



NEWS RELEASE

For Immediate Release

August 3, 2017

Stronger ministry oversight of multi-year contract needed

VICTORIA – The Office of the Auditor General of British Columbia has released a new report: *An Audit of the Contract for the Family Maintenance Enforcement Program*.

The Family Maintenance Enforcement Program collects and issues payments for child and spousal support.

“Last year, this program helped families receive over \$200 million in support payments that they’re entitled to,” said Auditor General Carol Bellringer. “Our audit focused on the Ministry of Justice’s management of the contract for this program, and not the quality of service being provided.”

A private sector contractor delivers the program on behalf of the ministry. The same service provider has held the contract since the ministry outsourced program delivery in 1988. Over the last 10 years, the ministry has paid about \$160 million to the service provider to deliver the program.

The audit found that in 2006, when the contract was most recently up for tender, the ministry did not follow good procurement practices. Specifically, the ministry didn’t choose the right procurement strategy given the limited number of potential service providers. Its strategy also didn’t generate competition; nor did the ministry respond appropriately to the lack of competition.

“Our findings reinforce that ministries need to choose the right procurement strategies to achieve competition and demonstrate value for money when using contractors to provide government services,” said Bellringer. “It’s not enough to just follow policy requirements; for the most part, the ministry did that and still didn’t achieve competition, which is a key principle of fair and open public sector procurement.”

The audit also identified challenges managing the contract over the years. These challenges should have triggered greater oversight by the ministry. For example, 10 years of negotiating with the service provider has not produced a new contract, increasing program costs have resulted in the program regularly requesting and receiving additional funding, and there are numerous outstanding recommendations for improvement from multiple external assessments of the program.

The full report is available on the Office of the Auditor General website at www.bcauditor.com. Bellringer will answer questions pertaining to the report via a news conference.



OFFICE OF THE
Auditor General
of British Columbia

News Conference Date: Thursday, August 3, 2017

Time: 11:00 a.m. (Pacific time)

Dial-in Information:

From Vancouver: 604 681-0260

From elsewhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 44848#

During question and answer period, to ask a question: Press 01

During question and answer period, to exit the question queue: Press #

About the Office of the Auditor General of British Columbia

The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff to conduct audits, report findings and make recommendations.

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