



# AUDITOR GENERAL'S STATUS REPORT

March 2021



The Honourable Raj Chouhan  
Speaker of the Legislative Assembly  
Province of British Columbia  
Parliament Buildings  
Victoria, British Columbia  
V8V 1X4

Dear Mr. Speaker:

I have the honour to transmit to the Speaker of the Legislative Assembly of British Columbia the *Auditor General's Status Report*.

We are issuing this report under section 12 of the *Auditor General Act*, which provides for the auditor general to make a report at any time to the legislative assembly or other government organization.

A handwritten signature in black ink, appearing to read "Michael A. Pickup". The signature is fluid and cursive, with a large initial "M" and "P".

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

## Why we did this report

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- To give the legislature and the public a timely update on the status of 10 performance audits.
- To demonstrate accountability for the resources that we use.

## Why our plans change

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- We balance our independence to do the work with the realities of the entities that we audit.
- We react to unforeseen events like the COVID-19 pandemic.
- These postponements and changes make sense to us—this report is not intended to be a complaint about government asking us to delay work.

## What this report covers

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- This report outlines the 10 performance audits that have been impacted and explains why our plans changed. It categorizes the audit status as either “postponed” or “alternative reporting.”

**Postponed**—Audit remains on our performance audit coverage plan but no planned start date has been set.

**Alternative reporting**—A management letter, letter of observations and/or update letter was sent to the auditee, but no public information has been provided.

# 10 PERFORMANCE AUDITS WITH SIGNIFICANT CHANGE

Postponed		
Audit	Performance Audit Coverage Plan announcement year	Reason for change
<a href="#">Access to Timely Cancer Care</a>	2017/18	<b>Program changes pending.</b> Government has committed to launching a 10-year cancer care action plan. Postponing the audit will help ensure that results are relevant.
<a href="#">BC Hydro: Site C Dam Project</a>	2015/16	<b>Government reviews.</b> Our office has delayed work to allow for government to complete its own reviews. Delaying the audit helps ensure that our work adds value.
<a href="#">Corporate Succession Management in the BC Public Service</a>	2017/18	<b>Program changes pending.</b> The Public Service Agency is launching a new workforce planning process. Postponing the audit will help ensure that results are relevant.
<a href="#">Internal Audit</a>	2015/16	<b>Competing OAG priorities.</b> We shifted our priorities, and audit staff were reassigned first to the legislative assembly audit, and later to pandemic-related work.
<a href="#">Legislative Assembly Audits</a>	2020/21	<b>Previous recommendations outstanding.</b> The legislative assembly needed time to implement previous recommendations to strengthen governance and controls. Postponing the audit avoids unnecessarily repeating work previously done.
<a href="#">Management of Hazardous Materials Spills</a>	2019/20	<b>Program changes underway.</b> The Ministry of Environment and Climate Change Strategy is implementing new software and changing its business processes for managing hazardous material spills. Postponing will allow us to reflect those changes in our audit.
<a href="#">Mental Health Services Wait Times</a>	2019/20	<b>Program changes pending.</b> The Province is changing its approach to wait times for mental health services. Postponing the audit to capture that new approach will help ensure that results are relevant.
<a href="#">Substance Use Services</a> (Formerly known as Opioid Crisis Response)	2019/20	<b>Adapting to the pandemic.</b> We've postponed the audit at the request of the Ministry of Health and Vancouver Coastal Health, so their staff can focus on responding to the pandemic and providing clinical care.



Alternative reporting		
Audit	Performance Audit Coverage Plan announcement year	Reason for change
<a href="#">Gender Pay Equity</a>	Not publicly announced	<b>Auditability.</b> Limitations in government data made it difficult to audit, so we instead reported our preliminary findings and analysis to the Public Service Agency.
<a href="#">Palliative Care at Interior Health</a> (Formerly known as End-of-Life Care)	2015/16	<b>Adapting to the pandemic.</b> Managing COVID-19 required changing current palliative care practices, potentially making our audit results less relevant. So we instead shared observations as part of current and future palliative care program planning and delivery.

# ABOUT PERFORMANCE AUDITS

## What is a performance audit?

- Performance audits provide independent assurance to legislators that provincial programs, services and resources are operating with efficiency, economy and effectiveness.
- Through these audits, we also make recommendations for improvement. Our audits do not assess the merits of programs or policies.
- We conduct performance audits under section 11(8)(b) of the [Auditor General Act](#), in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada.

## Phases of a performance audit

### 1. Selecting a topic

We consider factors such as:

- our mandate and authority
- significance to MLAs and the public (economic, social, health and/or environmental impacts)
- the amount of public money spent
- complexity
- impact on auditees

We may also choose to audit areas where we think there are issues, but that is not always a factor in our decision-making.

### 2. Planning the audit

### 3. Conducting interviews and collecting evidence

### 4. Reporting audit findings and recommendations

- We report directly to the Legislative Assembly of British Columbia.
- Our findings and recommendations help members hold government accountable.

## Complexity of a performance audit

- The complexity of the audit impacts the resources needed to do the work.
  - The more complex an audit, the more **time** and **money** it takes to complete it.
- Complexity varies with the topic, and is based on factors such as:
  - how technical the subject matter is
  - the number of parties involved
    - we may hire subject matter experts for more complex audits
  - the everchanging nature of government services

## Length of time for a performance audit

- It typically takes around 2,300 to 5,000 hours for the whole team to complete a performance audit.



# ACCESS TO TIMELY CANCER CARE

**Status:** Postponed

**Announced:** 2017/18 Performance Audit Coverage Plan

**Start date:** September 2019

**Restart date:** Within the next two years

## WHY THE TOPIC MATTERS

The BC Cancer Agency reports that people with cancer make up about 1% of the B.C. population. Canadian Medical Association studies have shown that rates of cancer and related costs are increasing at a fast pace, and prompt access to diagnosis and treatment is a key requirement to improve survival and quality of life for patients with cancer.

**Update:** We began planning an audit in the Summer of 2019. We met with staff from the BC Cancer Agency, the Ministry of Health and the Provincial Health Services Authority. We also met with subject matter experts to learn where an audit could add value.

During our planning work, we learned of significant pending changes. The current government has committed to working with the BC Cancer Agency and B.C.'s health authorities to launch a 10-year cancer care action plan.

To ensure our findings would be relevant and timely, we decided to postpone the audit.

**Investment in this work to date:** As of April 2020, we have invested approximately 220 hours in this audit. This includes meeting with Ministry of Health staff, BC Cancer Agency staff, Provincial Health Services Authority staff, as well as subject matter experts. This work also includes analyzing potential approaches to the audit.

**Future work planned:** This audit remains on our current [performance audit coverage plan](#). We plan to start work in this area within the next two years, once government has had time to implement activities in response to its commitments.

# BC HYDRO: SITE C DAM PROJECT

**Status:** Postponed

**Announced:** 2015/16 Performance Audit Coverage Plan

**Start date:** April 2016

**Restart date:** Unknown

## WHY THE TOPIC MATTERS

The [Site C Clean Energy Project](#) (Site C) is located on the Peace River in northeast British Columbia. On February 26, 2021, the government announced a revised cost estimate of \$16 billion to complete the project, with a one-year delay (to 2025). Site C is the third dam to be built on the Peace River. When finished, it will produce 1,100 megawatts of capacity (the fourth-largest producer of hydroelectricity in BC), which is enough to power about 450,000 homes per year.

**Update:** The office began work on an examination of the Site C project in December 2016. In 2017, the election resulted in a change in government, and the new government requested that the BC Utilities Commission review the project. The purpose of the review was to inform a cabinet decision on whether to suspend, stop or continue with the Site C project. Since the decision to continue with the project was made in December 2017, our office has been monitoring the progress of the project and became the financial statement auditor for BC Hydro in 2019/20.

We have also released the following public reports about – or related to – BC Hydro:

- [Observations on the BC Utilities Commission](#) (March 2018)
- [Independent Audit of Capital Asset Management in BC Hydro](#) (December 2018)
- [Rate-regulated Accounting at BC Hydro](#) (February 2019)
- [Detection and Response to Cybersecurity Threats on BC Hydro's Industrial Control Systems](#) (March 2019)

In the Fall of 2020, we began planning a performance audit of BC Hydro's management of major Site C contracts. While we were planning this work, the government engaged a special advisor (Peter Milburn) to conduct a review of the Site C project. We decided to wait for the results and recommendations of this review because the findings could be used to inform and focus the audit.

**Investment in this work to date:** As of February 2021, we have invested approximately 3,800 hours into audit work related to Site C. This includes time spent on the original 2016 examination, monitoring of the project since 2017 and planning of the audit in 2020. We have had several meetings with BC Hydro and ministry staff, reviewed and analyzed information and considered options for audit work.

**Future work planned:** This audit remains on our current [performance audit coverage plan](#). We hope to resume planning later this year; however, we will review the report prepared by Peter Milburn, along with other pertinent information, and determine what our next steps should be.

# CORPORATE SUCCESSION MANAGEMENT IN THE BC PUBLIC SERVICE

**Status:** Postponed

**Announced:** 2017/18 Performance Audit Coverage Plan

**Start date:** March 2020

**Restart date:** Unknown

## WHY THE TOPIC MATTERS

Succession management helps organizations identify, develop and retain the right employees. Effective succession management processes are vital to identify and fill critical positions and ensure that the public service reflects the population it serves.

**Update:** As we were carrying out our initial audit planning in the Fall of 2020, we learned that the Public Service Agency (PSA) was launching a new workforce planning process. A full cycle of the new process is due to be completed by early 2022. We wanted to focus the audit on this new workforce planning process and therefore decided to postpone our work.

**Investment in this work to date:** As of April 2020, we have invested approximately 800 hours in this audit. This includes meeting with PSA staff as well as subject matter experts. This work also includes analyzing potential approaches to the audit.

**Future work planned:** This audit remains on our current [performance audit coverage plan](#). We will resume the audit when the PSA has completed and evaluated a full cycle of its new workforce planning process, likely in Spring 2022. We will decide at that time whether to proceed, given all office priorities. If we proceed, the scope of the work would be evaluated.

# GENDER PAY EQUITY

**Status:** Alternative reporting

**Announced:** N/A

**Start date:** 2018

**End date:** August 2019

## WHY THE TOPIC MATTERS

The [BC Human Rights Code](#) states, "An employer must not discriminate between employees by employing an employee of one sex for work at a rate of pay that is less than the rate of pay at which an employee of the other sex is employed by that employer for similar or substantially similar work."

**Update:** In 2018, we started to plan an audit of gender pay equity in the public service. Our audit planning included a review of government policy and a preliminary analysis of the gender pay gap using available data. However, there were limitations in government data. Also, pay equity guidelines had not been used since 1995, which made it difficult to audit. As a result, we did not proceed with this audit.

We reported our preliminary findings and analysis to the Public Service Agency (PSA) in August 2019, including suggestions on additional data government might wish to collect to support its analysis of gender pay equity.

**Investment in this work to date:** We spent approximately 538 hours on this work. This included meeting with staff at the PSA, working with an external contractor regarding data analytic possibilities and drafting a letter with observations.

**Future work planned:** This topic is not included on our current [performance audit coverage plan](#) as we are not planning any future work in this area at this time.

# INTERNAL AUDIT

**Status:** Postponed

**Announced:** 2015/16 Performance Audit Coverage Plan

**Start date:** 2018

**Restart date:** Unknown

## WHY THE TOPIC MATTERS

Public sector organizations manage billions of dollars in public resources and oversee the delivery of core services, such as education, public utilities, and health care. An effective internal audit provides assurance that services are working as intended.

**Update:** In 2018, we sent a survey to 132 entities in the broader public sector to establish a list of internal audit groups. However, the audit was postponed when staff were reassigned to the legislative assembly audit. In 2020, staff resumed work and reviewed options for a narrow-scoped audit of internal audit in the education sector. This work was put on hold because of other office priorities stemming from the impact of the COVID-19 pandemic.

**Investment in this work to date:** As of February 2021, we have invested approximately 1,500 hours in this audit. This includes meeting with internal audit staff, reviewing information and considering potential audit approach options.

**Future work planned:** This audit is not currently included on our [performance audit coverage plan](#); we will determine the timing and focus of potential work in relation to other office priorities in the future.

# LEGISLATIVE ASSEMBLY AUDITS

**Status:** Postponed

**Announced:** 2020/21 Performance Audit Coverage Plan

**Start date:** September 2019

**Restart date:** Unknown

## WHY THE TOPIC MATTERS

Our 2019 audit identified processes and practices that the Legislative Assembly of British Columbia could improve. We began planning an audit to further examine areas for improvement, focusing first on capital asset management because of the large capital expenditures required to upgrade the legislative buildings.

**Update:** During audit planning, we realized that many of the recommendations we would likely make would repeat recommendations already made to the legislative assembly by us and others from previous work. We have therefore paused audit work at the legislative assembly until it has had time (18–24 months) to further strengthen governance and controls. This will enable the legislative assembly to address governance practices across all areas we had stated we were going to audit. We will be providing correspondence to the Legislative Assembly Management Committee on the status of this project and providing information to support improvements in governance.

**Investment in this work to date:** As of February 2021, we have invested approximately 1,100 hours in this audit. This includes meeting with legislative assembly staff and reviewing previous audit reports and publications.

**Future work planned:** We will do further audits, which may include examining capital asset management, purchase and travel cards, compensation and benefits, and governance, after the legislative assembly has had time to strengthen governance and controls.



# MANAGEMENT OF HAZARDOUS MATERIAL SPILLS

**Status:** Postponed

**Announced:** 2019/20 Performance Audit Coverage Plan

**Start date:** February 2020

**Restart date:** Early 2022

## WHY THE TOPIC MATTERS

Over 4,600 hazardous material spills were reported between April 1, 2019, and March 31, 2020. B.C.'s Environmental Emergency Program (EEP) is the provincial lead for hazardous material spills. Its goal is to protect the welfare of the public in an environmental emergency or disaster.

**Update:** We began planning the audit of hazardous spills during the Summer of 2020. We met with program staff and developed a good understanding of the operational processes, procedures and organizational structure used to respond to, and manage, spills.

During our planning, we identified that changes to the software used at the EEP will include a redesign of the EEP's business processes. Delaying the audit will let us include these organizational changes and more accurately assess the effectiveness and capacity of the program to manage hazardous material spills.

**Investment in this work to date:** As of February 2021, we have invested approximately 550 hours in this audit. This includes meeting with EEP staff, reviewing information and considering potential audit approach options.

**Future planned work:** We plan to assess the effectiveness of EEP's spill recovery activities and whether it has the organizational capacity needed to protect the environment from long- and short-term impacts. We will meet regularly with the program staff to decide when it is best to resume audit work, likely in early 2022.

# MENTAL HEALTH SERVICES WAIT TIMES

**Status:** Postponed

**Announced:** 2019/20 Performance Audit Coverage Plan

**Start date:** February 2019

**Restart date:** Unknown

## WHY THE TOPIC MATTERS

Long waits for mental health clinicians, such as psychiatrists, can prolong suffering and mental anguish, worsen health outcomes and put patient lives at risk. They also cost society lost labour and taxes, and lower productivity. In addition, long waits can lead to emergency department visits and increased spending on drugs and testing to monitor patients while they wait.

**Update:** We began planning an audit in the Spring of 2019. During planning, we learned of substantial upcoming changes in the Province's approach to wait times for mental health services, including the planning of a new mental health strategy and the Province working with the Canadian Institute of Health Information to develop common indicators to measure access to mental health and addiction services. The Ministry of Health asked us to delay starting an audit. Given both of these initiatives and the ministry's request, we postponed the audit to give the Province time to implement the changes.

**Investment in this work to date:** As of July 2019, we have invested approximately 135 hours in this audit. This includes meeting with Ministry of Health staff and analyzing potential approaches to the work.

**Future work planned:** We will continue monitoring the Province's changes to its approach to wait times and consider future work in this area. It is unknown at this time if/when an audit might start.

# PALLIATIVE CARE AT INTERIOR HEALTH (FORMERLY, END-OF-LIFE CARE)

**Status:** Alternative reporting

**Announced:** 2015/16 Performance Audit Coverage Plan

**Start date:** July 2017

**End date:** September 2020

## WHY THE TOPIC MATTERS

Most people do not die suddenly. Instead, their health declines gradually from at least one chronic illness, such as heart disease, stroke, cancer or dementia. During this time, palliative care can improve the quality of life for people and their families. This includes preventing and relieving suffering by treating pain, as well as meeting physical, psychosocial and spiritual needs.

**Update:** In August 2019, we shared preliminary audit findings and recommendations with Interior Health Authority staff. Before we finalized the audit report, the Province announced a public emergency due to the COVID-19 pandemic. We recognized that managing the impact of COVID-19 required changing current palliative care practices, so some of our findings and recommendations could potentially become dated and less relevant to emerging practices.

We chose not to continue completion of a public audit report. Instead, we put our observations in a detailed four-page letter for Interior Health to consider as part of current and future palliative care program planning and delivery in the context of lessons learned from the current pandemic. These observations did not require a response or action plan.

**Investment in this work to date:** We spent approximately 6,800 hours on this audit. This includes meeting with staff across the health sector (e.g., Ministry of Health staff, health authority staff), conducting the audit, drafting a report and drafting a letter with observations.

**Future work planned:** Once the pandemic's impact and changes are fully understood, we will re-evaluate whether an audit on palliative care is warranted. This topic is not currently included on our [performance audit coverage plan](#).

# SUBSTANCE USE SERVICES (FORMERLY, OPIOID CRISIS RESPONSE)

**Status:** Postponed

**Announced:** 2019/20 Performance Audit Coverage Plan

**Start date:** 2020

**Restart date:** Summer 2021

## WHY THE TOPIC MATTERS

Our former Provincial Health Officer declared opioid-related overdose deaths a B.C. public health emergency in 2016. Since then, about 6,700 people have died from illicit drug use. In 2020, paramedics responded to more overdose calls than ever: just over 27,000 overdoses—averaging 74 calls every day or one call every 20 minutes. For perspective, about 1,400 people have died from COVID-19 in B.C. since January 2020. There have been about 72,000 reported cases.

**Update:** In Spring 2020, the Public Accounts Committee asked us to examine government's response to the overdose crisis. Providing access to effective substance use services is part of government's response to the overdose emergency.

We began planning an audit in August 2020. Both the Ministry of Mental Health and Addictions (the ministry) and Vancouver Coastal Health (VCH) acknowledged that our audit plan was suitable and that they were the right entities to examine.

The COVID-19 pandemic required an all-hands-on-deck response by both ministry and VCH staff. According to both entities, if we proceeded, we could be diverting resources and focus away from pandemic response and clinical care. The ministry and VCH requested that we suspend the audit so staff could respond to the pandemic and provide clinical care.

**Investment in this work to date:** As of February 2021, we have invested approximately 1,600 hours in this audit. This includes meeting with staff across the health sector (e.g., Ministry of Health staff, Ministry of Mental Health and Addictions staff, health authority staff), reviewing information and scoping our audit approach.

**Future work planned:** This audit remains on our current [performance audit coverage plan](#). We plan to resume the audit in July 2021; however, we will re-evaluate the situation to ensure our work is not impacting health-care workers who are managing or working through the pandemic.



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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