the:

- objective and scope of work
- criteria or standards for assessing performance in relation to the audit objective
- approach they will use to obtain sufficient, appropriate evidence to form conclusions

After planning, we conduct the audit using the approach outlined in our plan. Our methodology meets professional audit standards and ensures that we safeguard our independence and objectivity. We work closely with organizations throughout the audit to keep them apprised of our work, including regular discussions of our findings. We then table our report with the legislative assembly and publish it on our [website](#). We also present our report to PAC, which may call representatives from government that can speak to their program.

After the report is public, the audited organization submits an action plan to PAC that details how it will address the recommendations in our report. Approximately one year later, and annually thereafter, PAC requests an action plan progress assessment that outlines the work the organization has done to implement our recommendations. In most cases, PAC continues to request progress assessments until the organization has implemented our recommendations or has otherwise addressed them.

In some cases, we may decide to carry out a progress audit to confirm that organizations have implemented our recommendations. We publish the results of our follow-up work using the same approach described above, reporting to PAC, the legislative assembly and the public.

# CURRENT AUDITS

The following table outlines the 17 audits we are working on and when we expect to publish them.

The status of each audit differs, with some very close to being reported—like the Management of the Conservation Lands Program and Avalanche Safety Program—and others just getting underway in planning—like Rural Internet Connectivity, the Effectiveness of Northern Bus Services and the audits on COVID-19. Also in this list are four audits that are in planning but temporarily paused while we wait for changes in these areas to unfold. Either way, you can expect to see reports on all the audits in this list over the course of the 2021/22 and 2022/23 fiscal years.

Audits that are still in planning do not yet have a description, as it is only at the end of this phase that we determine our scope of work. However, we update our [website](#) throughout the year as teams complete audit planning.

Audit name (listed alphabetically)		What the audit will cover
<b>Reporting in 2021/22</b>		
1	Avalanche Safety Program <i>(previously Avalanche Program)</i>	Whether the Ministry of Transportation and Infrastructure is effectively managing its avalanche safety program to ensure the safety of highway users and minimize the frequency and duration of avalanche-related road closures.
2	Avalanche Worker Safety <i>(previously Avalanche Program)</i>	Whether the: <ul style="list-style-type: none"> <li>Ministry of Energy, Mines and Low Carbon Innovation, through its oversight of mine sites, has ensured that mine operators have mitigated risks to worker safety posed by avalanche</li> <li>Workers' Compensation Board of B.C., through its oversight of workplaces, has ensured that workplaces have mitigated risks to worker safety posed by avalanches</li> </ul>
3	Cybersecurity in Teleworking Environments <i>(previously Critical Systems Recovery)</i>	This audit is in planning. We will determine the scope of work at the end of this phase.
4	Dam Safety	Whether the Ministry of Forests, Lands, Natural Resource Operations and Rural Development has effectively overseen the safety of dams in B.C.
5	Effectiveness of Northern Bus Services <b>NEW</b>	This audit is in planning. We will determine the scope of work at the end of this phase.

Audit name (listed alphabetically)		What the audit will cover
6	Investigational Capacity	Whether the Ministry of Finance has implemented recommendations made in the KPMG 2016 report titled <i>Strategic Initiatives Review of the British Columbia Ministry of Finance Investigation and Forensic Unit</i> .
7	Management of the Conservation Lands Program	Whether the Ministry of Forests, Lands, Natural Resource Operations and Rural Development is effectively managing the Conservation Lands Program to conserve important habitat for the benefit of significant fish and wildlife species.
8	Oversight of Home Share Providers (previously <i>Community Living BC</i> )	Whether Community Living BC has implemented a monitoring framework to ensure home share providers: <ul style="list-style-type: none"> <li>align service delivery to further quality of life outcomes for individuals in care (as per Schedule A of the contract)</li> <li>comply with contracted standards and service requirements (as per Schedules B and C of the contract)</li> </ul>
9	Procurement of Hotels During the COVID-19 Pandemic <b>NEW</b>	This audit is in planning. We will determine the scope of work at the end of this phase.
10	Progress Audit: Securing the JUSTIN System (2013)	This audit is in planning. We will determine the scope of work at the end of this phase.
11	Providing Safe Spaces During the COVID-19 Pandemic (previously <i>Domestic Violence</i> )	This audit is in planning. We will determine the scope of work at the end of this phase.
12	Report on Financial Audit Work (2020/21) (previously <i>Report on the Audit Opinion</i> )	This report will explain our audit opinion on government's 2020/21 Summary Financial Statements, as well as other issues of interest (including a chapter that examines government's controls for COVID-19 expenditures).
13	Rural Internet Connectivity <b>NEW</b>	This audit is in planning. We will determine the scope of work at the end of this phase.
<b>Reporting in 2022/23</b>		
14	Managing Spills	This audit is in planning but is temporarily suspended while we wait for the Ministry of Environment and Climate Change Strategy to implement a new IT system. We expect to resume the audit toward the end of 2021.
15	Site C Dam	This audit was temporarily suspended while government undertook its own review. We expect to resume planning in 2021.
16	Substance Use Services (previously <i>Response to the Opioid Crisis</i> )	This audit is in planning but is temporarily suspended at the request of the Vancouver Coastal Health Authority and the Ministry of Mental Health and Addictions so that staff can focus on responding to the COVID-19 pandemic and clinical care. We expect to resume the audit in June 2021.
17	Succession Management	This audit is in planning but is temporarily suspended while the Public Service Agency finalizes and implements its new cross-government workforce planning process. We expect to resume the audit in early 2022.

## FUTURE AUDITS

The following is a list of 20 audits that we expect to start between now and March 31, 2023. We will draw eight audits from this list to build on the four (identified in the section above) that we already expect to report on in 2022/23 to meet our key performance indicator of 12 reports per year.

Unlike last year, when we added only five new audits, over half of the topics in this year’s plan are new. This reflects emerging priorities—including those related to the COVID-19 pandemic (e.g., the COVID-19 Economic Recovery Program and the Co-ordinated Response to Vulnerable Populations Living in Encampments).

We also continue to prioritize audits that focus on important social issues, like programs and services for vulnerable populations and Indigenous Peoples. In fact, we now have three audits on our list that examine important programs for Indigenous communities—one in health and two in education—and several more that target resources for vulnerable populations—like Legal Aid and Mental Health in Corrections.

Our plan is to start these 20 audits over the next two years, but this could change as we move through planning and find that we have to adjust the timing of our work. This flexibility allows us to be responsive to emerging issues, which is especially important this year as we continue to monitor the impact COVID-19 has on government programs, services and resources.

Audit name (listed alphabetically)	
1	Access to Timely Cancer Care
2	Child Care Plan <b>NEW</b>
3	CleanBC <b>NEW</b>
4	Co-ordinated Response to Vulnerable Populations Living in Encampments <b>NEW</b>
5	COVID-19 Economic Recovery Program <b>NEW</b>
6	Education Network <b>NEW</b>
7	Highway 1 Four-Laning <b>NEW</b>
8	Indigenous Health
9	Indigenous Representation in the K–12 Teaching Workforce <b>NEW</b>
10	Legal Aid
11	Mental Health in Corrections
12	Oversight of the Temporary Foreign Workers Program <b>NEW</b>

Audit name (listed alphabetically)	
13	Post-secondary Indigenous Education
14	Primary Care Transformation
15	Progress Audit: Compliance and Enforcement of the Mining Sector
16	Protection of Health Records: Provincial Laboratory Information System <b>NEW</b>
17	Report on Financial Audit Work (2021/22) <b>NEW</b>
18	Report on Financial Audit Work (2022/23) <b>NEW</b>
19	Social Impact Procurement <b>NEW</b>
20	Teacher Performance and Development in the K–12 Education System (previously <i>Employee Performance and Development in the K-12 Education System</i> )

# AUDITS REMOVED

This year we have removed 20 audits from our plan. In the case of the first 12, we determined that our resources would be better used elsewhere after examining the potential scope and timing of our work. These areas have undergone significant change (or are still undergoing change), impacting the relevance of an audit.

The other eight audits were removed from our plan as a result of shifting from a three-year to a two-year plan. Currently, we intend on moving forward with these audits in 2023/24, but will consider these in relation to our other priorities when we refresh the plan next year.

Audit name		Rationale
<b>Audits not proceeding due to relevancy considerations</b>		
1	BC Ferries	The office has decided to defer work in this area until there is more certainty about the impact COVID-19 has on BC Ferries. We will continue to monitor this area to determine whether the office can add value in the future.
2	Capital Asset Condition in Transportation	Over the past year, the office did some preliminary research on this topic and learned that the Ministry of Transportation and Infrastructure has several components of an asset management framework in place and that further audit work would not likely add value. Instead, the office will focus its resources on two new transportation topics.
3	Effectiveness of Oversight of Alternative Service Delivery Arrangements	For several years starting in the early 2000s, government's procurement strategy included a focus on high-value service contracts, such as alternative service delivery projects. Government is now considering next steps for these high-value projects. As a result, we have decided to hold off on future work in this area until government confirms its approach.
4	Independent Power Projects Contract Management	The province continues to review BC Hydro's mandate, including its reliance on independent power projects. This uncertainty makes an audit in the area less relevant.
5	Internal Audit Function	After considering the potential scope of this work, we have decided that an assessment of the internal audit function and/or controls would be better suited for our financial audit staff who examine financial management controls.
6	Palliative Care at Interior Health	We began an audit in this area, but suspended our work in response to COVID-19 given the significant impact the pandemic has had on palliative care practices. Instead of proceeding with a public report, we decided to issue a letter of observations to the Interior Health Authority, which can be used to inform palliative care program planning and service delivery. We will continue to monitor this area and will consider future work as necessary.
7	Pension Plan Governance and Oversight	Our staff recently reviewed this topic and determined that it is a lower priority relative to the other topics on our plan. The Public Sector Accounting Board is also in the process of reviewing the accounting standards for public sector pension plans.

Audit name	Rationale
8 Post-secondary Quality Assurance	In 2018, the Ministry of Advanced Education and Skills Training rolled out quality assurance process audits to verify institutions' compliance with the province's education quality assurance policy. The ministry is now planning to review the quality assurance system, making an audit in this area less relevant.
9 Public Guardian and Trustee IT System: Securing Trust Assets	This topic was set to explore how the Public Guardian and Trustee protects the sensitive and personal information it stores in its trust system. While still an important area, the office has decided to defer this audit topic because of emerging new priorities.
10 Rural Dividend Program	The status of the Rural Dividend Program—a grant program to encourage economic growth and job creation in small rural communities—remains uncertain after government suspended its funding in 2019. We will explore rural economic development through a new topic on rural Internet connectivity.
11 Strategic Investments in Innovation and Technology	This topic considered how select organizations are managing strategic investments in technology to support economic development. The office did some preliminary work on this topic but discovered that many of the investment initiatives were still fairly new. This would make it challenging to assess outcomes at this time.
12 Youth Corrections Case Management	Recent changes to the <i>Youth Criminal Justice Act</i> have led to a significant drop in the number of youth in custody. The low count, coupled with ongoing changes to better serve youth through trauma-informed practice, has led us to prioritize our resources elsewhere.
<b>Audits not proceeding due to shift in timing of the plan</b>	
13	Health Sector Capital Planning
14	ICBC
15	Indigenous Housing
16	Invasive Species
17	Legislative Assembly
18	Mental Health Wait Times
19	RCMP Contract
20	Regulating and Licensing Cannabis

# SUMMARY OF COVERAGE BY SECTOR

The following tables illustrate our coverage by sector over the coming two years. Although audits are grouped by sector, many cross over multiple areas, especially those in general government and information technology (IT).

These placements may change over time as we enhance our understanding of the area and the direction of each audit.

Education		
Indigenous Representation in the K-12 Teaching Workforce <b>NEW</b>	Post-secondary Indigenous Education	Teacher Performance and Development in the K-12 Education System ( <i>previously Employee Performance and Development in the K-12 Education System</i> )
Social services		
Child Care Plan <b>NEW</b>	Co-ordinated Response to Vulnerable Populations Living in Encampments <b>NEW</b>	Oversight of Home Share Providers ( <i>previously Community Living BC</i> )
Procurement of Hotels During the COVID-19 Pandemic <b>NEW</b>	Providing Safe Spaces During the COVID-19 Pandemic ( <i>previously Domestic Violence</i> )	
Health		
Access to Timely Cancer Care	Indigenous Health	Primary Care Transformation
Substance Use Services ( <i>previously Response to the Opioid Crisis</i> )		
Natural resources		
CleanBC <b>NEW</b>	Dam Safety	Management of the Conservation Lands Program
Managing Spills	Progress Audit: Compliance and Enforcement of the Mining Sector (2016)	Site C Dam

Transportation		
Avalanche Safety Program <i>(previously Avalanche Program)</i>	Avalanche Worker Safety <i>(previously Avalanche Program)</i>	Effectiveness of Northern Bus Services <b>NEW</b>
Highway 1 Four-Laning <b>NEW</b>		
Protection		
Legal Aid	Mental Health in Corrections	
Economic development		
Oversight of the Temporary Foreign Workers Program <b>NEW</b>	Rural Internet Connectivity <b>NEW</b>	
Information technology (IT)		
Cybersecurity in Teleworking Environments <i>(previously Critical Systems Recovery)</i>	Education Network <b>NEW</b>	Progress Audit: Securing the JUSTIN System (2013)
Protection of Health Records: Provincial Laboratory Information System <b>NEW</b>		
General government		
COVID-19 Economic Recovery Program <b>NEW</b>	Investigational Capacity	Report on Financial Audit Work (2020/21) <i>(previously Report on the Audit Opinion)</i>
Report on Financial Audit Work (2021/22) <b>NEW</b>	Report on Financial Audit Work (2022/23) <b>NEW</b>	Social Impact Procurement <b>NEW</b>
Succession Management		



OFFICE OF THE  
**Auditor General**  
of British Columbia

## LOCATION

623 Fort Street  
Victoria, British Columbia  
Canada V8W 1G1

## OFFICE HOURS

Monday to Friday  
8:30 am – 4:30 pm

Telephone: 250-419-6100  
Toll-free through Enquiry BC: 1-800-663-7867  
In Vancouver: 604-660-2421

**FAX:** 250-387-1230

**EMAIL:** [bcauditor@bcauditor.com](mailto:bcauditor@bcauditor.com)

**WEBSITE:** [www.bcauditor.com](http://www.bcauditor.com)

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