



The Best Place on Earth

Ministry of Finance

Internal Audit & Advisory Services

MEMORANDUM

To: Stuart Newton
Comptroller General
Ministry of Finance

September 6, 2011
File No.: 019044
Ref No.: 250566

From: Dan Peck
Director, Professional Practice
Investigation & Forensic
Internal Audit & Advisory Services

Subject: Student Loan Investigation – PSA Employee – Closure of File

Introduction

In December 2009, StudentAid BC (SABC), Ministry of Advanced Education (ministry) advised the Office of the Comptroller General of concerns within the Public Service Agency (PSA) s22 s22 s22

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Internal Audit & Advisory Services requested specific information regarding the handling of this incident as part of our monitoring role within the Comptroller General's mandate. Our information requests were coordinated by the ministry, on PSA's behalf.

Background

In September 2004, prior to commencing employment with the provincial government, s22 entered post secondary education.

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In February 2007, the PSA hired s22

In November 2007, s22 s22

In November 2009, when the PSA was s22 they identified some anomalies and contacted SABC to assist in an internal investigation s22 s22

Private and Confidential

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Their internal investigation identified the following:

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Approximately \$3,400 of the above amount was funded by the province.

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Conclusion

The PSA took immediate action to investigate this incident once it identified there were anomalies in their employee's s22 The PSA worked cooperatively with SABC, Ministry of Advanced Education in this internal investigation.

Their co-ordinated efforts resulted in the following:

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- The PSA entered into a settlement agreement requiring full repayment s22 s22

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- StudentAid BC (SABC) has successfully recovered the province's share of

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- SABC notified the federal government regarding this incident, s22 s22

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- SABC has restricted s22

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We are fully satisfied that the PSA, with the Ministry of Advanced Education's support and assistance, has properly investigated this matter, including efforts to fully recover all losses. Further, it is our opinion that the discipline of this employee has been handled in an appropriate manner.

If you require additional information or clarification, please contact me at (250) 387-8542 or Stacy Johnson at (250) 356-7863.



Dan Peck
Director, Professional Practice
Investigation & Forensic
Internal Audit & Advisory Services

pc's: Brian Hansen
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Ministry of Finance

Internal Audit & Advisory Services

MEMORANDUM

To: Stuart Newton
A/Comptroller General
Ministry of Finance

August 9, 2011
File No.: 026110
Ref No.: 250136

From: Dan Peck
Director, Professional Practice
Investigation & Forensic
Internal Audit & Advisory Services

Subject: Interior Health Authority Lower Columbia All First Nations Investigation
Monitored by Internal Audit & Advisory Services Branch – Closure of File

Introduction

In July 2010, Internal Audit & Advisory Services (IAAS) received a complaint involving contracts between the Interior Health Authority (IHA) and the Lower Columbia All First Nations (LCAFN or the society). Specifically, the complainant had concerns over the financial management and governance of the society.

We immediately advised the Assistant Deputy Minister, Finance and Corporate Services, Ministry of Health (the ministry) and the IHA of the allegations.

IAAS agreed that the IHA's Internal Audit Department would investigate the allegations and we would review IHA's handling of this incident, as part of our monitoring role within the Comptroller General's mandate.

Background

The IHA had five service contracts with the LCAFN totalling \$453,000. Two of the five contracts ended on March 31, 2010, two expired August 31, 2010, and one contract ended March 31, 2011.

IAAS requested regular updates from the IHA during the conduct of their internal investigation in order to obtain assurance that the incident was investigated in an appropriate manner, as well as to assess IHA's follow-up actions to prevent similar incidents.

IAAS also requested a copy of IHA's internal report and subsequently received a summary of the incident, which included their correspondence to the society describing the investigation's findings and recommendations. We also received a copy of LCAFN's response which included an action plan.

Conclusion

Upon receiving this complaint, IAAS immediately reported the matter to the IHA to discuss next steps and to assign responsibility for the conduct of the investigation.

The Health Authority accepted responsibility for the investigation and provided IAAS with regular updates throughout the investigation, including their consultations with the society.

The IHA's Internal Audit Department conducted a compliance audit of the five contracts between the IHA and the society, which included an examination of controls over governance, financial transactions and records, as well as financial and management reporting.

IHA's examination identified several incidents of contract non-compliance and they reported their findings to the society's President and Executive Director. IHA also required that the society provide them with a detailed action plan, and subsequently requested an update on the society's progress against the action plan.

We are advised that the IHA informed LCAFN management that future contracts/contract extensions were contingent on IHA's assessment of the society's implementation of the approved action plan.

We believe the IHA took the appropriate steps to investigate this complaint and are pleased that the Health Authority has also committed to re-examine their contract monitoring practices, including oversight of Aboriginal Health contracts.

Summary of Actions Taken by the Interior Health Authority

- IHA assessed the relevant controls at LCAFN and made specific recommendations to mitigate the risk of recurrence.
- IHA provided their findings to LCAFN's Executive Director and President.
- IHA held a formal meeting with LCAFN's Executive Director and Board Chairman to discuss their findings and recommendations for improvement.
- IHA requested that the Board of LCAFN provide their Health Authority with an action plan by November 30, 2010.
- IHA subsequently requested that the society provide an update, due March 31, 2011, describing their progress on the action plan.
- IHA advised LCAFN that any future contracts/contract renewals were contingent on satisfactory implementation of the approved action plan.

If you require additional information or clarification, please contact me at (250) 387-8542 or Stacy Johnson, Business Advisor, Investigations at (250) 356-7863.



for

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Investigation & Forensic
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pc: Manjit Sidhu
Assistant Deputy Minister
Financial & Corporate Services
Ministry of Health

Hilary Woodward
Executive Director/Chief Financial Officer
Finance & Decision Support
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A/Executive Director
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