

MANAGEMENT CONSULTING PROFESSIONAL SERVICES AGREEMENT



For Administrative Purposes Only

Ministry Contract No.: _____
Requisition No.: _____
Solicitation No.: RFP#SA-MF3
Commodity Code: _____

Contractor Information

Supplier: International Sports Incorporated
Supplier No.: _____
Telephone No.: 604-240-1706
E-mail Address: s.22
Website: N/A

Financial Information

Client: _____
Responsibility Centre: _____
Service Line: _____
STOB: _____
Project: _____

Template version: December 1, 2013

Jim Taylor

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THIS AGREEMENT is dated for reference the 1st day of May, 2014.

BETWEEN:

Handwritten initials

International Sports Incorporated (the "Contractor") with the following specified address and fax number:
1334 163 Street, Surrey, British Columbia
V4A 8E7
Fax: N/A Email: s.22

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Finance (the "Province") with the following specified address and fax number:
1st Floor - 617 Government Street, Victoria, British Columbia, V9W 9V1
Fax: (250) 387-9093

The Province wishes to retain the Contractor to provide the services referenced in Schedule A and, in consideration for the remuneration referenced in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Conflict of Interest" means an actual, perceived or potential inconsistency between the Contractor's obligation and duty to act for the benefit of the Province, and the Contractor's, its employee(s)' and/or its Subcontractor(s)' duty to act for the benefit of another party or the Contractor's, its employee(s)' and/or its Subcontractor(s)' interests. A Conflict of Interest may take a number of forms: it may be financial or non-financial; it may be direct or indirect; it may be professional, personal or family related;
- (c) "Incorporated Material" means any material in existence prior to the start of the Term or developed independently of this Agreement, and that is incorporated or embedded in the Final Deliverables by the Contractor or a Subcontractor;
- (d) "Final Deliverables" means the final versions of the reports, findings, opinions or other materials (including any appendices or other attachments to them) specified or referred to in Schedule A as the "Final Deliverables";
- (e) "Material" means the Produced Material and the Received Material;
- (f) "Organization" means the Her Majesty the Queen in the Right of the Province of British Columbia and its Crown corporations and agencies either jointly or separately as the context requires;
- (g) "Produced Material" means records, software and other material including but not limited to working papers, draft opinions, notes, reports, findings, whether complete or not, that, as a result of this Agreement, are produced or provided by the Contractor or a Subcontractor and includes the Incorporated Material and the Final Deliverables;
- (h) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (i) "Services" means the services referenced in Part 2 of Schedule A;

- (j) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and.
- (k) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Throughout

- 1.2 Words defined in the schedules (including any appendices or other documents attached to, or incorporated by reference into, those schedules) to this Agreement carry the same meaning throughout this Agreement unless the context otherwise requires.

Meaning of "record"

- 1.3 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor must perform the Services to a standard of care, skill, and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws including in particular the *Lobbyist Registration Act* [SBC 2001] ch. 42.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out or referenced in Schedule B:
- (a) the fees described or referenced in that Schedule;
 - (b) the expenses, if any, described or referenced in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
 - (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified or referenced in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described or referenced in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

- 3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

- 4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual or other agreements in place and available to enable the Contractor to fully perform the Services and to grant any licenses under this Agreement, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

- 5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to comply with applicable laws;
- (b) as required to perform the Contractor's obligations under this Agreement;
- (c) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
- (d) if it is information in any Incorporated Material.

Public announcements

5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

5.5 The Contractor, must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

6.1 If the Contractor receives a request for access to any of the Material from a person other than the Province, and this Agreement does not require or authorize the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

6.2 The parties agree that:

- (a) the Province exclusively owns all property rights in the Final Deliverables which are not intellectual property rights;
- (b) no proprietary rights, including intellectual property rights, in the Received Material are acquired by the Contractor or Subcontractor as a result of the Received Material being received by the Contractor or Subcontractor from the Province or other owner;
- (c) the Contractor must deliver the Final Deliverables and any Received Material to the Province immediately upon the Province's request;
- (d) except as provided in this Agreement, the Contractor owns all proprietary rights, including intellectual property rights, in the Produced Material other than the Final Deliverables; and

- (e) the Contractor must deliver a copy of the Produced Material, other than the Final Deliverables, to the Province immediately upon request if, in the Province's reasonable opinion, such material may be relevant in respect of a legal proceeding that has been brought against the Province.

Matters respecting intellectual property

6.3 The Province exclusively owns all intellectual property rights, including copyright, in:

- (a) Received Material that the Contractor receives from the Province; and
- (b) the Final Deliverables, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Final Deliverables and that confirm the vesting in the Province of the copyright in the Final Deliverables, other than any Incorporated Material.

Rights in relation to Incorporated Material

6.4 Upon any Incorporated Material being embedded or incorporated in the Final Deliverables and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:

- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to exercise, in respect of that Incorporated Material, the rights set out in the *Copyright Act* (Canada), including the right to use, reproduce, modify, publish and distribute that Incorporated Material; and
- (b) the right to sublicense or assign to third-parties any or all of the rights granted to the Province under section 6.4(a).

Right of Province to negotiate license of Final Deliverables

6.5 After the end of the Term, the Province in its sole discretion, may negotiate with the Contractor to provide the Contractor a license (which may be exclusive or non-exclusive) for the Contractor to use, reproduce, modify or distribute some or all of the Final Deliverables.

7 RECORDS AND REPORTS

Work reporting

7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

7.2 If Schedule B or the applicable Statement of Work provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Received Material and the Final Deliverables and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any loss, claim (including any claim of infringement of third-party intellectual property rights), damage award, action, cause of action, cost or expense that the Province or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, (each a "Loss") to the extent the Loss is directly or indirectly caused or contributed to by
- (a) any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement; or
 - (b) any representation or warranty of the Contractor being or becoming untrue or incorrect.

Monetary limitations of indemnity

- 9.2 The indemnification by the Contractor pursuant to section 9.1 is limited to:
- (a) \$2,000,000 per Loss; and
 - (b) \$4,000,000 in the aggregate for all Losses.

Exceptions to monetary limitations

- 9.3 The limitations set out in section 9.2 do not apply to a Loss resulting from or relating to any of the following:
- (a) bodily injury or damage to real property or tangible personal property;
 - (b) third-party intellectual property rights;
 - (c) a breach of:
 - (i) section 5.1, 5.2, 5.3 or 6.1 of this Agreement;
 - (ii) section 1, 2 or 3 of Schedule F to this Agreement; or
 - (iii) an undertaking in either the Contractor's Undertaking of Confidentiality or a Subcontractor's Undertaking of Confidentiality.

Province to notify Contractor of Loss

- 9.4 To claim indemnification for a Loss pursuant to section 9.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss provided that a failure by the Province to provide such notification will not invalidate the claim unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

- 9.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,
- (a) then, without limiting section 9.1, the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
 - (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

9.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

9.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

9.8 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:

- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
- (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

9.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.7 and 9.8.

10 FORCE MAJEURE

Definitions relating to force majeure

10.1 In this section and sections 10.2 and 10.3:

- (a) "Event of Force Majeure" means one of the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargoif the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and
- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

11.1 In this section and sections 11.2 to 11.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
 - (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
 - (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

Delay not a waiver

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement
- (a) for any reason by giving at least 10 days' written notice of termination to the Contractor; or
 - (b) due to information provided in a Supplementary Conflict of Interest Disclosure or a Notice of Conflict of Interest Disclosure by giving written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion

of the fees and expenses described or referenced in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and

- (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described or referenced in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
 - (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Victoria, British Columbia.

Costs of arbitration or mediation

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of an arbitration or mediation under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
 - (a) by fax to the addressee's fax number or email address as specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business

Day, in which cases it will be deemed to be received on the next following Business Day;

- (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
- (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute mailing address, email address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights or obligations under this Agreement without the Province's prior written consent. Upon providing written notice to the Contractor, the Province may assign to any person any of the Province's rights under this Agreement and may assign to any "government corporation", as defined in the *Financial Administration Act*, any of the Province's obligations under this Agreement

Subcontracting

- 13.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C or specified in the applicable Statement of Work. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.5, 7.1, 7.2, 8.1, 9.1 to 9.6, 9.9, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10 of this Agreement, the Undertakings of Confidentiality contemplated by this Agreement, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely subject to any applicable limitation period prescribed by law, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules such as all Statements of Work executed pursuant to the Agreement) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:

- (a) an employee or partner of the Province; or
- (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province may make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

- 13.14 The Contractor must not provide any services to any person in circumstances which, in the Province's reasonable opinion, could give rise to a Conflict of Interest between the Contractor's duties to that person and the Contractor's duties to the Province under this Agreement without the Province's prior written consent.

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:

- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
- (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this Agreement is to be construed as interfering with, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out or referenced in the attached Schedule F apply to this Agreement.

Governing law

- 13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

- 15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u> 1st </u> day of <u> May </u>, 2014 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p><u>Jim Taylor</u></p> <p>Signature(s)</p> <p><u>Jim Taylor</u></p> <p>Print Name(s)</p> <p><u>President</u></p> <p>Print Title(s)</p>	<p>SIGNED on the <u> 1st </u> day of <u> May </u>, 2014 on behalf of the Province by its duly authorized representative:</p> <p><u>Doug Foster</u></p> <p>Signature</p> <p><u>Doug Foster</u></p> <p>Print Name</p> <p><u>ADM - Finance DMO</u></p> <p>Print Title</p>
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Schedule A – Services

PART 1. TERM:

1. Subject to section 2 of this Part 1, the term of this Agreement commences on May 1, 2014 and ends on May 1, 2016.
2. At the sole discretion of the Province, the initial term in section 1 of this Part 1 may be extended for an additional two-year period ending May 1, 2018.

PART 2. SERVICES:

1. There are no Services or Final Deliverables described in this Schedule A. Pursuant to RFP#SA-MF3 (the "RFP"), the Ministry of Finance described a process by which the Contractor is selected to be available to provide Services and produce the Final Deliverables on an "if, as and when requested" basis to the Province. Such Services may include a wide-range of ministerial and Cabinet/Treasury Board level strategic and expert advice, analysis and assistance as necessary to plan and manage/lead initiatives. The Services may include those areas described in section A2 of the RFP.
2. If, as and when requested by the Province, the Province will provide a proposal for the Contractor to provide specified services and supply specified Final Deliverables in accordance with specified terms and conditions (the "Proposal") to the Contractor for consideration. Once the Proposal is finalized and executed by both parties (the "Statement of Work"), the Contractor will provide the Services and supply the Final Deliverables described in the applicable Statement of Work.
3. The Contractor will meet any timelines, provide deliverables and comply with all the terms and conditions, set out in each Statement of Work.

PART 3. RELATED DOCUMENTATION:

1. The Contractor must perform the Services in accordance with the obligations set out in this Schedule A including any engagement letter, Solicitation document excerpt, proposal excerpt or other documentation attached as an Appendix to, or specified as being incorporated by reference in, this Schedule.
2. The following are Appendices to this Schedule A:

Appendix 1 – Engagement Letter	NOT APPLICABLE
Appendix 2 – Solicitation document excerpt	NOT APPLICABLE
Appendix 3 – Proposal excerpt	NOT APPLICABLE
3. The following documentation is incorporated by reference into this Schedule A:
 - The RFP and the previously posted Requests for Proposal included by reference in the RFP
 - The Contractor's proposal in response to the RFP

PART 4. KEY PERSONNEL:

1. The Key Personnel of the Contractor are as follows:
 - (a) Jim Taylor
 - (b)
 - (c)
2. The Contractor may request changes to the Key Personnel and, if agreeable to the Province, the parties will execute an amendment detailing such changes.

Schedule B -- Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: \$300,000 CDN__ is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described or referenced in section 3.1(c) of this Agreement). Each Statement of Work will specify the maximum amount payable pursuant to that Statement of Work.

2. FEES:

Each Statement of Work will detail the applicable fees. However, under no circumstances will any fees under a Statement of Work be permitted to exceed \$165.00 CDN__ per hour.

3. EXPENSES:

Each Statement of Work will detail the applicable expenses.

4. STATEMENTS OF ACCOUNT:

Each Statement of Work will detail the applicable process for obtaining payment of any fees and expenses. In the event that a Statement of Work does not specify a process, the following will apply.

Statements of Account: In order to obtain payment of any fees and expenses under a Statement of Work (each a "Billing Period"), the Contractor must deliver to the Ministry or Organizational Lead specified in the Statement of Work on a date after the Billing Period (each a "Billing Date"), a written statement of account in a form satisfactory to the Ministry or Organizational Lead containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement, and the Billing Period to which the statement pertains;
- (c) the Contractor's calculation of all fees claimed for that Billing Period, including a declaration by the Contractor of all hours worked during the Billing Period, or all (units/deliverables) provided during the Billing Period, as applicable, for which the Contractor claims fees and a description of the applicable fee rates;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor for the Billing Period with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any GST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of any applicable taxes payable by the Province in relation to the Services for the Billing Period;
- (f) a description of this Agreement and the applicable Statement of Work;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Ministry or Organizational Lead.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

Each Statement of Work will detail the approved Subcontractors.

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
 - (a) “access” means disclosure by the provision of access;
 - (b) “Act” means the *Freedom of Information and Protection of Privacy Act*;
 - (c) “contact information” means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (d) “personal information” means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the “control of a public body” within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor's collection of personal information.

Accuracy of personal information

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

8. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 Business Days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

13. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

14. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

15. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

16. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
- (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
- (a) the requirements of the Act applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
 - (b) any direction given by the Province under this Schedule.
22. The Contractor acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

24. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms

Confidentiality and Security

1. Notwithstanding section 5.3(b) of the Agreement [*Confidentiality*] but in addition to section 5.2 of the Agreement [*Security*], the Contractor must not permit its employee(s) or Subcontractor(s) to have access to information in the Material, other than Incorporated Material, or any other information accessed or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement unless the employee(s) or Subcontractor(s) have first entered into a confidentiality agreement with the Contractor to:
 - (a) keep such information confidential and secure on substantially similar terms as those that apply to the Contractor under the Agreement; and
 - (b) support the obligations set out in the Undertakings of Confidentiality and as otherwise contained in or contemplated by the Agreement.
2. In addition to sections 5.2 [*Security*], 5.3 [*Confidentiality*], 6.1 [*Access to Material*] and 6.2(c) [*Ownership and Delivery of Material*] of the Agreement, the Contractor must deliver to the Ministry or Organizational Lead specified in the applicable Statement of Work, a fully completed and signed copy of an "Undertaking of Confidentiality" that covers each and all of the Contractor and its employees, in the form attached as Appendix F1 to this Schedule (or otherwise appended to the applicable Statement of Work), before starting work under each Statement of Work.
3. In addition to sections 5.2 [*Security*], 5.3 [*Confidentiality*], 6.1 [*Access to Material*] and 6.2(c) [*Ownership and Delivery of Material*] of the Agreement, the Contractor must deliver to the Ministry or Organizational Lead specified in the applicable Statement of Work, a fully completed and signed copy of an "Undertaking of Confidentiality" that covers each Subcontractor and its employee(s), in the form attached as Appendix F2 to this Schedule (or otherwise appended to the applicable Statement of Work) before a Subcontractor starts work under the applicable Statement of Work.

Conflict of Interest

4. Without limiting the generality of section 13.14 of the Agreement [*Conflict of Interest*], the Contractor must deliver to the Ministry or Organizational Lead specified in the applicable Statement of Work, a fully completed and signed copy of a "Conflict of Interest Disclosure" that covers each and all of the Contractor and its employees that will be involved in providing the Services for or on behalf of the Contractor, in the form attached as Appendix F3 to this Schedule (or otherwise appended to the applicable Statement of Work) (the "Contractor's Conflict of Interest Disclosure") before starting work under each Statement of Work.
5. Without limiting the generality of section 13.14 of the Agreement [*Conflict of Interest*], the Contractor must deliver to the Ministry or Organizational Lead specified in the applicable Statement of Work, a fully completed and signed copy of a "Conflict of Interest Disclosure" that covers each Subcontractor and its employee(s) that will be involved in providing the Services for or on behalf of the Contractor, in the form attached as Appendix F4 to this Schedule (or otherwise appended to the applicable Statement of Work) (the "Subcontractor's Conflict of Interest Disclosure") before the Subcontractor starts work under each Statement of Work.
6. If, at any time following the signing of the Contractor's Conflict of Interest Disclosure or a Subcontractor's Conflict of Interest Disclosure, there are changes to the information given therein by the Contractor or the Subcontractor regarding a Conflict of Interest, either by way or addition or deletion, the Contractor shall immediately:
 - (a) file with the Ministry or Organizational Lead specified in the applicable Statement of Work, a supplementary disclosure statement describing such change on behalf of itself and its employees and Subcontractor(s) involved in providing the Services for or on behalf of the Contractor, as applicable (a "Supplementary Conflict of Interest Disclosure"); and
 - (b) cause the applicable employee(s) or Subcontractor(s) to provide the Ministry or Organizational Lead specified in the applicable Statement of Work with immediate written notice of the change (a "Notice

of Conflict of Interest Disclosure").

7. The Contractor must not permit its employee(s) or Subcontractor(s) to commence work under any Statement of Work unless the employee(s) or Subcontractor(s) have first entered into an agreement with the Contractor to support the Conflict of Interest-related obligations set out in the Agreement.

Legal Advice

8. Despite section 13.10 of the Agreement [*Independent Contractor*], the Contractor and its Key Personnel are agents of the Province for the limited purposes of:
 - (a) providing instructions on behalf of the Province to legal counsel advising the Province and receiving legal advice on behalf of the Province; and
 - (b) obtaining access to, or information about, legal advice that the Province has otherwise obtained.

Insurance

9. Despite section 9.6 of the Agreement [*Insurance*], the parties agree that the following applies:

Unless otherwise specified in a Statement of Work, the Contractor must comply with the Insurance Schedule attached as Schedule D.

Personal Option Protection

10. Despite section 9.8 of the Agreement [*Personal Optional Protection*], the parties agree that the following applies.

Personal optional protection

If specified in a Statement of Work, the Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:

- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
- (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Reliance and Survival

11. Sections 1 – 7 of this Schedule do not limit, in any way, the Contractor's responsibility to supervise its employee(s) and Subcontractor(s) under the Agreement.
12. All representations, warranties, covenants and agreements made in this Agreement and all certificates and other documents delivered by or on behalf of the Contractor are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province.
13. All statements contained in any certificate or other document delivered by or on behalf of the Contractor to the Province under this Agreement or in connection with any transactions contemplated herein will be deemed to be representations and warranties by the Contractor under this Agreement.
14. The provisions in sections 12 and 13 of this Schedule will continue in full force and effect notwithstanding the fulfillment by the Contractor of any or all of its obligations under this Agreement or the payment by the Province to the Contractor of any or all of the monies that the Province becomes liable to pay to the Contractor pursuant to this Agreement.

15. The provisions in sections 9 and 10 of this Schedule are intended to survive the completion of the Services or termination of this Agreement will continue in force indefinitely, even after this Agreement ends.

Schedule F – Appendix F1 – Contractor's Undertaking of Confidentiality

Contractor: _____

Statement of Work: _____

1. In consideration of its role as special advisor to the Province, the Contractor undertakes on behalf of itself and its employees to treat as confidential and not disclose, refer to, or permit to be disclosed, at any time, information they produce for or obtain from the Organization or its clients, the Executive Council of British Columbia ("Cabinet"), a member of Cabinet, a Committee of Cabinet ("Cabinet Committee") or an advisor to any such party (verbally, electronically or in writing), in relation to or resulting from this Statement of Work, including but not limited to the following:
 - (a) the contents of materials, including presentations brought to meetings or circulated to or within the Organization;
 - (b) the conversations and discussions held within, or in the presence of members of, the Organization;
 - (c) any part of the agendas of the meetings of established or ad hoc committees of the Organization;
 - (d) the fact that they have attended or been scheduled to attend meetings of established or ad hoc committees of the Organization;
 - (e) the outcomes, decisions or actions of the Province, employer associations, employers, pension plan boards of trustees, or pension plan partners that they become aware of by virtue of this Statement of Work;
 - (f) any reports, recommendations or analysis prepared for, by or in connection with the Organization that they become aware of by virtue of this Statement of Work; and
 - (g) the terms of this Undertaking.
2. Section 1 of this Undertaking does not apply insofar as:
 - (a) the disclosure is expressly permitted in writing by the Province in conjunction with other parties as the Province deems necessary;
 - (b) the information to be disclosed is general public knowledge other than because of a breach of this Agreement;
 - (c) the disclosure is to staff of the Province or otherwise required to perform the Contractor's obligations under this Agreement; or
 - (d) the disclosure is required to comply with applicable laws.
3. The Contractor undertakes on behalf of itself and its Key Personnel that it and they will treat as confidential:
 - (a) any legal advice the Contractor and/or its Key Personnel receives on behalf of the Province under this Statement of Work other than to communicate it to authorized officials of the Province, and
 - (b) any legal advice otherwise obtained by the Province that the Contractor and/or its Key Personnel become aware of or is provided access to in connection with this Statement of Work,and will not:
 - (a) permit its disclosure, use or reference without the Province's prior written consent except as required to comply with applicable laws; or
 - (b) do anything that could result in a waiver or breach of the solicitor-client privilege associated with that advice.

4. The Contractor undertakes on behalf of itself and its Key Personnel that it and they will treat any Sensitive Information (other than information that may be subject to solicitor-client privilege that is addressed in the preceding section) that the Contractor and/or its Key Personnel receive or produce in connection with this Statement of Work as confidential and will not permit its disclosure, use or reference without the Province's prior written consent except as required to comply with applicable laws.
5. For greater certainty, the Contractor acknowledges that the exceptions set out in subsections 5.3(b) and (c) of the Agreement and sections 2(b) and (c) of this Undertaking do not apply to section 3 or 4 of this Undertaking.
6. The Contractor undertakes on behalf of itself and its employees, not to use any of the information referenced in Section 1, 3 or 4 above for any other purpose other than those expressly provided for under this Statement of Work.
7. The Contractor undertakes on behalf of itself and its employees that, upon request of the Province, it will return to the Province or its designate all information received as a result of this Statement of Work, including all copies, derivatives, reports and analysis containing such information.
8. The Contractor undertakes to cause its employee(s) and Subcontractor(s), upon request of the Province, to return to the Province or its designate all information received as a result of this Statement of Work, including all copies, derivatives, reports and analysis containing such information.
9. The Contractor undertakes on behalf of itself and its employees that it will immediately notify the Ministry or Organizational Lead specified in this Statement of Work, if it or any of its employee(s) or Subcontractor(s) receive a summons, subpoena, order or similar instrument or otherwise become subject to a legal obligation requiring disclosure of any information required to keep confidential under this Undertaking and/or the Agreement or if, through inadvertence or otherwise, it becomes aware of a disclosure of information contrary to this Undertaking and/or the Agreement.
10. The Contractor undertakes to cause its employee(s) and Subcontractor(s) to immediately notify the Ministry or Organizational Lead specified in this Statement of Work, if they receive a summons, subpoena, order or similar instrument or otherwise become subject to a legal obligation requiring disclosure of any information required to keep confidential under this Undertaking and/or the Agreement or if, through inadvertence or otherwise, any of its employee(s) or Subcontractor(s) become aware of a disclosure of information contrary to this Undertaking and/or the Agreement.

SIGNED on the ____ day of _____, 201_ by the Contractor's authorized signatory or signatories:

Signature(s)

Print Name(s)

Print Title(s)

Schedule F – Appendix F2 – Subcontractor's Undertaking of Confidentiality

Subcontractor: _____

Contractor's Statement of Work: _____

1. In consideration of my role as a subcontractor to _____ (the "Contractor"), I _____ (the "Subcontractor") undertake on behalf of myself and my employee(s) to treat as confidential and not disclose, refer to or permit to be disclosed, at any time, information that I or my employee(s) produce for, or obtain from, the Contractor, Her Majesty the Queen in the Right of the Province of British Columbia (the "Province"), its Crown corporations, agencies or clients, the Executive Council of British Columbia ("Cabinet"), a member of Cabinet, a Committee of the Cabinet, or an advisor to any such party (verbally, electronically or in writing) in relation to or resulting from Statement of Work _____, including but not limited to the following:
 - (a) the contents of materials, including presentations brought to meetings or circulated to or within the Province, its Crown corporations and agencies (collectively or separately as the context requires, the "Organization");
 - (b) the conversations and discussions held within, or in the presence of members of, the Organization;
 - (c) any part of the agendas of the meetings of established or ad hoc committees of the Organization;
 - (d) the fact that I and/or my employee(s) have attended or been scheduled to attend meetings of established or ad hoc committees of the Organization;
 - (e) the outcomes, decisions or actions of the Province, employer associations, employers, pension plan boards of trustees, or pension plan partners that I and/or my employee(s) become aware of by virtue of Statement of Work _____;
 - (f) any reports, recommendations or analysis prepared for, by or in connection with the Organization that I and/or my employee(s) become aware of by virtue of Statement of Work _____; and
 - (g) the terms of this Undertaking.
2. Section 1 of this Undertaking does not apply insofar as:
 - (a) the disclosure is expressly permitted in writing by the Province in conjunction with other parties as the Province deems necessary;
 - (b) the information to be disclosed is general public knowledge other than because of a breach of this Agreement;
 - (c) the disclosure is to staff of the Province or otherwise required to perform the Contractor's obligations under this Agreement; or
 - (d) the disclosure is required to comply with applicable laws.
3. The Subcontractor undertakes on behalf of itself and its employees, not to use any of the information referenced in Section 1 above for any other purpose other than those expressly provided for under Statement of Work _____.
4. The Subcontractor undertakes on behalf of itself and its employees that, upon request of the Province, it will return to the Province or its designate all information received as a result of Statement of Work _____, including all copies, derivatives, reports and analysis containing such information.

5. The Subcontractor undertakes on behalf of itself and its employees that it will immediately notify the Ministry or Organizational Lead specified in Statement of Work ____ if it or any of its employee(s) receive a summons, subpoena, order or similar instrument or otherwise become subject to a legal obligation requiring disclosure of any information required to keep confidential under this Undertaking or if, through inadvertence or otherwise, it becomes aware of a disclosure of information contrary to this Undertaking.

SIGNED on the ____ day of _____, 201____ by the subcontractor (or, if not an individual, on its behalf by its authorized signatory or signatories)

Signature(s)

Print Name(s)

Print Title(s)

Schedule F – Appendix F3 – Contractor's Conflict of Interest Disclosure

Contractor: _____

Statement of Work: _____

Definition: "Conflict of Interest" means an actual, perceived or potential inconsistency between the Contractor's obligation and duty to act for the benefit of the Province, and the Contractor's, its employee(s)' and/or its Subcontractor(s)' duty to act for the benefit of another party or the Contractor's, its employee(s)' and/or its Subcontractor(s)' interests. A Conflict of Interest may take a number of forms: it may be financial or non-financial; it may be direct or indirect; it may be professional, personal or family related.

Discussion: A Conflict of Interest may arise from existing, former or prospective:

- directorship, employment or contractual interest;
- interest in business enterprises or professional practices;
- share ownership;
- beneficial interest in trusts;
- professional or personal association with the Province;
- professional association or relationship with other organizations or individuals;
- personal association with other organizations or individuals;
- family relationship;
- any relationship that may cause a person to perceive that a person has a divided loyalty to the Province and another party with interests that are inconsistent or competing with the Province's interests; or
- a set of circumstances in which a person has a private or personal interest that may appear to influence the objective exercise of the person's duties to, or in respect of, the Province.

The Contractor has reviewed this Statement of Work and has read and understood the definition and discussion of the term Conflict of Interest as set out above. The Contractor hereby declares on behalf of itself and its employee(s) (collectively "we" or "our"), that it has disclosed any Conflicts of Interest that currently exist in respect of this Statement of Work in the space afforded below.

1. A direct or indirect conflict with my/our duties to the Province under this Statement of Work may arise because (please indicate if non-applicable):

a) I/We, or my/our Associates¹, hold the following offices (appointed or elected):

[CONTRACTOR TO COMPLETE]

b) I/We, my/our Associates, or any trustee or any nominee on my/our behalf, own or possess, directly or indirectly, the following interests (i.e., shares, businesses, trusts or properties):

[CONTRACTOR TO COMPLETE]

c) I/We, or my/our Associates, have the following interests in existing or proposed transactions or agreements with, or involving, the Province.

[CONTRACTOR TO COMPLETE]

¹ "Associate" of a person means any person closely connected by blood or otherwise including, but not limited to, a spouse (including common-law spouse), parent, grandparent, brother, sister, child or grandchild.

- d) I/We, or my/our Associates, have existing professional associations or relationships with other organizations or individuals:

[CONTRACTOR TO COMPLETE]

- e) I/We, or my/our Associates, have personal associations or affiliations with the following other organizations or individuals:

[CONTRACTOR TO COMPLETE]

- f) I/We, or my/our Associates, have family relationships with people who may have a Conflict of Interest arising from directorships of, employment by, business, professional or personal relationships or affiliations with, the Province or other organizations that are adverse in interest to the Province, or legal or beneficial ownership of trusts or other property, namely:

[CONTRACTOR TO COMPLETE]

2. The nature and extent of the conflicting office duty or interest referred to in section 1 of this declaration (please indicate if non-applicable):

[CONTRACTOR TO COMPLETE]

3. A Conflict of Interest with my/our duties to the Province under this Statement of Work may arise because I/We receive financial remuneration (either for services performed by me/us, as an owner or part owner, trustee, or employee or otherwise) from the following sources (please indicate if non-applicable):

[CONTRACTOR TO COMPLETE]

4. The following is a list of each Subsidiary² or Affiliate³ of a company listed in section 1 of this declaration.

Company Listed in Section 1	Name of Subsidiary or Affiliate	Type of Business Ordinarily Carried on by Subsidiary or Affiliate
CONTRACTOR TO COMPLETE IF RELEVANT		

² For the purposes of this declaration, a corporation is a subsidiary of another corporation where:

- a. it is controlled by:
- (i) that other corporation;
 - (ii) that other corporation and one or more other corporations, each of which is controlled by that other corporation; or
 - (iii) two or more other corporations, each of which is controlled by that other corporation; or
- b. it is a subsidiary or a subsidiary of that other corporation.

³ For the purposes of this declaration, one corporation is affiliated with another corporation where one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same person.

5. Other than disclosed above, I/we have the following relationships or interests that could compromise, or be perceived to compromise, my employee(s)/our ability to exercise judgment with a view to the best interests of the Province under this Statement of Work:

[CONTRACTOR TO COMPLETE]

Signed this _____ day of _____, 201_.

(authorized signatory)

Schedule F – Appendix F4 – Subcontractor's Conflict of Interest Disclosure

Subcontractor: _____

Contractor's Statement of Work: _____

Definition: "Conflict of Interest" means an actual, perceived or potential inconsistency between the Contractor's obligation and duty to act for the benefit of Her Majesty the Queen in the Right of the Province of British Columbia (the "Province"), and the Contractor's, its employees' and/or its Subcontractor's duty to act for the benefit of another party or the Contractor's, its employees' and/or its Subcontractor's interests. A Conflict of Interest may take a number of forms: it may be financial or non-financial; it may be direct or indirect; it may be professional, personal or family related.

Discussion: A Conflict of Interest may arise from existing, former or prospective:

- directorship, employment or contractual interest;
- interest in business enterprises or professional practices;
- share ownership;
- beneficial interest in trusts;
- professional or personal association with the Province;
- professional association or relationship with other organizations or individuals;
- personal association with other organizations or individuals;
- family relationship;
- any relationship that may cause a person to perceive that a person has a divided loyalty to the Province and another party with interests that are inconsistent or competing with the Province's interests; or
- a set of circumstances in which a person has a private or personal interest that may appear to influence the objective exercise of the person's duties to, or in respect of, the Province.

_____ (the "Subcontractor" or "I") has reviewed Statement of Work ____ and has read and understood the definition and discussion of the term Conflict of Interest as set out above. The Subcontractor hereby declares on behalf of itself and its employee(s) (collectively "we" or "our"), that it has disclosed any Conflicts of Interest that currently exist in respect of Statement of Work ____ in the space afforded below.

1. A direct or indirect conflict with _____ (the "Contractor's") duties to the Province under Statement of Work ____ may arise because (please indicate if non-applicable):
 - a) I/We, or my/our Associates¹, hold the following offices (appointed or elected):
[SUBCONTRACTOR TO COMPLETE]
 - b) I/We, my/our Associates, or any trustee or any nominee on my/our behalf, own or possess, directly or indirectly, the following interests (i.e., shares, businesses, trusts or properties):
[SUBCONTRACTOR TO COMPLETE]
 - c) I/We, or my/our Associates, have the following interests in existing or proposed transactions or agreements with, or involving, the Province.
[SUBCONTRACTOR TO COMPLETE]
 - d) I/We, or my/our Associates, have existing professional associations or relationships with other organizations or individuals:
[SUBCONTRACTOR TO COMPLETE]

¹ "Associate" of a person means any person closely connected by blood or otherwise including, but not limited to, a spouse (including common-law spouse), parent, grandparent, brother, sister, child or grandchild.

- e) I/We, or my/our Associates, have personal associations or affiliations with the following other organizations or individuals:

[SUBCONTRACTOR TO COMPLETE]

- f) I/We, or my/our Associates, have family relationships with people who may have a Conflict of Interest arising from directorships of, employment by, business, professional or personal relationships or affiliations with, the Province or other organizations that are adverse in interest to the Province, or legal or beneficial ownership of trusts or other property, namely:

[SUBCONTRACTOR TO COMPLETE]

2. The nature and extent of the conflicting office duty or interest referred to in section 1 of this declaration (please indicate if non-applicable):

[SUBCONTRACTOR TO COMPLETE]

3. A Conflict of Interest with the Contractor's duties to the Province under Statement of Work ____ may arise because I/We receive financial remuneration (either for services performed by me/us, as an owner or part owner, trustee, or employee or otherwise) from the following sources (please indicate if non-applicable):

[SUBCONTRACTOR TO COMPLETE]

4. The following is a list of each Subsidiary⁵ or Affiliate⁶ of a company listed in section 1 of this declaration.

Company Listed in Section 1	Name of Subsidiary or Affiliate	Type of Business Ordinarily Carried on by Subsidiary or Affiliate
SUBCONTRACTOR TO COMPLETE IF RELEVANT		

5. Other than disclosed above, I/we have the following relationships or interests that could compromise, or be perceived to compromise, my employee(s)/our ability to exercise judgment with a view to the best interests of the Province under this Statement of Work.

² For the purposes of this declaration, a corporation is a subsidiary of another corporation where:

- a) it is controlled by:
- (i) that other corporation;
 - (ii) that other corporation and one or more other corporations, each of which is controlled by that other corporation;
 - (iii) two or more other corporations, each of which is controlled by that other corporation; or

- (b) it is a subsidiary or a subsidiary of that other corporation.

³ For the purposes of this declaration, one corporation is affiliated with another corporation where one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same person.

[SUBCONTRACTOR TO COMPLETE]

SIGNED on the ____ day of _____, 201__ by the subcontractor (or, if not an individual, on its behalf by its authorized signatory or signatories)

Signature(s)

Print Name(s)

Print Title(s)

Schedule G – Security Schedule

Definitions

1. In this Schedule,
 - (a) "Equipment" means any equipment, including interconnected systems or subsystems of equipment, software and networks, used or to be used by the Contractor to provide the Services;
 - (b) "Facilities" means any facilities at which the Contractor provides or is to provide the Services;
 - (c) "Information" means information
 - (i) in the Material, or
 - (ii) accessed, produced or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement;
 - (d) "Record" means a "record" as defined in the *Interpretation Act*;
 - (e) "Sensitive Information" means
 - (i) Information that is "personal information" as defined in the *Freedom of Information and Protection of Privacy Act*, or
 - (ii) any other Information specified as "Sensitive Information" in Appendix G6 hereto or a Statement of Work; and
 - (f) "Services Worker" means an individual involved in providing the Services for or on behalf of the Contractor and, for greater certainty, may include
 - (i) the Contractor or a subcontractor if an individual, or
 - (ii) an employee or volunteer of the Contractor or of a subcontractor.

Schedule contains additional obligations

2. The obligations of the Contractor in this Schedule are in addition to any other obligation in the Agreement or the schedules attached to it relating to security including, without limitation, the obligations of the Contractor in the Privacy Protection Schedule, if attached.

Services Worker confidentiality agreements

3. The Contractor must not permit a Services Worker who is an employee or volunteer of the Contractor to have access to Sensitive Information unless the Services Worker has first entered into a confidentiality agreement with the Contractor to keep Sensitive Information confidential and secure on substantially similar terms as those that apply to the Contractor under the Agreement.

Services Worker security screening

4. The Contractor may only permit a Services Worker who is an employee or a volunteer of the Contractor to have access to Sensitive Information or otherwise be involved in providing the Services if, after having subjected the Services Worker to the personnel security screening requirements set out in Appendix G1 and any additional requirements the Contractor may consider appropriate, the Contractor is satisfied that the Services Worker does not constitute an unreasonable security risk. The Contractor must create, obtain and retain Records documenting the Contractor's compliance with the security screening requirements set out in Appendix G1 in accordance with the provisions of that appendix.

Services Worker activity logging

5. Subject to section 6, the Contractor must create and maintain detailed Records logging the activities of all Service Workers in relation to:
 - (a) their access to Sensitive Information; and

(b) unauthorized access to Facilities or Equipment

has occurred or is likely to occur (whether or not related to a failure by the Contractor to comply with this Schedule or the Agreement), the Contractor must immediately notify the Province of the particulars of that occurrence or likely occurrence. If the Contractor provides a notification under this section other than in writing, that notification must be confirmed in writing to the Province as soon as it is reasonably practicable for the Contractor to do so.

Review of security breaches

14. If the Province decides to conduct a review of a matter described in section 13 (whether or not the matter came to the attention of the Province as a result of a notification under section 13), the Contractor must, on the request of the Province, participate in the review to the extent that it is reasonably practicable for the Contractor to do so.

Retention of Records

15. Unless the Agreement otherwise specifies, the Contractor must retain all Records in the Contractor's possession that contain Information until directed by the Province in writing to dispose of them or deliver them as specified in the direction.

Storage of Records

16. Until disposed of or delivered in accordance with section 15, the Contractor must store any Records in the Contractor's possession that contain Information in accordance with the provisions of Appendix G5, if attached.

Audit

17. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy:
- (a) any Records in the possession of the Contractor containing Information; or
 - (b) any of the Contractor's Information management policies or processes (including the processes described in sections 7, 9 and 10 and the logs described in sections 5 and 12) relevant to the Contractor's compliance with this Schedule

and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

Termination of Agreement

18. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

19. In this Schedule, unless otherwise specified:
- (a) references to sections are to sections of this Schedule; and
 - (b) references to appendices are to the appendices attached to this Schedule.

20. Any reference to the "Contractor" in this Schedule includes any subcontractor retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors comply with this Schedule.
21. The appendices attached to this Schedule are part of this Schedule.
22. If there is a conflict between a provision in an appendix attached to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.
23. If there is a conflict between:
 - (a) a provision of the Agreement, this Schedule or an appendix attached to this Schedule; and
 - (b) a documented process required by this Schedule to be created or maintained by the Contractorthe provision of the Agreement, Schedule or appendix will prevail to the extent of the conflict.
24. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

SCHEDULE G – Appendix G1 – Security screening requirements

The personnel security screening requirements set out in this Appendix G1 are for the purpose of assisting the Contractor to determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

1. The Contractor must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of “primary identification” of the Services Worker and at least one piece of “secondary identification” of the Services Worker,* as described in the table following this section. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
<p>Issued by ICBC:</p> <ul style="list-style-type: none"> • B.C. driver’s licence or learner’s licence (must have photo) • B.C. Identification (BCID) card <p>Issued by provincial or territorial government:</p> <ul style="list-style-type: none"> • Canadian birth certificate <p>Issued by Government of Canada:</p> <ul style="list-style-type: none"> • Canadian Citizenship Card • Permanent Resident Card • Canadian Record of Landing/Canadian Immigration Identification Record 	<ul style="list-style-type: none"> • School ID card (student card) • Bank card (only if holder’s name is on card) • Credit card (only if holder’s name is on card) • Passport • Foreign birth certificate (a baptismal certificate is not acceptable) • Canadian or U.S. driver’s licence • Naturalization certificate • Canadian Forces identification • Police identification • Foreign Affairs Canada or consular identification • Vehicle registration (only if owner’s signature is shown) • Picture employee ID card • Firearms Acquisition Certificate • Social Insurance Card (only if has signature strip) • B.C. CareCard • Native Status Card • Parole Certificate ID • Correctional Service Conditional Release Card

*It is not necessary that each piece of identification viewed by the Contractor contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

2. The Contractor must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, obtain or create, as applicable, Records of all such verifications, and retain a copy of those Records.

Verification of employment history and reference checks

3. The Contractor must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Contractor requesting that a Services Worker provide employment references and the Contractor contacting those references. If a Services Worker has no relevant employment history, the Contractor must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records.

Security interview

4. The Contractor must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Contractor it wishes to do so.

Criminal history check

5. The Contractor must arrange for and retain documented results of a criminal history check on a Services Worker obtained through the Services Worker's local policing agency. Criminal history checks must be repeated as necessary to ensure that at all times the most recent criminal history check on a Services Worker was completed within the previous five years.

SCHEDULE G – Appendix G6 – Sensitive Information

In addition to the information described in section 1(e)(i) of this Schedule, the following information is specified as "Sensitive Information" for the purposes of this Schedule:

1. information relating to the Provincial budget that is not otherwise publicly available;
2. Cabinet and Cabinet Committee submissions both draft, final and signed versions;
3. agenda, minutes, records of decision, decision letters of Cabinet and Cabinet Committees;
4. Orders in Council ("OIC") before their release and OIC background material;
5. Legislative and regulatory proposals, requests for legislation and draft legislation and regulations;
6. financial impact assessments;
7. Treasury Board Staff briefing notes;
8. memoranda associated with confidential work for Cabinet;
9. other material that may be safeguarded because it is for the use of Cabinet in its deliberations, or would divulge Cabinet deliberations (e.g., speech drafts and communications strategies related to Cabinet and Treasury Board submissions, briefing notes on policy and financial matters associated with Cabinet deliberations, and the findings of polls, surveys or other studies on matters which may be subject to Cabinet consideration);
10. information that may be subject to solicitor-client privilege; and
11. other information that is referred to, or contained in a record referred to, in Part 2, Division 2 of the *Freedom of Information and Protection of Privacy Act*.

[DN: insert any other information that is particularly sensitive such as

- *records whose release may cause financial hardship or harm to government, the public interest or a third party, or*
- *records where the release of the information may be expected to compromise the anticipated delivery of services]*

FINANCIAL REVIEW AND ASSURANCE SERVICES AGREEMENT



For Administrative Purposes Only

<p>Ministry Contract No.: <u>C15RTI32707</u> ^{KB}</p> <p>Requisition No.: <u>32707</u></p> <p>Solicitation No. (if applicable): <u>RFP - ON-002146</u></p> <p>Commodity Code: <u>AZ.AZ.02</u></p> <p>Contractor Information</p> <p>Supplier Name: <u>KPMG LLP</u></p> <p>Supplier No.: <u>044422-010-001</u> ^{KB}</p> <p>Telephone No.: <u>(604) 691-3276</u></p> <p>E-mail Address: <u>erniemi@kpmg.ca</u></p> <p>Website: <u>http://www.kpmg.com/ca</u></p>	<p>Financial Information</p> <p>Client: <u>022</u></p> <p>Responsibility Centre: <u>32056 32957</u> ^{KB}</p> <p>Service Line: <u>34083 34269</u> ^{KB}</p> <p>STOB: <u>6001 0101</u> ^{KB}</p> <p>Project: <u>3200000 3230 278 v6</u></p> <p>Template version: December 1, 2013</p>
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SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 10 day of November, 2014.

BETWEEN:

KPMG LLP (the "Contractor") with the following specified address and fax number:
Suite 900 – 777 Dunsmuir Street
Vancouver British Columbia
V7Y 1K3
Fax #604-691-3031
Attention: Erik Niemi

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented
by Minister of Finance (the "Province") with the following specified address and fax number:
3rd Floor - 617 Government Street
Victoria BC
V8W 9V1

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Final Deliverables" means the final versions of the reports, findings, opinions or other materials (including any appendices or other attachments to them) specified in Schedule A as the "Final Deliverables";
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means working papers, accounting records, draft opinions, notes, reports, findings, records and other material, whether complete or not, that, as a result of this Agreement, are produced or provided by the Contractor or a Subcontractor and includes the Final Deliverables;
- (e) "Received Material" means records and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 12.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor must perform the Services to a standard of care, skill and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
 - (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 8.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 12.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual or other agreements in place and available to enable the Contractor to fully perform the Services and to grant any licenses under this Agreement, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule. In this section and in section 5.2, "Privacy Protection Schedule" means the Privacy Protection Schedule attached as Schedule E.

Collection of personal information

5.2 As contemplated by sections 4 and 5 of the Privacy Protection Schedule, it is specified that in performing the Services:

- (a) the Contractor may collect personal information from a person other than the individual the information is about; and

- (b) the Contractor is not required to tell an individual from whom the Contractor collects personal information about any of the matters described in section 27(2)(a) to (c) of the *Freedom of Information and Protection of Privacy Act*.

In this section, "personal information" has the same meaning as in the Privacy Protection Schedule.

Security

5.3 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.4 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) as required by the rules of professional conduct or code of ethics of an applicable professional governing body; or
- (c) if it is information that is generally known to the public other than as result of a breach of this Agreement.

Public announcements

5.5 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

5.6 The Contractor must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

6.1 If the Contractor receives a request for access to any of the Material from a person other than the Province, and the Contractor has not been authorized or required to provide that access by this Agreement or a separate written consent or direction of the Province, the Contractor must promptly advise the person to make the request to the Province.

Ownership of Material

6.2 The parties agree that:

- (a) the Province owns the copies of the Final Deliverables delivered to the Province by the Contractor;
- (b) no proprietary rights, including intellectual property rights, in the Received Material are acquired by the Contractor or Subcontractor as a result of the Received Material being received by the Contractor or Subcontractor from the Province or other owner; and

- (c) except as provided in this Agreement, the Contractor owns all proprietary rights, including intellectual property rights, in the Produced Material.

License of Final Deliverables

- 6.3 Upon delivery of the Final Deliverables to the Province, the Contractor grants to the Province
- (a) an exclusive, perpetual, irrevocable, royalty-free, worldwide license to exercise, in respect of the Final Deliverables, the rights set out in the *Copyright Act* (Canada), including the right to use, reproduce, publish and distribute the Final Deliverables in whole or in the part; and
 - (b) the right to sublicense or assign to third parties any or all of the rights granted to the Province under section 6.3(a)

subject to any conditions that may be set out in Schedule A.

Delivery of Received Material

- 6.4 The Contractor must deliver any Received Material to the Province immediately on the Province's request.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 INDEMNITY AND INSURANCE

Indemnity

- 8.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any loss, claim (including any claim of infringement of third-party intellectual property rights), damage award, action, cause of action, cost or expense that the Province or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, (each a "Loss") to the extent the Loss is directly or indirectly caused or contributed to by:
- (a) any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement; or
 - (b) any representation or warranty of the Contractor being or becoming untrue or incorrect.

Monetary limitations of indemnity

- 8.2 The indemnification by the Contractor pursuant to section 8.1 is limited to:
- (a) \$2,000,000 per Loss; and
 - (b) \$4,000,000, in the aggregate for all Losses.

Exceptions to monetary limitations

- 8.3 The limitations set out in section 8.2 do not apply to a Loss resulting from or relating to any of the following:
- (a) bodily injury or damage to real property or tangible personal property;
 - (b) third-party intellectual property rights; or
 - (c) a breach of section 5.1 to 5.3 or 6.1 of this Agreement.

Province to notify Contractor of Loss

- 8.4 To claim indemnification for a Loss pursuant to section 8.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss, provided that a failure by the Province to provide such notification will not invalidate the claim, unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

- 8.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,
- (a) then, without limiting section 8.1, the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
 - (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

- 8.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 8.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 8.8 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:
- (a) the Contractor is an individual or partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 8.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 8.7 and 8.8.

9 FORCE MAJEURE

Definitions relating to force majeure

9.1 In this section and sections 9.2 and 9.3:

- (a) "Event of Force Majeure" means one of the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargo

if the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and

- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

9.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 9.3.

Duties of Affected Party

9.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

10 DEFAULT AND TERMINATION

Definitions relating to default and termination

10.1 In this section and sections 10.2 to 10.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
 - (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
 - (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 10.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 10.2(a).

Delay not a waiver

- 10.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 10.4 In addition to the Province's right to terminate this Agreement under section 10.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 10.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 10.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 10.6 The payment by the Province of the amount described in section 10.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 10.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

11 DISPUTE RESOLUTION

Dispute resolution process

- 11.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:

- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
- (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
- (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Arbitration Act*.

Location of arbitration or mediation

- 11.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 11.1 will be held in Victoria, British Columbia.

Costs of arbitration or mediation

- 11.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of an arbitration or mediation under section 11.1 other than those costs relating to the production of expert evidence or representation by counsel.

12 MISCELLANEOUS

Delivery of notices

- 12.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 12.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 12.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 12.3 The Contractor must not assign any of the Contractor's rights or obligations under this Agreement without the Province's prior written consent. Upon providing written notice to the Contractor, the Province may assign to any person any of the Province's rights under this Agreement and may assign to any "government corporation", as defined in the *Financial Administration Act*, any of the Province's obligations under this Agreement.

Subcontracting

- 12.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:

- (a) any person retained by the Contractor to perform obligations under this Agreement; and
- (b) any person retained by a person described in paragraph (a) to perform those obligations

fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 12.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 12.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 12.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 12.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.6, 6.1 to 6.4, 7.1, 7.2, 8.1 to 8.6, 9.1 to 9.3, 10.2, 10.3, 10.5, 10.6, 11.1 to 11.3, 12.1, 12.2, 12.8, and 12.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely subject to any applicable limitation period prescribed by law, even after this Agreement ends.

Schedules

- 12.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 12.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:
- (a) an employee or partner of the Province; or
 - (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 12.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 12.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent Information

- 12.13 The Province must make available to the Contractor any information in the Province's possession that is required by the Contractor to perform the Services.

Conflict of interest

- 12.14 The Contractor must not provide any services to any person in circumstances which, in the Province's reasonable opinion, could give rise to a conflict of interest between the Contractor's duties to that person and the Contractor's duties to the Province under this Agreement.

Time

- 12.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 12.16 Conflicts among provisions of this Agreement will be resolved as follows:

- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
- (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 12.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this Agreement is to be construed as interfering with, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 12.18 If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 12.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 12.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 12.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

13 INTERPRETATION


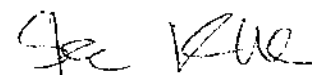
13.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

14 EXECUTION AND DELIVERY OF AGREEMENT

- 14.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 12.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the 10 day of November, 2014 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p> erniemi@kpmg.ca <small>Digitally signed by erniemi@kpmg.ca DN: c=Canada, o=KPMG LLP Date: 2014.11.24 08:45:17 +0800</small></p> <p>_____ Signature(s)</p> <p><u>Erik Niemi</u> _____ Print Name(s)</p> <p><u>Partner for KPMG LLP</u> _____ Print Title(s)</p>	<p>SIGNED on the 10 day of November, 2014 on behalf of the Province by its duly authorized representative:</p> <p></p> <p>_____ Signature</p> <p><u>Steve Klak</u> _____ Print Name</p> <p><u>Chief Financial Officer/Executive Director</u> _____ Print Title</p>
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Schedule A – Services

PART 1. TERM:

1. Subject to section 2 of this Part 1, the term of this Agreement commences on November 10th 2014 and ends on February 28th 2015.
2. The Province reserves the right to extend the term of this agreement for an additional period not greater than (1) year at the discretion of the Ministry and subject to available appropriation.

PART 2. SERVICES:

The Province, through an extension of agreement #C12FSA25209 or through a separate Agreement, may engage the contractor to perform additional assurance services on an "as, if and when requested" basis. (Refer to Solicitation document (RFP ON-002146) and Financial Review and Assurance Services Agreement C12FSA25209).

The province has asked the Contractor (KPMG LLP) to perform additional Assurance Services on a Revenue Transformation Initiative ("RTI") to transform tax services across a broad range of tax programs. The RTI supports the Ministry of Finance's overarching goal of sound and transparent management of government finances.

Statement of Work (SOW) attached describes services to be performed under Schedule A of this Agreement.

See Part 3 – Related Documentation attached.

PART 3. RELATED DOCUMENTATION:

1. The Contractor must perform the Services in accordance with the obligations set out in this Schedule A including any engagement letter, Solicitation document excerpt, proposal excerpt or other documentation attached as an Appendix to, or specified as being incorporated by reference in, this Schedule.
2. The following are Appendices to this Schedule A:

Appendix A1 – Initial Engagement Letter of November 3, 2011 NOT ATTACHED:

Appendix A2 – Initial Solicitation document (RFP – ON-002146) of Sept 30 2011 NOT ATTACHED:

Appendix A3 – Initial Financial Review and Assurance Services Agreement of Dec 2, 2011 C12FSA25209 and Modification Agreement #4 Renewal Option 1 of 3. NOT ATTACHED:

Appendix A4 – Confidential - Statement of Work (SOW) BC Ministry of Finance Revenue Transformation Initiative – Phase 1 Rollout 1 dated Nov 6 2014 ATTACHED:

3. The following documentation Statement of Work (SOW) BC Ministry of Finance – Revenue Transformation Initiative – Phase 1 Rollout 1 dated Nov 6 2014 is incorporated by reference into this Schedule A:

PART 4 KEY PERSONNEL:

1. The Key Personnel of the Contractor are as follows:
 - (a) Erik R Niemi, Partner
 - (b) Imad Jebara, Senior Manager
 - (c) Viktor Culjak, Manager
 - (d) Fieldwork professionals/Staff Members

BC Ministry of Finance

Revenue Transformation Initiative – Phase 1 Rollout 1

Proposed Statement Of Work for Financial Risk & Controls Review

Submitted by KPMG LLP

Vancouver, BC

November 6, 2014

Erik Niemi, Partner

Background

The Province of British Columbia has embarked on a Revenue Transformation Initiative ("RTI") to transform tax services across a broad range of tax programs. The RTI supports the Ministry of Finance's ("Ministry") overarching goal of sound and transparent management of government finances and is guided by the needs of citizens, a corporate approach and leveraging as much as possible the Taxpayer Administration Compliance and Services ("TACS") system. TACS is based on the GENTAX software application package that the Ministry recently implemented with great success for a number of major BC government tax programs.

The implementation strategy for Phase 1 of the RTI is structured in a series of three rollout as follows:

Rollout Scope	Completion
Rollout 1	December 2014
Logging Tax	
Unlicensed and Licensed Insurance Premium Tax	
Rollout 2	May 2015
44 non-tax programs on behalf of 14 client ministries	
Rollout 3	December 2015
Mineral Tax	
Mineral Land Tax	
Mine Health and Inspection Fee	

The Ministry has requested that prepare a statement of work for performing a Financial Risk and Controls Review ("FRCR") for Rollout 1 ("R1") of Phase 1 the RTI.

Objectives, Scope and Approach

The Ministry requires an independent FRCR to assess the adequacy of key financial controls (automated and manual) for the planned Phase 1 R1 tax programs using TACS from a financial integrity perspective (e.g., completeness, existence, accuracy, authorization, safeguarding, etc.), and identify any significant issues and recommended improvements prior to implementation. Time is of the essence because Phase 1 R1 goes live in a few weeks. The Ministry would like to engage KPMG to conduct this work, based upon our recent successful completion of a similar FRCR for the TACS V9 implementation and our resulting ability to efficiently and effectively leverage our previous TACS FRCR work product as well as our knowledge of the GENTAX system and the related processes and controls already in place within the Ministry.

Based on our preliminary understanding we anticipate the addition of the Phase 1 R1 tax programs will affect the scope of the TACS functional areas as follows:

Functional areas of TACS to be used and potentially impacted by the new program	Functional areas of TACS expected to remain untouched
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Functional areas of TACS to be used and potentially impacted by the new programs	Functional areas of TACS expected to remain untouched
--	---

- | | |
|--|---|
| <ul style="list-style-type: none"> • Registration • eServices • Refunds • Transactions • Reconciliations (Revenue) • Returns • Payments • Collections • Discovery, Audit, Leads | <ul style="list-style-type: none"> • IT General Controls |
|--|---|

As indicated above, it is anticipated that there will be extensive leveraging of existing TACS functional processes and the amount of customization required is expected to be relatively minimal as most of the functionality already exists within TACS/GENTAX.

We assume the existing IT General Controls (ITGCs) for TACS will not change other than perhaps some additional interface management/monitoring, which would be addressed under a specific (new) application level risks and controls.

Approach

Our approach in performing this FRCR is to leverage as much as possible our previous work product and existing knowledge of the GENTAX application and the associated TACS processing and controls that KPMG developed in connection with our FRCR for TACS v9. We anticipate our work essentially will involve understanding how the TACS system will be used to support the Phase 1 R1 tax programs, updating the relevant TACS risk and control matrices and analysis, and if required developing a new risk and control matrix for any new key functions, reviewing key aspects of the system implementation project team's testing, and reporting any significant issues noted. Because of the tight timing for Phase 1 R1, it will be critical for us to maintain a strong risk-based focus in order to prioritize our work.

Our work will include the following steps:

- Confirming which aspects of TACS are being used for the Phase 1 R1 tax programs and which aspects are being developed new or customized (i.e., any new functionality).
- Selecting the subset of existing TACS risk and control matrices relevant to the Phase 1 R1 tax programs, conducting high-level walkthrough discussions of key process and controls to confirm (a) which aspects are expected to remain unchanged and (b) understand the any significant changes
- Updating the risk and control matrices for any significant changes applicable to the Phase 1 R1 tax programs, documenting risks and controls for any significant new functionality, and validating any new or significantly revised key controls with the implementation project team.
- Obtaining an understanding of the project team's test strategy, reviewing key test plans and results (or alternatively attending and observing the testing if the timing for this becomes very compressed).

Our work will consist of a single phase to closely match the timing of the system implementation project team. We will coordinate with the team to determine the best timing to help ensure our results are relevant and timely while trying to keep our impact on the implementation project team as low as possible in the circumstances.

If we note any significant issues during our work, these will be reported promptly to the implementation team for discussion and consideration so that any remedial action can be implemented as soon as possible. Upon completion of fieldwork, just prior to go-live, we will provide a status report to the Ministry including our initial findings and any key issues and recommendations to date, in order to support the Ministry's go-live decision.

Deliverables

Our deliverables will include the full set of risk and control matrices tailored to the TACS functionality used for the Phase 1 R1 tax programs, as well as an issues log showing observations, recommendations and final status of any noted issues. We will also provide an overall executive summary for Ministry management.

Our deliverables will be submitted in draft for review and comment by the project team and Ministry's management, and then finalized.

Timeline

Key Activity	Date
Kick-off Meeting	November 10, 2014
Update of identified risks and controls inventory and perform high level walkthroughs.	November 10 – November 14, 2014
Validation of updates to risks and controls with the business.	November 17 – November 21, 2014
Review of project testing results for identified automated controls	November 19 – November 26, 2014
Status update meeting	November 26, 2014
Issues log, status report & draft RCMs	November 28, 2014
Final draft report (Exec Summary, RCMs, issues log)	December 3, 2014

Staffing

This engagement would be led by Erik Niemi, Partner and Imad Jebara, Senior Manager, with enterprise systems and controls specialist knowledge provided by Viktor Cuijak, Manager. All of these three team members were significantly involved in the previous TACS FROR work completed for the Ministry. We will involve additional KPMG fieldwork professionals as needed to complete the work and delivery quality results on a timely basis. Such personnel will be chosen based on qualifications/experience and availability considering the hard deadlines associated with this project.

Fee estimate

Our fees will be based upon actual time spent at the hourly rates quoted in our October 25, 2011 proposal to Ministry of Finance (contract #C12FSA25209) to provide service organization controls audit plus other potential audit/assessment services, such as system implementation and financial risk and control review services. Based on our understanding of the requirements for this engagement (including considering the limited scope and our ability to leverage previous work combined with the very tight timing, which limits our ability to leverage junior staff), we estimate our time and fees as follows:

Hours	Cost
125	\$25,000

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: Despite sections 2 and 3 of this Schedule, \$25,000.00 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

FLAT RATE

Fees: The "Maximum Amount" of Fees payable \$25,000.00 for performing the Services during the Term.

3. EXPENSES:

Expenses: The "Maximum Amount" of Expenses payable none.

4. STATEMENTS OF ACCOUNT:

Statement of Account: In order to obtain payment of any fees and expenses under this Agreement, the Contractor must deliver to the Province at the end of the Term or, if the Contractor completes the Services before that time, on the completion of the Services, a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement;
- (c) the Contractor's calculation of all fees claimed under this Agreement, including a declaration that the Services for which the Contractor claims fees have been completed;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any GST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of all applicable taxes payable by the Province in relation to the Services;
- (f) a description of this Agreement to which the statement relates;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

Not applicable

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
 - (a) “access” means disclosure by the provision of access;
 - (b) “Act” means the *Freedom of Information and Protection of Privacy Act*;
 - (c) “contact information” means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (d) “personal information” means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the “control of a public body” within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor's collection of personal information.

Accuracy of personal information

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the

name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

8. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 Business Days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

13. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

14. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

15. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

16. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
- (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
- (a) the requirements of the Act applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
 - (b) any direction given by the Province under this Schedule.
22. The Contractor acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

24. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure

periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms

Not applicable

Schedule G – Security Schedule

Definitions

1. In this Schedule,
 - (a) "Equipment" means any equipment, including interconnected systems or subsystems of equipment, software and networks, used or to be used by the Contractor to provide the Services;
 - (b) "Facilities" means any facilities at which the Contractor provides or is to provide the Services;
 - (c) "Information" means information
 - (i) in the Material, or
 - (ii) accessed, produced or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement;
 - (d) "Record" means a "record" as defined in the *Interpretation Act*;
 - (e) "Sensitive Information" means
 - (i) Information that is "personal information" as defined in the *Freedom of Information and Protection of Privacy Act*, or
 - (ii) any other Information specified as "Sensitive Information" in Appendix G6, if attached; and
 - (f) "Services Worker" means an individual involved in providing the Services for or on behalf of the Contractor and, for greater certainty, may include
 - (i) the Contractor or a subcontractor if an individual, or
 - (ii) an employee or volunteer of the Contractor or of a subcontractor.

Schedule contains additional obligations

2. The obligations of the Contractor in this Schedule are in addition to any other obligation in the Agreement or the schedules attached to it relating to security including, without limitation, the obligations of the Contractor in the Privacy Protection Schedule, if attached.

Services Worker confidentiality agreements

3. The Contractor must not permit a Services Worker who is an employee or volunteer of the Contractor to have access to Sensitive Information unless the Services Worker has first entered into a confidentiality agreement with the Contractor to keep Sensitive Information confidential on substantially similar terms as those that apply to the Contractor under the Agreement.

Services Worker security screening

4. The Contractor may only permit a Services Worker who is an employee or a volunteer of the Contractor to have access to Sensitive Information or otherwise be involved in providing the Services if, after having subjected the Services Worker to the personnel security screening requirements set out in Appendix G1 and any additional requirements the Contractor may consider appropriate, the Contractor is satisfied that the

Services Worker does not constitute an unreasonable security risk. The Contractor must create, obtain and retain Records documenting the Contractor's compliance with the security screening requirements set out in Appendix G1 in accordance with the provisions of that appendix.

Services Worker activity logging

5. Subject to section 6, the Contractor must create and maintain detailed Records logging the activities of all Service Workers in relation to:
 - (a) their access to Sensitive Information; and
 - (b) other matters specified by the Province in writing for the purposes of this section.
6. The Records described in section 5 must be made and maintained in a manner, and contain information, specified in Appendix G2, if attached.

Facilities and Equipment protection and access control

7. The Contractor must create, maintain and follow a documented process to:
 - (a) protect Facilities and Equipment of the Contractor required by the Contractor to provide the Services from loss, damage or any other occurrence that may result in any of those Facilities and Equipment being unavailable when required to provide the Services; and
 - (b) limit access to Facilities and Equipment of the Contractor
 - (i) being used by the Contractor to provide the Services, or
 - (ii) that may be used by someone to access Information

to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons.
8. If the Province makes available to the Contractor any Facilities or Equipment of the Province for the use of the Contractor in providing the Services, the Contractor must comply with any policies and procedures provided to it by the Province on acceptable use, protection of, and access to, such Facilities or Equipment.

Sensitive Information access control

9. The Contractor must:
 - (a) create, maintain and follow a documented process for limiting access to Sensitive Information to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons; and
 - (b) comply with the information access control requirements set out in Appendix G3, if attached.

Integrity of Information

10. The Contractor must:
 - (a) create, maintain and follow a documented process for maintaining the integrity of Information while possessed or accessed by the Contractor; and
 - (b) comply with the information integrity requirements set out in Appendix G4, if attached.
11. For the purposes of section 10, maintaining the integrity of Information means that, except to the extent expressly authorized by the Agreement or approved in writing by the Province, the Information has:
 - (a) remained as complete as when it was acquired or accessed by the Contractor; and

- (b) not been altered in any material respect.

Documentation of changes to processes

- 12. The Contractor must create and maintain detailed Records logging any changes it makes to the processes described in sections 7, 9 and 10.

Notice of security breaches

- 13. If Contractor becomes aware that:
 - (a) unauthorized access, collection, use, disclosure, alteration or disposal of Information or Records containing Information; or
 - (b) unauthorized access to Facilities or Equipment

has occurred or is likely to occur (whether or not related to a failure by the Contractor to comply with this Schedule or the Agreement), the Contractor must immediately notify the Province of the particulars of that occurrence or likely occurrence. If the Contractor provides a notification under this section other than in writing, that notification must be confirmed in writing to the Province as soon as it is reasonably practicable for the Contractor to do so.

Review of security breaches

- 14. If the Province decides to conduct a review of a matter described in section 13 (whether or not the matter came to the attention of the Province as a result of a notification under section 13), the Contractor must, on the request of the Province, participate in the review to the extent that it is reasonably practicable for the Contractor to do so.

Retention of Records

- 15. Unless the Agreement otherwise specifies, the Contractor must retain all Records in the Contractor's possession that contain Information until directed by the Province in writing to dispose of them or deliver them as specified in the direction.

Storage of Records

- 16. Until disposed of or delivered in accordance with section 15, the Contractor must store any Records in the Contractor's possession that contain Information in accordance with the provisions of Appendix G5, if attached.

Audit

- 17. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy:
 - (a) any Records in the possession of the Contractor containing Information; or
 - (b) any of the Contractor's Information management policies or processes (including the processes described in sections 7, 9 and 10 and the logs described in sections 5 and 12) relevant to the Contractor's compliance with this Schedule

and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

Termination of Agreement

18. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

19. In this Schedule, unless otherwise specified:
 - (a) references to sections are to sections of this Schedule; and
 - (b) references to appendices are to the appendices attached to this Schedule.
20. Any reference to the "Contractor" in this Schedule includes any subcontractor retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors comply with this Schedule.
21. The appendices attached to this Schedule are part of this Schedule.
22. If there is a conflict between a provision in an appendix attached to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.
23. If there is a conflict between:
 - (a) a provision of the Agreement, this Schedule or an appendix attached to this Schedule; and
 - (b) a documented process required by this Schedule to be created or maintained by the Contractorthe provision of the Agreement, Schedule or appendix will prevail to the extent of the conflict.
24. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

SCHEDULE G – Appendix G1 – Security screening requirements

The personnel security screening requirements set out in this Appendix G1 are for the purpose of assisting the Contractor to determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

1. The Contractor must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of "primary identification" of the Services Worker and at least one piece of "secondary identification" of the Services Worker,* as described in the table following this section. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
<p>Issued by ICBC:</p> <ul style="list-style-type: none"> • B.C. driver's licence or learner's licence (must have photo) • B.C. Identification (BCID) card <p>Issued by provincial or territorial government:</p> <ul style="list-style-type: none"> • Canadian birth certificate <p>Issued by Government of Canada:</p> <ul style="list-style-type: none"> • Canadian Citizenship Card • Permanent Resident Card • Canadian Record of Landing/Canadian Immigration Identification Record 	<ul style="list-style-type: none"> • School ID card (student card) • Bank card (only if holder's name is on card) • Credit card (only if holder's name is on card) • Passport • Foreign birth certificate (a baptismal certificate is not acceptable) • Canadian or U.S. driver's licence • Naturalization certificate • Canadian Forces identification • Police identification • Foreign Affairs Canada or consular identification • Vehicle registration (only if owner's signature is shown) • Picture employee ID card • Firearms Acquisition Certificate • Social Insurance Card (only if has signature strip) • B.C. CareCard • Native Status Card • Parole Certificate ID • Correctional Service Conditional Release Card

*It is not necessary that each piece of identification viewed by the Contractor contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

2. The Contractor must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, obtain or create, as applicable, Records of all such verifications, and retain a copy of those Records.

Verification of employment history and reference checks

3. The Contractor must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Contractor requesting that a Services Worker provide employment references and the Contractor contacting those references. If a Services Worker has no relevant employment history, the Contractor must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records.

Security interview

4. The Contractor must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Contractor it wishes to do so.

Criminal history check

5. The Contractor must arrange for and retain documented results of a criminal history check on a Services Worker obtained through the Services Worker's local policing agency. Criminal history checks must be repeated as necessary to ensure that at all times the most recent criminal history check on a Services Worker was completed within the previous five years.

Credit check

6. The Contractor must arrange for and retain the documented results of a credit check on a Services Worker obtained through an authorized credit reporting agency. Credit checks must be repeated as necessary to ensure that at all times the most recent credit check on a Services Worker was completed within the previous five years.

FORM USAGE AND ROUTING:

This form must be completed for all service contracts and amendments to service contracts involving an increase to the dollar value. It requires approval from the contract manager and the ADM (only in certain circumstances) before the contract/amendment is signed. After being signed by both parties, attach the original contract/amendment to the original Service Contract Checklist and forward to Accounts, Financial Services and Administration, Ministry of Finance.

DESCRIPTION OF CONTRACT - Complete Part 1 for all contracts and amendments.

Legal Contractor Name: GDL Consulting Inc.

Req #:

Contract #: C15REV31360

Contract Type: ☐ New ☐ Multi-year ☐ Renewal ☒ Amendment

Brief Description of Services:

Term: April 2, 2015-March 31, 2016

Rate (per hour or day): \$95.00/\$72.00 p/hr

To provide professional audit services for compliance testing of petroleum and natural gas royalty payors.

CONTRACT CODING: (if more lines needed attach separate sheet)**Complete for Capital Asset Contracts (STOB 2000):****OFA STOBs:**

Amount	Cl.	Resp.	Service Line	STOB	Project	OFA STOB	Service Date (DD-MMM-YYYY)	Asset # (if applicable)
120,000.00	022	32925	26255	6001	3200000			

2175-Heavy Equipment
2195-Operating Equipment
2215-Office Furniture & Equip.
2275-Mainframe HW & Servers
2281-M/F HW & Servers WIP
2295-PC Hardware
2315-Mainframe Software
2321-Mainframe Software WIP
2335-Major Systems Software
2355-PC Software
2395-Tenant Improvements

120,000.00 CONTRACT TOTAL**Commonly Used Contract STOBs:**

6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt.).
6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation.
6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.

6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting).

6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals).

6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.

SELECTION PROCESS - Complete Part 2 for **new** contracts only. Do **not** complete for renewals or amendments. Select only **one** box.**Open Process**

- ☐ **Request for Proposal (RFP) (100) RFP # 2014-MOG-02**
Suppliers submit proposals on how, and at what price, they would provide a service.
- ☐ **Invitation to Quote (ITQ) (100) ITQ # _____**
For priced based services only - you know exactly what you want done and are looking for the best price.
- ☐ **Other Open Competitive Process (100)**
Identify process used: _____
An open competitive process other than Request for Proposal or Invitation to Quote is used (e.g., Joint Solution Procurement, Invitation to Tender), normally by advertising the opportunity on BC Bid.

Direct Process:

- ☐ **Three Verbal or Written Bids (300)**
Only used for contracts less than \$25,000. A RFP or ITQ is required for contracts valued at \$25,000 or more. Documentation of bids must be kept on the contract file. Note: Obtaining verbal bids is not recommended but if used, the process must be documented in writing and included in the contract file (e.g., communication between ministry and vendors).
- ☐ **Direct Invitation to Selected Vendors (300)**
A competitive solicitation, for contracts \$25,000 or more, that is issued to a limited list of vendors and not advertised on BC Bid. If vendors are on a pre-qualification list, use category 401 below.
Note: A RFP or ITQ is required by ministry policy for contracts valued at \$25,000 or more.

Direct Award:

- ☐ **Public Sector Organization (200)**
The contract is negotiated and directly awarded without competitive process because the contract is with another government organization.
- ☐ **Sole Source (201)**
The contract is negotiated and directly awarded without competitive process because the ministry can **strictly prove** that only one contractor is qualified. A NOI is not required. **Note:** Evidence of how the ministry "proved" sole source must be documented in the contract file.
- ☐ **Sole Source - Notice of Intent (205)**
The contract is negotiated and directly awarded without competitive process (a NOI is not a competitive process) because the ministry believes but **cannot strictly prove** that only one contractor is qualified and a Notice of Intent is posted. A NOI must be posted on BC Bid when a contract for services or construction valued at more than \$50,000, is to be directly awarded on this basis. **Note:** It is **recommended** that a NOI be posted for opportunities valued at \$25,000 or more that are being awarded on this basis.
- ☐ **Security, Order, etc. (203)**
The contract is negotiated and directly awarded without competitive process because a competitive process would interfere with the ministry's ability to maintain security or order or to protect human, animal or plant life or health.
- ☐ **Emergency (202)**
The contract is negotiated and directly awarded without competitive process because an unforeseeable emergency exists and the services could not be obtained in time by means of a competitive process.
- ☐ **Confidentiality (204)**
The contract is negotiated and directly awarded without competitive process where the acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise government confidentiality, cause economic disruption or be contrary to the public interest.
- ☐ **No Justification (206)**
Where a direct award has been made which is not justified under one of the exceptional conditions specified in the Core Policy and Procedures Manual section 6.3.3 a (1) (i.e., 200 - 204), or a Notice of Intent was required but has not been issued, or it is provided for under another policy.
- ☐ **Direct Award - Under \$25,000 (207)**
A direct award has been made for a contract less than \$25,000 and categories 200, 201, 202, 203 and 204 do not apply.

Pre-qualification:

- ☐ **Selected Vendor From Pre-qualification List (400)**
A contract that is issued to a vendor on a pre-qualification list without undertaking a competitive process. The process must be consistent with the rules publicized when the list was established.
- ☐ **Purchase from a Corporate Supply Arrangement (500)**
A purchase from a pre-established corporate supply arrangement as identified in the Core Policy Manual section 6.3.2 a (1).
- ☐ **Competition Among Vendors on a Pre-qualification List (401)**
A competitive solicitation that is issued to a limited list of vendors selected from a pre-qualification list. The process must be consistent with the rules publicized when the list was established.
Check appropriate box to indicate which competitive process was used:
- ☐ RFP ☐ ITQ ☐ 3 Verbal or Written Bids
☐ Other (please identify): _____

SERVICE CONTRACT CHECKLIST

Page 2

AGREEMENT ON INTERNAL TRADE (AIT) / BRITISH COLUMBIA - ALBERTA TRADE, INVESTMENT & LABOUR MOBILITY AGREEMENT (TILMA)

Complete Part 3 for new contracts only. Do not complete for renewals/amendments. Select only one box.

PART 3

☐ Purchase Subject to AIT/TILMA (100)

The purchase is for services over \$75K and is not excluded or exempted under any other provision of the AIT/TILMA or other category below.

☐ Purchase Not Subject to AIT/TILMA (200)

The purchase is for services \$75K or less.

☐ Excluded - Exempted Commodity/Service (300)

The purchase is for services that are exempted from coverage of AIT/TILMA or to which the AIT/TILMA does not apply by virtue of its specific reference in Chapter 5 of the agreement (e.g., health & social services).

☐ Excluded - Emergency (400)

A purchase where an unforeseeable situation of urgency exists and the services cannot be obtained in time by means of an open procurement.

☐ Excluded - Security, Order, etc. (500)

A purchase where compliance with the open tendering provisions set out in Ch. 5 of the AIT/TILMA would interfere with the Province's ability to maintain security or order or to protect human, animal, plant life or health.

☐ Excluded - Product Compatibility/Exclusive Rights (600)

A purchase which must: ensure compatibility with existing products; recognize exclusive rights, such as exclusive licenses, copyright and patent rights; or maintain specialized products that must be maintained by the manufacturer or its representative.

☐ Excluded - Procurement of Prototype (700)

The procurement of a prototype or a first service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.

☐ Excluded - Regional/Economic Development (800)

A purchase which, under exceptional circumstances, may be excluded by the Province from the application of Chapter 5 of the AIT/TILMA for regional and economic development purposes.

PART 4

POLICY COMPLIANCE - NEW CONTRACTS - Complete for new contracts only. Do not complete for renewals/amendments.

YES NO N/A

- Before taking steps to find a contractor, a cost benefit justification (CBJ) must be prepared for service contracts over \$100,000. Where appropriate, it should include a cost comparison between contracting out vs. using in-house resources if they were available, contract outcomes, etc. Has a CBJ been prepared for inclusion in the contract file? (CPPM 6.3.1.5)
- As per the AIT/TILMA, did you advertise on BC Bid for any contract over \$75,000 or if a pre-qualification list was used, did you select the contractor through a competitive process between all suppliers on the list? (CPPM 6.3.2.c)
- Executive Financial Officer (EFO) pre-approval is required for all **Labour and Citizens' Services** service contracts over \$25,000 that are being directly awarded. Has a briefing note been signed by the EFO for inclusion in the contract file?
- If this contract was directly awarded (including the policy exemptions in CPPM 6.3.3.a) have the reasons been clearly explained and documented for inclusion in the contract file? (CPPM 6.3.3.a)
- If this contract is being awarded to a contractor that has been used for similar work in the previous 3 months (3 months from previous expiry date) the new contract must be approved by an expense authority with authority for the combined total of the contracts. Has the appropriate expense authority approved the contract? (CPPM 6.3.2.a.11)
- Can you confirm this contract does not constitute an employer/employee relationship? (CPPM 6.3.1.6). For more information, refer to "Employee or Self-Employed" pamphlet at <http://www.cra-arc.gc.ca/E/pub/tg/rc4110/rc4110-06e.pdf>.
- If the General Services Agreement was not used, did you obtain Legal Services and Risk Management approval? Documentation of approval must be kept in the contract file. (CPPM 6.3.3.d)
- Does **Schedule A** clearly identify specific and measurable contract deliverables? (CPPM 6.3.6.c)
- Does **Schedule A** clearly identify the process the ministry will use to monitor the contractor's performance (e.g., frequency & format of reporting requirements)? (CPPM 6.3.6.c)
- If sub-contractors will be providing any of the services are they identified in **Schedule C**?
- If this is a professional services contract (e.g., IT, accounting, management consulting), have you completed and attached **Schedule D** (Insurance) & **Schedule F** (Additional Terms)?
- If **Schedule D** (Insurance) is attached, is the insurance adequate to cover the risks associated with this contract <http://www.fin.gov.bc.ca/pt/rmb/forms/coiover.stm>?
- If the contractor will be involved with "personal information" as defined in the **FOIPPA**, have you completed and attached **Schedule E** (Privacy Protection - <http://www.mser.gov.bc.ca/privacyaccess/PPS/minpps.doc>)? (CPPM 6.3.3.e.11)
- Has the **Information Package for Service Contractors** been forwarded to the contractor?
- Appendix 1** must be attached to all service contracts including travel expenses. Have you attached Appendix 1?

CONTRACT AMENDMENTS - Complete Part 5 for contract amendments only.

Reason for amendment:
Extended date and dollars to contract

Previous Contract Total:	120,000.00
Amendment Amount:	120,000.00
New Contract Total:	240,000.00

PART 5

POLICY COMPLIANCE

YES NO

- Does the amendment format comply with the CPPM (CPPM 6.3.3.e.9)? http://www.fin.gov.bc.ca/camss/fsa/Branch/Forms/Modification_Agreement.doc
- The amendment amount(s) must be added to the original amount of the contract to determine the new total for approval requirements. Has the appropriate expense authority approved the amendment?
- Have the circumstances that caused this contract to be amended been clearly documented for inclusion in the contract file (e.g., unforeseen technical problem delayed the project and the details are explained in the file)?

APPROVALS - Complete Part 6 for all contracts and amendments

PART 6	Contract Mgr. Name:	**ADM Name: Elan Symes	AP/PO Clerk
	Signature & Date	Signature & Date	Initials & Date

** ADM sign-off is only required if the contract was directly awarded or the answer to any of the questions in Part 4 or 5 was 'NO'.

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Withheld pursuant to/removed as

DUPLICATE



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Confidential

To Steve Klak (Executive Director and CFO, Ministry of Finance)

Date March 19, 2015

From Erik Niemi (Partner, KPMG)

Ref 2000300497

cc Kanwal Kuckreja (Director, Financial Services, Ministry of Finance)

Subject **Executive Summary - BC Ministry of Finance Revenue Transformation Initiative Phase 1 Rollout 1 Financial Risk and Controls Review**

KPMG LLP ("KPMG") was engaged by the Ministry of Finance of the Province of British Columbia (the "Ministry") to perform a Financial Risk and Controls Review ("FRCR") relating to Phase 1 Rollout 1 ("R1") of the Revenue Transformation Initiative ("RTI").

The RTI program relates to and supports the Ministry's overarching goal of sound and transparent management of government finances and is guided by the needs of citizens, a corporate approach and leveraging as much as possible the Taxpayer Administration Compliance and Services ("TACS") system.

TACS is based on the GENTAX software application package that the Ministry recently implemented with great success for a number of other major BC government tax programs. The Ministry has embarked on the RTI to transform tax services across a broad range of tax programs and to enable a quick implementation and minimize the need for any customization work, the Ministry elected to leverage as much as possible the TACS system.

The scope RTI R1 covers the logging, unlicensed and licensed insurance premium taxes of the Province. The objective of this FRCR was to assess the adequacy of key controls (automated and manual) for R1 from a financial integrity perspective (e.g., completeness, existence, accuracy, authorization, safeguarding etc.) and to identify any significant issues and recommended improvements prior to implementation.

KPMG's approach involved leveraging our previous work and knowledge of the TACS system, understanding of how the TACS system is used to support the scope of the R1 taxes, updating the relevant TACS risk and control matrices, developing new risk and control matrices for new key functions (e.g., the validation and matching performed by the Ministry of Education), reviewing key



aspects of the system implementation project team's testing for automated controls and reporting any significant issues identified.

As this R1 largely leveraged existing TACS processes and controls, KPMG did not identify any significant potential issues or findings during the execution of the FRCR, and as of completion date of our fieldwork (December 3rd, 2014) we have not identified any significant outstanding findings.

We would like to thank all the project and respective Ministry personnel who assisted us in our review.

Yours faithfully,

Chartered Accountants

Erik Niemi, Partner
Systems Assurance & Risk Consulting Services

Enclosures:

Appendix 1 - RTI Phase 1 R1 Risk and Controls Matrix

Appendix A - Risk & Control Matrix

Process: Customer

Bus Unit / Loc: Taxpayer Services

Sub-Process: Registration
Sub-Process Objective Controls provide reasonable assurance that taxpayer account registrations are valid, complete and accurate.

				Sub-Process Risk: Low															
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component			Control Category (see list)	P (Prevent / Detect)	M (Manual / Auto)	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness Existence Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control Environment Control Activity	Risk Assessment Info. & Comm. Monitoring											
CS-01-C01	A taxpayer's SBN number does not match the SBN Hub resulting in an invalid taxpayer account being registered in TACS.	Y	Verification of BN9 against the SBN Hub All taxpayers (registering electronically or manually) are required to identify themselves using their nine-digit Business Number (BN9) at the time of registration. A BN9 cannot be assigned from within TACS. BN9's are verified against the Single Business Number (SBN) Hub prior to a registration being finalized and approved by TACS. If a taxpayer registers without a pre-existing BN9 number, the registration clerk searches the BNI to verify that a BN9 does not exist and approves the application manually. TACS then forwards data to the SBN Hub and requests CRA to assign a new BN9. Once the SBN Hub validates a BN9 it assigns a unique 15-digit Program Account Number (BN15) which is derived from the BN9 for each Program Account (Tax Type Registration) in TACS.		X	X		X			X				Interface / Conversion	P	A	Recurring	Program specific: - Tobacco accounts are managed by Tobacco Section - Fuel, Carbon and IFTA account registration is managed through the Fuel section - FDR account type registration is not business related and therefore not applicable
CS-01-C02	A taxpayer account is registered more than once in TACS.	Y	Duplicate BN15 check Validation rules prevent a Program Account Number (BN15) from being assigned to a taxpayer where the same BN15 has already been assigned. BN15 number validation is performed at the TACS and SBN Hub levels.		X						X				System Configuration	P	A	Recurring	Manager Registration Closure Services

Appendix A - Risk & Control Matrix

Process:	Customer
Bus Unit / Loc:	Taxpayer Services

Sub-Process: Registration
Sub-Process Objective Controls provide reasonable assurance that taxpayer account registrations are valid, complete and accurate.

Sub-Process Risk: Low

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component				Control Category (see list)	Prevent / Detect (Manual / Auto)			Control Frequency / Transaction Volume	Control Owner (position / title)
				Completeness Existence Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm. Monitoring										
CS-01-C03	Master data associated with a taxpayer account in TACS is incomplete and / or inaccurate.	Y	Matching of registration details prior to approval Each registration work item (manual or electronic) requires a BN9 number and key registration data to match against corresponding data in the Single Business Number (SBN) Hub prior to being auto-approved by TACS. For existing HST registrants, HST data must match. For non-HST registrants, the postal code must match the SBN Hub data. Where registration details do not match those of the SBN Hub the registration work item will be flagged for manual review, follow-up and correction by Program staff. Follow-up may include referring to the BC Registries and BNI lookup for validation and dialogue with the taxpayer. Manually requested changes or updates to registration master data that are not initiated by a Registration clerk in the appropriate program area (i.e., PST, FACT and Carbon) are subject to review by registration clerks prior to being processed as a valid change in TACS. All review activities, updates and changes to registration data as part of the validation process are documented within a TACS registration work item.	X		X					X				System Configuration	D	A	Recurring	Program specific: - Tobacco accounts are managed by Tobacco Section - Fuel, Carbon and IFTA account registration is managed through the Fuel section - FDR account type registration is not business related and therefore not applicable
CS-01-C04		Y	Automatic push of updates and changes to taxpayer master data in TACS The SBN Hub is used to receive taxpayer entity information from other Hub Partners (e.g., CRA and BC Registry Services). When updates are received from 'trusted' Hub partners (e.g., legal name changes received from BC Registry Services) the changes are auto-approved and updated in TACS. When updates are received from 'un-trusted' Hub partners these changes create a registration work item in TACS in suspended status pending review and approval by a Registration clerk.	X		X					X				Interface / Conversion	D	A	Recurring	Manager Registration Closure Services
CS-01-C05		N	Master data integrity checks A Registration Discrepancy Report is automatically generated by TACS when any mandatory registration master data exceptions are detected in taxpayer registration master data (e.g. blank fields or missing fields required throughout the taxpayer processing lifecycle). The registration discrepancies are e-mailed by TACS to designated users (dependent on the tax program) for further action and remediation.	X		X								X	Configuration	D	A	Recurring	Program specific: - Tobacco accounts are managed by Tobacco Section - Fuel, Carbon and IFTA account registration is managed through the Fuel section - FDR account type registration is not business related and therefore not applicable

Appendix A - Risk & Control Matrix

Process: Customer

Bus Unit / Loc: Taxpayer Services

Sub-Process: Registration
Sub-Process Objective Controls provide reasonable assurance that taxpayer account registrations are valid, complete and accurate.

				Sub-Process Risk: Low														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
CS-01-C06	Master data associated with a taxpayer account in TACS is incomplete and / or inaccurate.	Y	Mandatory fields and input entry validation Validation rules are used to test for the presence, accuracy, completeness and validity of key mandatory registration fields such as dates (date format), postal code (format) and BN9 validity (algorithm checksum). In addition, the provided postal code is also automatically validated by TACS against validation rules, preventing the capture of incorrect or malformed address details.			X				X				System Configuration	P	A	Recurring	TACS Business Manager responsible for system configuration of business rules
CS-01-C07	Unauthorized, inappropriate or incorrect changes are made to taxpayer account registration details.	Y	Restricted access to change registration master data Access to perform key taxpayer registration detail updates are restricted to only authorized Consumer Taxation Programs Branch Registration and e-Tax Staff, Asset Compliance staff, FACT Processing Team and Tobacco Section Staff. <u>Note 1:</u> System access rights are also subject to refund safeguard configuration - refer to control FI-02-CO7.			X	X			X				System Access	P	A	Recurring	User access determined by Manager of the section: - Manager RCS for PST, Hotel, FDR - Manager Fuel for Motor Fuel, IFTA and Carbon taxes - Manager Tobacco for Tobacco related taxes.
CS-01-C08		Y	Mandatory review of changed registration master data Only authorized Consumer Taxation Programs Branch Registration and e-Tax, FACT Processing Team and Tobacco section staff are able to change registration master data. Others user need to create work items for any changes to registration details. These registration work items are reviewed by registration clerks who process all registration changes in TACS. Audit logs are maintained for all registration detail changes indicating the user associated with the change, the date and time the change was performed as well as the new and old value. Manual notes (CRM notes in TACS) can be appended in addition to the change audit log.	X		X			X				System Access	D	A	Recurring	User access determined by Manager of the section: - Manager RCS for PST, Hotel, FDR - Manager Fuel for Motor Fuel, IFTA and Carbon taxes - Manager Tobacco for Tobacco related taxes.	
CS-01-C09		Y	Monthly review of registration change activity Monthly reviews of audit logs relating to registration changes are performed by Management to identify unusual patterns or activity identified in the following reports: - Registration & Close Of Business - Task Balance - Tasks Closed - Indicator Monitoring - Account Summary	X		X						X	Management Review	D	M	Monthly	User access determined by Manager of the section: - Manager RCS for PST, Hotel, FDR - Manager Fuel for Motor Fuel, IFTA and Carbon taxes - Manager Tobacco for Tobacco related taxes.	

Appendix A - Risk & Control Matrix

Process: Customer

Bus Unit / Loc: Taxpayer Services

Sub-Process: Registration

Sub-Process Objective Controls provide reasonable assurance that taxpayer account registrations are valid, complete and accurate.

				Sub-Process Risk: Low														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
CS-01-C10	Taxpayer registrations are accidentally or intentionally deleted.	Y	Retention of taxpayer registrations and audit logging Once a taxpayer is created they cannot be removed from TACS, taxpayer registrations in TACS can only be disabled, functionality to delete taxpayer registrations is not available within TACS. Audit logs of all taxpayer registration-related processing is maintained in TACS indefinitely. Access to delete or change audit logs is not available from within TACS.		X			X		X				System Configuration	P	A	Recurring	TACS Business Manager responsible for system configuration of business rules

Legend

References to a control in another RCM that mitigates the identified risk

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Appendix A - Risk & Control Matrix

Process:	Customer
Bus Unit / Loc:	Taxpayer Services

Sub-Process: eServices

Sub-Process Objective Controls provide reasonable assurance that account registrations, taxpayer returns and preauthorized debit payment requests initiated using eServices are authenticated (to the taxpayer) and are captured and transmitted to TACS completely and accurately.

Sub-Process Risk: Low

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
CS-02-C01	Master data associated with new tax registration requests initiated through eServices is invalid, incomplete or inaccurate.	Y	Input validation of new registration requests Electronic registrations are pre-validated online prior to submission to TACS and then validated a second time once submitted to TACS. Pre-validation rules in eServices test for the presence, accuracy, completeness and validity of key mandatory registration fields such as dates (date format), postal code (format) and BN9 validity (algorithm checksum). In addition, the provided postal code validated for accuracy is also used to prevent the capture of incorrect or malformed address details. Electronic registrations are validated against the same validation rules as manual registration when processed in TACS.	X	X	X					X				Interface / Conversion	P	A	Recurring	Business Control - IFTA Registration and Renewal - Manager Fuel and Carbon TRA Registration - Manager Tobacco System Control - TACS Business Manager
CS-02-C02	Unauthorized access is obtained to taxpayer accounts through the use of eServices	Y	Authentication of new eServices registrations In addition to tax registration mandatory fields, all eServices registrations require taxpayers to authenticate themselves. Taxpayers are asked to provide additional validation / authentication data which must much existing Consumer Taxation Programs (e.g., PST), Fuel, Carbon or Tobacco data (such as HST / PST return line item values). PST Taxpayers who fail on-line authentication are required to contact the Registration & Closures helpdesk for alternative authentication. Consumer Taxation Branch, Fuel, Carbon or Tobacco taxpayers contact the appropriate program area for alternative authentication		X			X			X				System Configuration	P	A	Recurring	IFTA Registration and Renewal - Manager Fuel and Carbon TRA Registration - Manager Tobacco System Control - TACS Business Manager
CS-02-C03		Y	Activation of new eServices registrations Following approval of a new eServices account registration. A one-time use uniquely generated registration code is e-mailed to the taxpayer to validate the registration e-mail address and activate the eServices account for use. Newly registered eServices accounts cannot be used until they are validated.		X	X		X			X				Authorization	P	A	Recurring	TACS Business Manager
CS-02-C04		Y	Notification of a newly activated eServices account A letter is generated and made available in the taxpayers eService account and it is also mailed to the registered physical address of taxpayers notifying them that an eServices account has been created and activated.		X	X								X	System Configuration	D	M	Recurring	TACS Business Manager

CS-02

Appendix A - Risk & Control Matrix

Process:	Customer
Bus Unit / Loc:	Taxpayer Services

Sub-Process: eServices

Sub-Process Objective Controls provide reasonable assurance that account registrations, taxpayer returns and preauthorized debit payment requests initiated using eServices are authenticated (to the taxpayer) and are captured and transmitted to TACS completely and accurately.

Sub-Process Risk: Low

				Assertions			Other		COSO Component											
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
CS-02-C05	Master data associated with Pre-Authorized Debit (PAD) payment requests initiated through eServices is invalid, incomplete or inaccurate.	Y	Input validation of PAD information Validation rules are used to test for presence, accuracy, completeness and validity of key Pre-Authorized Debit (PAD) fields such as institution numbers and transit numbers. Bank account numbers are validated for format and length. PAD information is not stored within TACS and is stored within the eServices database in an encrypted format.	X		X					X				System Configuration	P	A	Recurring	TACS Business Manager	
CS-01-C03	Registration requests, updates and returns filed through eServices are not completely processed in TACS.	Y	Matching of registration details prior to approval Each registration work item (manual or electronic) requires a BN9 number and key registration data to match against corresponding data in the Single Business Number (SBN) Hub prior to being auto-approved by TACS. For existing HST registrants, HST data must match. For non-HST registrants, the postal code must match the SBN Hub data. Where registration details do not match those of the SBN Hub the registration work item will be flagged for manual review, follow-up and correction by Program staff. Follow-up may include referring to the BC Registries and BNI lookup for validation and dialogue with the taxpayer. Manually requested changes or updates to registration master data that are not initiated by a Registration clerk in the appropriate program area (i.e., PST, FACT and Carbon) are subject to review by registration clerks prior to being processed as a valid change in TACS. All review activities, updates and changes to registration data as part of the validation process are documented within a TACS registration work item.	X		X				X					System Configuration	D	A	Recurring	Program specific - Tobacco accounts are managed by Tobacco Section - Fuel, Carbon and IFTA account registration is managed through the Fuel section - FDR account type registration is not business related and therefore not applicable	
CS-01-C09		Y	Monthly review of registration change activity Monthly reviews of audit logs relating to registration changes are performed by Management to identify unusual patterns or activity identified in the following reports: - Registration & Close Of Business - Task Balance - Tasks Closed - Indicator Monitoring - Account Summary		X			X						X	Management Review	D	M	Monthly	User access determined by Manager of the section: - Manager RCS for PST, Hotel, FDR - Manager Fuel for Motor Fuel, IFTA and Carbon taxes - Manager Tobacco for Tobacco related taxes.	

Appendix A - Risk & Control Matrix

Process: Customer

Bus Unit / Loc: Taxpayer Services

Sub-Process: eServices

Sub-Process Objective Controls provide reasonable assurance that account registrations, taxpayer returns and preauthorized debit payment requests initiated using eServices are authenticated (to the taxpayer) and are captured and transmitted to TACS completely and accurately.

				Sub-Process Risk: Low															
				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
IT-03-CO5	Errors in downloads and/or uploads between TACS and the eServices Web Application are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in (including interfaces) TACS are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A report of all jobs that executed and their success / failure status - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.								X				Management review	D	M	Daily	TACS Business Manager
IT-03-CO5	Errors in downloads and/or uploads between eServices and Provincial Treasury (for PAD payments) are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in (including interfaces) TACS are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A report of all jobs that executed and their success / failure status - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.								X				Management review	D	M	Daily	TACS Business Manager

Legend
References to a control in another RCM that mitigates the identified risk

Appendix A - Risk & Control Matrix

Process: Tax

Bus Unit / Loc: Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
TX-01-C01	Unauthorized, inappropriate or incorrect changes are made to taxpayer returns.	Y	Restricted access to modify taxpayer return work items Access to add, change, reverse, transfer returns or update return work items is restricted to only HPAS Validations, Collection Analysts, Collection Officers, FACT Processing Team, FACT Desk Audit and Tobacco staff. <u>Note 1:</u> System access rights are also subject to refund safeguard configuration - refer to control FI-02-CO7.	X	X	X							X		System Access	P	A	Recurring	Program Area specific
TX-01-C02		Y	Restricted access to modify return batches Access to add, change, validate, process or reject return batches is restricted to only HPAS Exceptions and HPAS Validations staff.	X	X	X	X	X					X		System Access	P	A	Recurring	TACS Business Manager
TX-01-C03		Y	Restricted access to perform period maintenance Access to perform Period Maintenance in TACS (add or update period data, generate a return, change return status or change return due date) is restricted to only authorized Consumer Taxation Programs Branch Registration Staff, HPAS Exceptions, HPAS Validations, Collections Analysts, FACT Processing Team and Tobacco section staff.	X	X	X	X	X					X		System Access	P	A	Recurring	Program Area specific: - PST Manager RMO for RMO staff - Manager Tobacco for tobacco taxes - Manager Fuel for motor fuel and carbon taxes
TX-01-C04	Filing expectations for taxpayers are not identified and a return is not generated for completion by a taxpayer.	Y	Automated identification of filing expectations An automated TACS job is executed each night to identify all qualifying taxpayer accounts for which a tax return should be generated and issued (this is known as the filing expectation). The filing expectation is based on the account filing frequency field as established for each taxpayer account based on their registration information. For each qualifying account where a filing expectation is created, a paper or electronic tax return is issued for completion and submission by the taxpayer.	X			X						X	X	System Configuration	D	A	Recurring	TACS Business Manager

Appendix A - Risk & Control Matrix

Process: Tax

Bus Unit / Loc: Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

				Sub-Process Risk: High														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
TX-01-C05	Filing expectations for taxpayers are not identified and a return is not generated for completion by a taxpayer.	Y	Automated tracking of return status An automated TACS job is executed each night to track and monitor filing expectations for "Completion Status" based on three key dates: * Received date: the date the return is received. * Effective date: the date that is determined to be the effective liability date for the taxpayer. * Posting date: the date the taxpayers liability is recorded and tax revenue is recognized (either on the same day or immediately after the effective date) The tracking and monitoring of return status is used in identifying delinquent tax filers and the calculation of penalties and interest. Return expectations are automatically updated when a completed return is captured and linked to the pre-populated return expectation (and its estimated tax revenue). If a return is received and processed where there is no associated filing expectation, a Work Item is automatically created for further follow-up and resolution by HPAS Validations staff for PST and Hotel Room Tax, FACT Processing Team for Fuel and Carbon taxes and the Tobacco section staff for Tobacco returns.	X	X	X				X				System Configuration	D	A	Recurring	TACS Business Manager
TX-01-C06	Tax revenue is calculated incorrectly due to missing, incomplete, invalid or inaccurate information captured from tax returns.	Y	Pre-validation of eServices tax returns Electronically filed returns are validated in eServices at the time of capture, and cannot be submitted for processing if mandatory fields are missing, mathematical errors are detected or field values are outside acceptable tolerance limits (e.g. the "Tax Collectable on Sales" for PST returns is blank and the "Nil Return" option has not been selected).	X		X						X		System Configuration	D	A	Recurring	TACS Business Manager

Appendix A - Risk & Control Matrix

Process: Tax

Bus Unit / Loc: Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

				Sub-Process Risk: High																	
				Assertions			Other		COSO Component												
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
TX-01-C07	Tax revenue is calculated incorrectly due to missing, incomplete, invalid or inaccurate information captured from tax returns.	Y	<p>Pre-processing validation of tax returns prior to processing</p> <p>Manual return images and electronically filed returns are validated immediately prior to processing in TACS. All returns contain validation rules that trigger an "error rule" or "review rule" which prevents returns from being posted to taxpayers accounts if validation of the return fails.</p> <p>All tax return fields inputted to TACS are validated for completeness, accuracy and validity within defined tolerance levels using configured validation rules. Validation rules include field presence checks, field formatting and range / reasonableness checks (e.g., the maximum commission for completing a PST return is \$198).</p> <p>A return is flagged "error-free" if it passes validation, otherwise a Return Work Item is created for follow-up by HPAS Validations Staff.</p> <p>"Review" returns (returns with minor errors) are flagged for review as a Return Work Item and TACS will automatically propose an adjustment which can be accepted or manually overridden.</p> <p>"Error" returns result in a Return Work Item created for follow-up and correction by the appropriate program area (HPAS Validations staff for PST and Hotel Tax, FACT Processing Team for Fuel and Carbon taxes, Tobacco section staff for Tobacco taxes).</p> <p>All Return Work Items must be corrected or accepted to validate the return for processing.</p>	X		X								X		System Configuration	D	A	Recurring	TACS Business Manager	
TX-01-C08	Tax revenue is calculated incorrectly due to missing, incomplete, invalid or inaccurate information captured from tax returns.	N	<p>Issue of Correction / NOFA notices for corrected returns</p> <p>A "Correction Notice" is issued if a return is changed subsequent to filing by a taxpayer to inform the taxpayer of the change.</p> <p>A "Notice of Assessment" (NOFA) is issued for returns that are corrected and result in debt that exceeds the minimum billing amount or penalty and interest being levied (e.g., when a taxpayer files a return that is underpaid or files and pays late).</p> <p>A revised NOFA is issued if the taxpayer files an amendment where further tax or different penalty and / or interest is assessed.</p>	X		X							X		System Configuration	D	A	Recurring	Program Area Management		

Appendix A - Risk & Control Matrix

Process:	Tax
Bus Unit / Loc:	Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
TX-01-C09	Tax returns are processed more than once for the same tax period or a tax return is processed against an incorrect tax period.	Y	Mapping of tax returns to filing expectations TACS associates and maps each taxpayer's return with an associated tax period. For electronic returns, each filing expectation is linked to the respective return for the tax period. This link prevents an electronic return from being submitted more once.		X						X				System Configuration	D	P	Recurring	TACS Business Manager
TX-01-C10		Y	Assignment of unique media numbers to manual returns For manual (paper-based) returns a unique media number is printed on each return to link the return to the respective filing expectation (tax period of the return). This media number is automatically generated and assigned by TACS. TACS prevents the processing of a media number more than once and in the event that a duplicate media number is detected, the duplicated return is suspended and a Work Item is created for review and follow-up by HPAS Validations Staff.		X						X				System Configuration	D	P	Recurring	TACS Business Manager
TX-01-C11	Tax revenue for a period is not calculated and assessed against taxpayers accounts for taxpayers who do not file tax returns.	Y	Automatic generation of estimated returns A job is executed each night to identify all delinquent returns for purposes of calculating estimated taxes. TACS will automatically calculate the estimated tax liability (based on prior history of returns) for a taxpayer where the filing expectation for a tax period has not been fulfilled by the submission of a completed tax return.	X		X	X				X				System Configuration			Daily	TACS Business Manager

TX-01

Appendix A - Risk & Control Matrix

Process:	Tax
Bus Unit / Loc:	Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

Sub-Process Risk: High

				Assertions			Other		COSO Component								
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
TX-01-C12	Returns with errors and omissions that are identified are not tracked, managed and resolved.	Y	Reporting and review of return issue and processing activity Program area managers (HPAS Business Process Centre Team Leads and Managers, the Tobacco Section Manager and the FACT Section Manager / Leads) perform a periodic review of "Suspended" and "Error" return Work Items, aged Work Items etc. by way of Key Performance Indicator ("KPI") and exception reports including: 1. Return Task Cube (trends / statistics on completed / outstanding returns) 2. Return Suspense or Error Work Items 3. Return and Payment Suspense Cube 4. PST / MRT Return summary Cube 5. Returns Auto Corrected 6. Generated Returns 7. Posted Returns Summary 8. Adjusted Returns Report	X	X	X				X		X	Management Review	D	M	Periodic	Executive Direction CTB Programs Branch
TX-01-C13	Penalties and interest is not calculated correctly based on return information	Y	Automatic calculation and posting of penalties & interest for late filers Penalties and interest are calculated automatically and are posted to delinquent taxpayers accounts as they are estimated. In addition, penalties and interest are also assessed on returns paid late or returns that are underpaid. A job runs overnight to recalculate penalty and interest at the return level and update the receivable for each return separately. The calculation is based on pre-configured penalty and interest amounts and calculation methods / rules. For each return, TACS creates a separate tax liability related to the taxpayer's tax program account.	X	X	X				X	X		System Configuration	D	A	Recurring	Executive Direction CTB Programs Branch
TX-01-C14	Penalties and interest is not calculated correctly based on return information	Y	Restricted ability to change penalty & interest configuration. Access to change Penalty and Interest configuration is not available from within TACS. Changes to Penalty and Interest configuration need to follow the Change Management Process (Refer to IT-02 Change Management).	X	X	X				X	X		System Configuration	D	A	Recurring	TACS Business Manager

Appendix A - Risk & Control Matrix

Process: Tax

Bus Unit / Loc: Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

				Sub-Process Risk: High														Control Frequency / Transaction Volume	Control Owner (position / title)
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto						
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity			Risk Assessment	Info. & Comm.				
IT-03-CO5	Errors in downloads and/or uploads between TACS and the eServices Web Application are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.								X				Management review	D	M	Daily	TACS Business Manager
IT-03-CO5	Errors in downloads from HPAS (Kofax for manual returns) are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.								X				Management review	D	M	Daily	TACS Business Manager

Appendix A - Risk & Control Matrix

Process: Tax

Bus Unit / Loc: Taxpayer Services

Sub-Process: Returns \ Returns Issue

Sub-Process Objective Controls provide reasonable assurance that all tax returns are valid, accurate and are captured and processed completely and accurately against taxpayer accounts in TACS.

				Sub-Process Risk: High														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
IT-03-CO5	Errors in downloads from CanAct (EDI) are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.							X				Management review	D	M	Daily	TACS Business Manager
TX-01-C15	Adjustments to customer returns are incorrect, unauthorized or records related to return processing (including adjustments) are not maintained.	Y	Retention of Tax Returns and Audit Logging Audit logs of all tax return related input, adjustment and processing is maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of tax return fields changed. Access to delete or change audit logs is not available from in TACS.	X	X	X	X			X				System Configuration	D	A	Recurring	TACS Business Manager

Legend
References to a control in another RCM that mitigates the identified risk

FI-01

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Payments

Sub-Process Objective Controls provide reasonable assurance that payments are processed and recorded completely, accurately, timely, to the appropriate accounts and that rejected payments and other errors are identified and adjusted timeously.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring					
IT-03-CO5	Errors in downloads from HPAS for bank / APA, direct (mailed), government agency, EFT or internal paper (journal voucher) payments are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.							X				Management review	D	M	Daily	TACS Business Manager
IT-03-CO5	Errors in downloads from Provincial Treasury for PAD Payments, Online Banking or CanAct (EDI) payments are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.							X				Management review	D	M	Daily	TACS Business Manager
FI-01-C01	Unauthorized and / or inappropriate access to taxpayer payment transactions.	Y	Restricted access to payment batches (in Batch Manager) Access to add, change, validate, process or reject payment batches in TACS is restricted to only HPAS Exceptions staff.	X	X	X	X			X				System Access	P	A	Recurring	Program Area Specific: - HPAS, RMO for PST Hotel -Manager Fuel section for motor fuel and carbon taxes - Manager Tobacco section for tobacco taxes

FI-01

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Payments

Sub-Process Objective Controls provide reasonable assurance that payments are processed and recorded completely, accurately, timely, to the appropriate accounts and that rejected payments and other errors are identified and adjusted timeously.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.					Monitoring	
FI-01-C02	Unauthorized and / or inappropriate access to taxpayer payment transactions.	Y	Restricted access to reverse payments Access to reverse payments in TACS is restricted to only HPAS Exceptions and HPAS Validations staff.	X		X	X				X				System Access	P	A	Recurring	Program Area Specific: - HPAS, RMO for PST Hotel -Manager Fuel section for motor fuel and carbon taxes - Manager Tobacco section for tobacco taxes
FI-01-C03		Y	Restricted access to process vouchers (coupons) Access to add, change or print vouchers (coupons) in TACS is restricted to only HPAS Exceptions, HPAS Validations, Collections Analysts, Collection Officers, Audit Staff, Audit Team Leads, FACT and Tobacco section staff.		X	X	X				X				System Access	P	A	Recurring	Program Area Specific: - HPAS, RMO for PST Hotel -Manager Fuel section for motor fuel and carbon taxes - Manager Tobacco section for tobacco taxes
FI-01-C04		Y	Restricted access to adjust individual payments Access to adjust an individual payment in TACS is not assigned to any user group. Per Ministry policy individual payment transactions cannot be altered after capture. Any errors need to be reversed and re-processed as a separate adjustment transaction.	X	X	X	X				X				System Access	P	A	Recurring	Program Area Specific: - HPAS, RMO for PST Hotel -Manager Fuel section for motor fuel and carbon taxes - Manager Tobacco section for tobacco taxes
FI-01-C05	Payment batches are processed incompletely and / or inaccurately.	Y	Validation of payment batches TACS validates all payment batch files prior to processing. The validation of payment batch files includes: - duplicate batch detection (Cyclic Redundancy Check ("CRC") check on batch file and assignment of a unique sequential batch serial number) - batch file format and structure is correct (corresponds to the payment source) - batch line items correspond to batch header details (e.g., record counts, control totals, hash totals etc.)	X		X					X				System Configuration	P	A	Recurring	TACS Business Manager
FI-01-C06		Y	Follow-up and re-submission of failed payment batches Payment batch files that fail validation are identified in a Payment Batch Summary Reporting Cube. Failed batches that are identified in the exception report are investigated, followed-up and re-submitted for processing by HPAS Exceptions staff.	X		X					X				Exception / Edit Reports	D	A	Recurring	TACS Business Manager

FI-01

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Payments
Sub-Process Objective Controls provide reasonable assurance that payments are processed and recorded completely, accurately, timely, to the appropriate accounts and that rejected payments and other errors are identified and adjusted timeously.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component					Control Category (see list)	Prevent / Detect (Manual / Auto)			Control Frequency / Transaction Volume	Control Owner (position / title)
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring							
FI-01-C07	Payment transactions are processed incompletely or inaccurately.	Y	Validation of individual payments TACS validates all individual payment transactions prior to allocating them to taxpayer accounts. The validation of individual payment transactions includes: - payments cannot have an effective date after the batch processing date (i.e., cannot be future dated) - the payment has to relate to a valid tax period for the respective taxpayer - payments cannot be allocated to a taxpayer account that is suspended (e.g., due to insolvency) - payments linked to a duplicate media number - where a taxpayer account cannot be found In addition, all payments require the taxpayer account identifier (BN15) to allocate the payment. Payments that fail validation tests are placed in "suspended" or "error" status and a Work Item is automatically created for follow-up by HPAS Validations staff.	X	X	X					X				System Configuration	P	A	Recurring	TACS Business Manager	
		Y	Monitoring and clearing of errored payments TACS "Payment Manager" identifies and tracks individual payments that have been suspended or contain errors. Payments with no taxpayer identification information or payment type that cannot be allocated to a bill item are cleared by HPAS Validations Staff on daily basis. In addition, HPAS Business Process Centre Team Leads and Managers perform a periodic review of suspended work items, aged payments, etc. Payments that have to be split require a voucher to be created. This voucher which details the allocation of the payment to the customer accounts.	X	X	X	X				X				Reconciliation	D	M	Daily	TACS Business Manager	

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Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Payments

Sub-Process Objective Controls provide reasonable assurance that payments are processed and recorded completely, accurately, timely, to the appropriate accounts and that rejected payments and other errors are identified and adjusted timeously.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component				Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm.	Monitoring							
FI-01-C09	Payment transactions are processed incompletely or inaccurately.	Y	Reporting and review of payment processing activity HPAS Business Process Centre Team Leads and Managers perform a periodic review of Aged Return Payments (including where the corresponding return has not yet posted to the account) using Key Performance Indicator (KPI) and exception reports including: 1. Return and Payment Suspense 2. Payment Batch Summary Cube 3. Payment Item Summary Cube 4. Aged Payments 5. Reversed Payment Items	X	X	X					X			X	Management Review	D	M	Periodic	TACS Business Manager
FI-01-C10	Payment transactions are posted to the incorrect account or incorrectly offset against a taxpayer's account or designate (offset, collection, transfer).	Y	Automated posting of payment transactions according to payment type TACS "Payments Manager" automatically allocates incoming payments and posts payments to taxpayer account(s) according to the configured parameters for each payment type. Payments by taxpayers are classified into 1 of 14 payment types: (1) Account Payment, (2) Asset Payment, (3) Audit Payment, (4) Bailiff Payment, (5) CRA Setoff Payment, (6) Casual Payment, (7) Director Liability Payment, (8) Demand Payment, (9) MRT Return Payment, (10) OCG Setoff Payment, (11) Proposal Payment, (12) Return Payment, (13) Trustee Payment, (14) Volume Discount Payment. Payment types are automatically allocated by the TACS "Payment Manager". These payments are offset to the corresponding tax period bill item(bill items are defined as the combined tax, penalty and interest due for a tax period).	X	X	X					X		X	Account Mapping	P	A	Recurring	TACS Business Manager	
FI-01-C11		Y	System identification, calculation & creation of bill items TACS has a nightly billing job that evaluates taxpayer accounts against pre-configured criteria to identify whether outstanding (i.e., past due or unpaid) tax liabilities exist. Past due tax receivables are staged into 6 bill items (i.e., return, audit, asset collection etc.). A bill item is defined as the combined tax, penalty and interest due for a tax period. Staging allows for subsequent Financials processing and Collection Activity to take place and also generates a NOFA and a Statement of Account ("SOFA") depending on the bill item stage.	X		X					X		X	System Configuration	D	A	Daily	TACS Business Manager	

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Payments

Sub-Process Objective Controls provide reasonable assurance that payments are processed and recorded completely, accurately, timely, to the appropriate accounts and that rejected payments and other errors are identified and adjusted timeously.

				Sub-Process Risk: High															
				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm. Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
FI-01-C12	Payment transactions are posted to the incorrect account or incorrectly offset against a taxpayer's account or designate (offset, collection, transfer).	Y	Configuration payment allocation hierarchy In the case of all non-generic payment types, TACS assigns a payment to the respective period's bill item. If a return has not been posted to the customer account yet, the payment is placed in "pending" status and does not offset other bill items. In the case of generic account payments (e.g., no associated payment coupon or a bulk payment), TACS offsets the generic account payment against the oldest open bill item(liability). Allocation of the payment is first applied to the tax component, then penalties and finally the interest of the bill item.			X				X		X	System Configuration	P	A	Recurring	TACS Business Manager		
FI-01-C13	Source documentation is not available to support a transaction.	Y	Retention of image / payment information detail Manual (cheque) payments: The payment image is retained in the taxpayer account. Electronic payments: The details of customer payments are retained in the taxpayer account. Payment batch details are also retained. This includes the batch payment dates, sources, and individual taxpayer payment details.				X			X		X	System Configuration	D	A	Recurring	TACS Business Manager		
FI-01-C14	An audit trail is not readily available to track the processing history of payment transactions.	Y	Retention of Payment History and Audit Logging Audit logs of all taxpayer payment related input, adjustment and processing is maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of tax return fields changed. Access to delete or change audit logs is not available from within TACS.	X	X	X	X						System Configuration	D	A	Recurring	TACS Business Manager		

Legend
References to a control in another RCM that mitigates the identified risk

FI-02

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.					Monitoring	
FI-02-C01	Unauthorized and / or inappropriate access to add, approve or reverse taxpayer refund transactions.	Y	Restricted access to basic refund update details Access to process basic refund updates (i.e., assign refund, change work date, status and status date) is restricted to only Collection Analysts, Collection Officers, the RMO Manager, the RMO Director, FACT-IFTA Specialist and FACT-Desk Audit and Tobacco section staff. <u>Note 1:</u> From an access perspective,Tobacco section staff, IFTA Specialists, and the FACT Desk Audit team users have the ability to process basic refund updates and approve refunds. However this access is prevented by configuration per control FI-02-CO7, refund approval workflow controls FI-02-C08a-g and further mitigated through detective review controls FI-02-C08h and FI-02-C09a.	X	X	X	X				X				System Access	P	A	Recurring	Executive Director CTPB Branch
FI-02-C02		Y	Restricted access to add or change a Credit Refund, Manual Claim Refund or to manage a refund transfer (Offsets) Access to add a manual refund, add a refund transaction (for claim refunds) or change the name and address on the refund is restricted to only Collection Analysts, FACT IFTA-Specialist, FACT-Desk Audit and Tobacco section staff for respective program areas Access to edit refund documents after conclusion of a claim (e.g., change deposit vouchers, change interest dates for credit or audit refunds) is restricted to only Collection Analysts, Refund Team Leads and Refund Managers, FACT-IFTA Specialist, FACT-Desk Audit and Tobacco section staff. Access to manage refund transfers (offsets) is restricted to only Collection Analysts and Collection Officers, FACT-IFTA Specialist, FACT-Desk Audit and Tobacco section staff. <u>Note 1:</u> From an access perspective, Tobacco section staff, IFTA Specialists and FACT section users have the ability to approve their own refunds. However this is prevented by configuration per controls FI-02-CO7, refund approval workflow controls FI-02-C08a-g and further mitigated through detective review controls FI-02-C08h and FI-02-C09a. <u>Note 2:</u> System access allows FACT section staff to approve refunds they initiate with a value of \$500 or less. This is mitigated by a detective review control (refer to control FI-02-C09b)	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB Branch

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Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.					Monitoring	
FI-02-C03	Unauthorized and / or inappropriate access to add, approve or reverse taxpayer refund transactions.	Y	<p>Restricted access to approve / reject a "Claim", "Audit", "Under \$10" or IFTA refund</p> <p>Access to approve refunds is restricted per refund category, as follows:</p> <ul style="list-style-type: none">- "Claim" refund approval is restricted to only Collection Analysts and Collection Officers.- "Audit" refund approval is restricted to only Collection Analysts.- "Under \$10" refund approval is restricted to only Collection Analysts, FACT and Tobacco section staff. <p>Access to reject refunds is restricted per refund category as follows:</p> <ul style="list-style-type: none">- "Claim" refund rejection is restricted to only Collection Analysts, RMO Managers, Refund Managers and Audit Managers.- "Audit" refund rejection is restricted to only Collection Analysts, RMO Managers and Audit Managers.- "Under \$10" refund rejection is restricted to only Collection Analysts and RMO Managers, FACT and Tobacco section staff.- IFTA refund rejection is restricted to only the IFTA Specialist and FACT section staff. <p><u>Note 1:</u> From an access perspective, Tobacco section staff, IFTA Specialists and FACT section staff are potentially able to approve their own refunds. However this is prevented through configuration by control FI-02-CO7 and further mitigated by controls FI-02-C08g and FI-02-C09a.</p>	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB Branch

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Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
FI-02-C04	Unauthorized and / or inappropriate access to add, approve or reverse taxpayer refund transactions.	Y	Restricted access to reverse refunds not yet transmitted to CAS For refunds issued in error and that have not been transmitted to CAS for processing as a cheque refund, the access to reverse the refund is restricted per refund category, as follows: - Access to reverse "Credit" refunds is restricted to only Senior Collection Analysts and RMO Managers. - Access to reverse "Claim" refunds is restricted to only Senior Collection Analysts, RMO Managers, Audit Managers and Refund Managers - Access to reverse "Audit" refunds is restricted to only Senior Collection Analysts, RMO Managers and Audit Managers. - Access to reverse "Under \$10" is restricted to only Senior Collection Analysts and RMO Managers, FACT-Desk audit, FACT-Team Leads, FACT Manager and Tobacco section staff. - Access to reverse IFTA refunds is restricted to only the Refund Director, IFTA Specialist, FACT-Team Leads and FACT-Manager. - Access to reverse Carbon / Fuel refunds is restricted to only the Refund Director, FACT-Desk audit, FACT-Team Leads and FACT Manager. - Access to reverse EFR and Tobacco credit refunds is restricted to only the Refund Director and Tobacco section staff.	X	X		X	X			X				System Access	P	A	Recurring	Executive Director CTPB Branch
FI-02-C05		Y	Restricted access to process refund re-deposits Access to process refund re-deposits (capturing a returned cheque date for a refund transaction that reverses the debit transaction associated with the refund) is restricted per refund category, as follows: - Credit and "Under \$10" refund re-depositing is restricted to only Senior Collection Analysts and RMO Managers, FACT-Desk Audit, FACT-Team Leads, FACT- Manager and Tobacco section staff. - Claim refund re-depositing is restricted to only Refund Team Leads and Refund Managers. - Audit refund re-depositing is restricted to only Senior Collection Analysts.	X	X	X	X	X					X		System Access	P	A	Recurring	Executive Director CTPB Branch

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

				Sub-Process Risk: High																
				Assertions			Other		COSO Component											
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
FI-02-C06	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Automated management of refunds TACS "Refunds Manager" uses configured rules within TACS to manage refunds. A refund is either automatically allowed (within pre-configured parameters, or based on pre-configured criteria) or will result in the generation of a distinct and traceable refund work item requiring manual review and approval prior to being processed. Refunds are categorized and configured as follows: - Credit Refunds: Credit Refunds result from overpayment of assessed taxes. Credit balances can only be processed after a period of 21 days has elapsed from the date the credit was posted to the account. Credit Refunds amounting to \$200 or less are automatically approved (unless the Credit Refund was manually created, an active insolvency or other period / account debts exist, external debts exist, a write-off / extinguishment was processed or when the refund amount equals the amount of the return payment). Credit Refunds in excess of \$200 require additional manual review and approval by designated users. - Claim Refunds: Claim Refunds are based on an application by a taxpayer. All Claim Refunds are subject to manual review and approval by designated users (refer to control FI-02-CO3) at the claim case level. Once the claim case is concluded and approved the Claim Refund is auto-approved unless another period / account debt exists, external debts exist or a write-off / extinguishment transaction was processed in the taxpayers account. - Audit Refunds: Audit Refunds result from taxpayer audits that identify overpayment of taxes. All Audit Refunds are subject to manual review and approval by Audit Team Leaders / Managers during the audit. The credit transaction for the audit refund is posted at the same time as the audit working paper. The audit refund is auto-approved unless another period / account debt exists, external debts exist or a write-off / extinguishment transaction was processed in the taxpayers account. - "Under \$10" Refunds: Refunds amounting to \$10 or less are automatically written off by the Small Balance Adjustment (SBA) performed at the close of each tax period.	X	X	X								X		System Configuration	P	A	Recurring	Executive Director CTPB Branch

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Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds
Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

				Sub-Process Risk: High															
				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
FI-02-C07	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Automated refund safeguards Refund validation safeguard rules are configured and automatically applied to every refund to mitigate the risk of misappropriation of refunds. The following automated refund safeguard rules have been configured: 1) All manually created Credit Refunds have to be approved (e.g., if a user manually creates a refund that is under \$200, it cannot be auto-approved). 2) A one-time name and address changes at the refund level is not allowed after the first level of approval. 3) With the exception of Claim Refunds, a refund cannot be created when there is no credit balance on the account. 4) If the user approving a refund made a one-time name/address change on the refund, then the refund has to be approved by at least one other person. 5) If the user approving the refund made any changes to the account address field within the preceding 30 days, then the refund has to be approved by at least one other person. 6) If the user approving the refund created any of the credits on the refund, then the refund has to be approved by at least one other person. 7) If the user approving the refund processed any other financial transaction in the same period that the refund credit originates from, then the refund has to be approved by at least one other person (this excludes transactions posted from previously approved refunds).	X	X	X		X					X		System Configuration	P	A	Recurring	Executive Director CTPB Branch
FI-02-C08		Y	Refund approval staging levels (Credit, Audit or an "Under \$10" refunds) Credit, Audit or "Under \$10" refunds that are not automatically approved go through refund approval stages based on the Dollar-value of the Refund. Refund Approval Staging Levels are tiered based on the following thresholds (See below):	X	X	X		X			X				System Configuration	P	A	Recurring	Executive Director CTPB Branch

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

				Sub-Process Risk: High														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
FI-02-C08a	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Thresholds for PST, MRDT: <u>Level 1 (refund <= \$ 5 000):</u> One Level 1 user needs to approve the refund unless validation rules 4 - 7 are applicable where a second Level 1 user is required. [Level 1 is restricted to only Collection Analysts] <u>Level 2 (\$5 000 < refund <= \$10 000):</u> Level 2 review is contingent on Level 1 being approved. A Level 2 user can approve a refund from Level 1. For validation rules 4 - 7 if Level 1 and Level 2 approvers are the same, an additional Level 2 user is required to approve. [Level 2 is restricted to only Senior Collection Analysts] <u>Level 3 (\$10 000 < amount <= \$100 000):</u> Level 3 review is contingent on Level 1 and 2 being approved. A Level 3 user can approve a refund from Level 2. No additional approvers are required at this level. [Level 3 is restricted to only RMO Managers] <u>Level 4 (amount > \$100 000):</u> Level 4 review is contingent on Level 1, 2 and 3 being approved. A Level 4 user can approve a refund from level 3. No additional approvers are required at this level. [Level 4 is restricted to only the RMO Director]	X	X	X	X			X				System Configuration	P	A	Recurring	Executive Director CTPB Branch

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

				Sub-Process Risk: High														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
FI-02-CO8b	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	<p>Thresholds for Carbon, Fuel:</p> <p><u>Level 1:</u> All refund amounts require an initial approval at Level 1 by an additional approver.</p> <p><u>Level 2 (refund <= \$ 25 000):</u> Level 2 review is contingent on Level 1 being approved. Level 2 approval is required for amounts in-between this threshold. Approvers must approve at their own specified levels.</p> <p><u>Level 3 (\$25 000 < refund <= \$150 000):</u> Level 3 review is contingent on Level 1 and 2 being approved. Level 3 approval is required for amounts in-between this threshold. Approvers must approve at their own specified levels.</p> <p><u>Level 4 (amount > \$150 000):</u> Level 4 review is contingent on Level 1, 2 and 3 being approved. Level 4 approval is required for approving these greater amounts. Approvers must approve at their own specified levels.</p> <p>[Level 1 is restricted to only FACT-Desk Audit, Level 2 is restricted to FACT-Team Leads, Level 3 is restricted to the FACT-Manager, Level 4 is restricted to the Refund Director]</p> <p><u>Note 1:</u> From an access perspective Level 1 FACT-Desk Audit staff have the ability to approve their own refunds. However this is prevented through configuration control FI-02-CO7, refund approval workflow controls FI-02-C08a-g and further mitigated through detective review controls FI-02-C08h and FI-02-C09a.</p>	X	X	X	X	X		X				System Configuration	P	A	Recurring	Executive Director CTPB Branch

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

				Sub-Process Risk: High																
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)					
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity					Risk Assessment	Info. & Comm.	Monitoring		
FI-02-CO8c	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	<p>Thresholds for IFTA:</p> <p><u>Level 1 (refund <= \$ 3 000):</u> Level 1 approval is required for amounts in-between this threshold.</p> <p><u>Level 2 (\$3 000 < refund <= \$25 000):</u> Level 2 review is contingent on Level 1 being approved. Level 2 approval is required for amounts in-between this threshold. Approvers must approve at their own specified levels.</p> <p><u>Level 3 (\$25 000 < refund <= \$150 000):</u> Level 3 review is contingent on Level 1 and Level 2 being approved. Level 3 approval is required for amounts in-between this threshold. Approvers must approve at their own specified levels.</p> <p><u>Level 4 (amount > \$150 000):</u> Level 4 eview is contingent on Level 1, 2 and 3 being approved. Level 4 approval is required for approving these greater amounts. Approvers must approve at their own specified levels.</p> <p>[Level 1 is restricted to only IFTA Specialists, Level 2 is restricted to FACT Team Leads, Level 3 is restricted to the FACT Manager, Level 4 is restricted to the Refund Manager].</p> <p><u>Note 1:</u> From an access perspective IFTA Speciliasts have the ability to approve their own refunds. However this is prevented through configuration control FI-02-CO7, refund approval workflow controls FI-02-C08a-g and further mitigated through detective review controls FI-02-C08h and FI-02-C09a.</p>	X	X	X		X			X					System Configuration	P	A	Recurring	Executive Director CTPB Branch

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Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component				Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.					Monitoring	
FI-02-CO8d	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Thresholds for Exempt Fuel, Natural Gas: <u>Level 1 (refund <= \$ 1 000):</u> One Level 1 user needs to approve the refund unless validation rules 4 - 7 are applicable where a second Level 1 user is required. <u>Level 2 (\$1 000 < refund <= \$10 000):</u> Level 2 review is contingent on Level 1 being approved. A Level 2 user can approve a refund from Level 1. Additional Level 2 user is required to approve. <u>Level 3 (\$10 000 < amount <= \$50 000):</u> Level 3 review is contingent on Level 1 and 2 being approved. A Level 3 user can approve a refund from Level 2. No additional approvers are required at this level. <u>Level 4 (amount > \$50 000):</u> Level 4 review is contingent on Level 1, 2 and 3 being approved. A Level 4 user can approve a refund from level 3. No additional approvers are required at this level. [Level 1 is restricted to only Tobacco Analysts, Level 2 is restricted to Tobacco Team Leads , Level 3 is restricted to the Tobacco Manager, Level 4 is restricted to the Refund Director] <u>Note 1:</u> From an access perspective, FACT and Tobacco section staff have the ability to approve their own refunds. However this is prevented through configuration control FI-02-CO7, refund approval workflow controls FI-02-C08a-g and further mitigated through detective review controls FI-02-C08h and FI-02-C09a.	X	X	X		X			X			System Configuration	P	A	Recurring	Executive Director CTPB Branch
FI-02-CO8e		Y	Thresholds for Tobacco: <u>Level 1:</u> All refund amounts require an initial approval at Level 1 by the Tobacco Analysts and require an additional approver. <u>Level 2 (\$10 < amount < \$50,000):</u> Level 2 review is contingent on Level 1 being approved. Level 2 approval is required for amounts in-between this threshold. Approvers must approve at their own specified levels. <u>Level 3 (amount > \$50 000):</u> Level 3 review is contingent on Level 1 and 2 being approved. Level 3 approval is required for amounts greater. Approvers must approve at their own specified levels. [Level 1 is restricted to only Tobacco Analysts & Team Leads, Level 2 is restricted to Tobacco Managers, Level 3 is restricted to the Refund Manager]	X	X	X		X			X			System Configuration	P	A	Recurring	Executive Director CTPB Branch

FI-02

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

				Assertions			Other		COSO Component								
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
FI-02-CO8f	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Thresholds for Logging Tax, Unlicensed and Licensed Insurance Premium Tax: <u>Level 1:</u> All refund amounts require an initial approval at Level 1 by ITB Operations Staff. <u>Level 2 (\$10 < amount < \$50,000):</u> Level 2 review is contingent on Level 1 being approved. Level 2 approval is required for amounts in-between this threshold by an ITB Operations Manager and an ITB Operations Director . <u>Level 3 (amount > \$50 000):</u> Level 3 review is contingent on Level 1 and 2 being approved. Level 3 approval is required for amounts greater than this threshold by the ITB Operations Executive Director.	X	X	X		X		X			System Configuration	P	A	Recurring	Executive Director CTPB Branch
FI-02-CO8g		Y	Refund approval staging levels (Claim refunds) All Claim Refunds go through the refund approval stages based on the Dollar-value or whether the refund classification requires only the Refund function to approve or requires Audit to review prior to approval of the Claim Refund. Claim Refund Approval Staging Levels are tiered as follows: - Level 1 Refund Claim: Consumer Taxation Programs Branch, Carbon, Fuel or Tobacco-related refund <= \$10 000 or other refund <= \$25 000. - Level 1 Audit Review Claim <= \$50 000 [Level 1 is restricted to only Refund Team Leads and Audit Team Leads] - Level 2 Refund Claim: \$50 000 < Refund Claim Case <= \$250 000 - Level 2 Audit Review Claim: \$50 000 < Refund Claim Case <= \$1 000 000 Level 2 review is contingent on Level 1 being approved. A Level 2 user can approve a refund from Level 1. [Level 2 is restricted to only Refund Managers and Audit Managers.] - Level 3 Refund Claim: Refund Claim Case > \$250 000 - Level 3 Audit Review Claim: Refund Claim Case > \$1 000 000 Level 3 review is contingent on Level 1 and 2 being approved. A Level 3 user can approve a refund from Level 2. No additional approvers are required at this level. [Level 3 is restricted to only Refund Directors and Audit Directors]	X	X	X		X		X			System Configuration	P	A	Recurring	Executive Director CTPB Branch

FI-02

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
FI-02-CO8h	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Review of High Risk TACS Transaction Processing On a periodic basis, Management reviews key TACS transactional processing trend and anomaly reports to identify unusual, unexpected or transactions processed that are outside established norms such as: - Refund address search (report of addresses which have received more than "X" refunds. "X" is parameter of report input by the user). - Refund Name and Address Changes (report of refunds where names or addresses were changed before and after the refund was processed). - Refund Exceeds Cumulative (identifies where refunds exceed cumulative amounts. Refunds are categorized by “created”, “approved” and “created credits resulting in a refund”). - Refund Case Dual Security (identifies refund cases worked by a user who has worked the refund and approved it due to being given increased security privileges - for example being promoted to team lead temporarily). Further follow-up and investigation is performed on unusual or suspicious transaction processing by TACS users.												Management Review	D	M	Monthly	Executive Director CTPB Branch
FI-02-C09a		Y	Reporting and review of refund processing activity Management performs a weekly review of refund inventory levels, aging and assesses overall refund processing performance using Key Performance Indicator (KPI) and Exception reports including: 1. Refund Processing Activity (All Refunds, Refund Claims, Completed Refund Claim Statistics, Refund Claim Counts Reports). 2. Credits on Accounts. 3. Questionable Refund Classification, Unknown Teams and Verifiers (used to identify refund claims with anomalies that can be corrected by using the override functionality). 4. Refund Exception List (used to identify refunds with exceptions such as cheque issued but no cheque issued date in TACS). 5. Refund Verifier Performance. 6. Refund Name & Address Overrides (used to identify refunds where the name and address on the refund header has been overridden). 7. CTB Outstanding Inventory Summary / Outstanding Inventory Report Listing.	X	X	X								X	Management Review	D	M	Weekly	Executive Director CTPB Branch

FI-02

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)
FI-02-C09b	Refunds are invalid, inaccurately calculated and / or inappropriately authorized.	Y	Random selection and review of Refund claims (Fuel Disabled Registrant Program Only) 5% of all Fuel Disabled Registrant ("FDR") program Refund disbursements are selected for a 2nd review by Management. Items selected for review are traced and agreed to valid supporting documentation to ensure that only qualifying claims are being refunded.	X	X	X							X	Management Review	D	M	Weekly	Executive Director CTPB Branch
FI-02-C10	Refund interest is inappropriately changed.	Y	Automatic calculation of refund interest Interest on refunds is calculated automatically by TACS and cannot be manually modified. Any adjustments to system calculated interest need to be processed as an adjustment transaction.	X	X	X						X		System Configuration	P	A	Recurring	Executive Director CTPB Branch
FI-02-C11	Refund transactions are inappropriately offset and / or refunded.	Y	Mandatory approval of all non-automatically approved Credit & Audit Refunds Ministry policy requires mandatory review and approval of non-automatically approved refunds prior to paying out refunds: <u>Credit Refunds</u> : FACT, Tobacco section staff and Collections. <u>Audit Refunds</u> : Collections.		X					X				Policy	P	M	Recurring	Executive Director CTPB Branch
FI-02-C12		Y	Automatic approval of same account type offsets TACS automatically approves offsets between the same type of taxpayer account (e.g., offsets between multiple PST accounts of the same taxpayer).		X			X		X				System Configuration	P	A	Recurring	Executive Director CTPB Branch
FI-02-C13		Y	Manual initiation and approval of different account type offsets Offsets between the same type of taxpayer accounts (e.g., multiple PST accounts for the same taxpayer) are automatically approved. FACT, Tobacco section staff and Collection Analysts or Collection Officers are able to: - perform cross-account offsets between different taxpayer account types, - perform an offset when a debit lock indicator is applied to a period debt (preventing the credit from automatically offsetting the debt), or - perform an offset when an "external debt exists" indicator is applied to an account (indicating that there is a debt outside of TACS).	X	X	X					X	X		System Access	D	A	Recurring	Executive Director CTPB Branch

FI-02

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Refunds

Sub-Process Objective Controls provide reasonable assurance that refunds are processed and recorded completely, accurately, timely, to the appropriate accounts and that undeposited refunds and other errors are identified and re-processed timeously

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component				Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness Existence Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm. Monitoring							
FI-02-C14	Undeposited refunds and errors are not identified in a timely manner.	Y	Identification and tracking of undeposited refunds A Returned Cheque Report is received and reviewed by the Refunds Section Team Leader from Provincial Treasury on a periodic basis listing refund cheques that have not been deposited by taxpayers. Returned cheques are processed as refund re-deposits in TACS by designated users (refer to control FI-02-C06). The processing of a refund re-deposit (i.e., the capturing a returned cheque date on the refund) reverses the refund debit transaction. Refund auditors also follow-up with taxpayers to correct addresses and re-issue cheques.			X					X	X		Management Review	P	A	Periodic	Executive Director CTPB Branch
FI-02-C15	An audit trail is not readily available to track the processing history of refund transactions.	Y	Retention of audit logging Audit logs of all taxpayer refund related input, adjustment and processing is maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of tax return fields changed. Access to delete or change audit logs is not available from within TACS.	X	X	X	X							System Configuration	D	A	Recurring	TACS Business Manager
IT-03-CO5	Errors in uploads to and downloads from Provincial Treasury (CAS) for refunds (payment images) and undeposited refunds are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A report of all jobs that executed and their success / failure status - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.								X			Management review	D	M	Daily	TACS Business Manager

Legend
References to a control in another RCM that mitigates the identified risk

FI-03

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Transactions

Sub-Process Objective Controls provide reasonable assurance that manual adjustment transactions and worksheets are valid and are processed and recorded completely, accurately and timely.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component				Control Category (see list)	P(revent / D)etect (M)anual / (A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.		Monitoring					
FI-03-C01	Unauthorized and / or inappropriate access to add, change, or reverse manual adjustment transactions.	Y	Restricted access to perform manual interest, penalty, external offset and legacy transfer in / out transactions Access to add, change or reverse manual refund interest; add or reverse manual interest and penalties; and add, modify or reverse external offsets is restricted to: - Consumer Taxes: Collection Analysts, Senior Collection Analysts and Collection Supervisors. - Carbon, Fuel, Tobacco: FACT and Tobacco section staff respectively. <u>Note 1:</u> From an access perspective, Tobacco section staff, IFTA Specialists and FACT section users are able to add, change or reverse manual adjustment transactions and approve refunds. However, this is prevented through configuration control FI-02-CO7, refund approval workflow controls FI-02-C08a-g and further mitigated through detective review controls FI-02-C08h and FI-02-C09a.	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB
FI-03-C02		Y	Restricted access to add, change or reverse casual return worksheets Access to add, modify or reverse Casual Return worksheets is restricted to Collection Analysts, Collection Officers and Asset Compliance Staff. <u>Note:</u> Carbon, Fuel and Tobacco program taxes do not use Casual Return worksheets.	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB
FI-03-C03		Y	Restricted access to add, change or reverse converted refund worksheets Access to change a converted Refund worksheet is restricted to Senior Collection Analysts, Refund Team Leads, Refund Managers, FACT and Tobacco section staff only. <u>Note 1:</u> From an access perspective, Tobacco Analysts are able to add, change or reverse converted refund worksheets and approve refunds. However, this is prevented through configuration control FI-02-CO7, refund approval workflow controls FI-02-C08 and further mitigated through detective review control FI-02-C09.	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB

FI-03

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Transactions

Sub-Process Objective Controls provide reasonable assurance that manual adjustment transactions and worksheets are valid and are processed and recorded completely, accurately and timely.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment	Info. & Comm.		Monitoring				
FI-03-C04	Unauthorized and / or inappropriate access to add, change, or reverse manual adjustment transactions.	Y	Restricted access to add, change or reverse converted TDP worksheets Access to change a converted TDP worksheet is restricted to only Senior Collection Analysts and Asset Compliance Staff. <u>Note 1:</u> Carbon, Fuel and Tobacco program taxes do not use converted TDP worksheets.	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB
FI-03-C05		Y	Restricted access to add, change or reverse other worksheets Access to change any other converted worksheet is restricted to Collection Analysts, FACT Processing Team, FACT Team Leads and Tobacco section staff.	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB
FI-03-C06		Y	Restricted access to add or change a write off reinstatement Access to add or change (reverse and re-process) a write off reinstatement is restricted to only Collection Analyst, Senior Collection Analysts and Collections Supervisors.	X	X	X	X	X			X				System Access	P	A	Recurring	Director RMO
FI-03-C07		Y	Restricted access to lock and unlock transactions Access to lock and unlock transactions is restricted to Senior Collection Analysts, Asset Compliance Staff, FACT-Team Leads, Tobacco Team Lead and Tobacco Manager. <u>Note 1:</u> From an access perspective, Tobacco section staff, and FACT Team Leads are potentially able to lock / unlock transactions and approve refunds. However this is prevented through configuration by control FI-02-CO7, refund approval workflow controls FI-02-C08 and further mitigated through detective review control FI-02-C09.	X	X	X	X				X		X		System Access	P	A	Recurring	Executive Director CTPB
FI-03-C08		Y	Restricted access to manually execute the penalty and interest engine Access to manually run the Penalty and Interest Calculation engine is restricted to Collection Analysts, Collection Officers, FACT-Team Leads, Tobacco Team Leads and the Tobacco section Manager.	X	X	X	X	X			X		X		System Access	P	A	Recurring	Executive Director CTPB

FI-03

Appendix A - Risk & Control Matrix

Process:	Financial
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Transactions

Sub-Process Objective Controls provide reasonable assurance that manual adjustment transactions and worksheets are valid and are processed and recorded completely, accurately and timely.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.		Monitoring				
FI-03-C09	Unauthorized and / or inappropriate access to add, change, or reverse manual adjustment transactions.	Y	Restricted access to process Appeal, Penalty and Interest Waiver Adjustments Access to add, approve, withdraw, or reject an Appeal Adjustment or a Penalty and Interest Waiver adjustment is restricted to Senior Collection Analysts, Asset Compliance Team Leads, FACT- Team Leads, Tobacco Team Leads and the Tobacco section Manager.	X	X	X	X	X			X		X		System Access	P	A	Recurring	Executive Director CTPB
FI-03-C10	Penalty and interest is calculated or adjusted incorrectly.	Y	Automated penalty & interest calculation Penalty and interest calculated by TACS cannot be overridden. Any adjustments to penalties and interest need to be processed as a manual appeal adjustment or a waiver. The TACS Penalty & Interest calculation engine dynamically (i.e., in real-time) calculates and posts any Penalty and Interest that should be charged to a taxpayer. In addition, the Penalty and Interest Calculation Engine is executed at the end of each billing cycle (23rd of each month) to roll and update newly accrued interest on outstanding billing items.	X	X	X					X		X		System Configuration	P	A	Recurring	SFO/Executive Director Financial Services
FI-03-C11	Manual adjustment transactions are invalid and / or inaccurate.	Y	Mandatory reversal and re-post of errored transactions or posting of separate and distinct correcting transactions TACS prevents the alteration of any transactions that are posted to taxpayer accounts. A transaction posted in error needs to be reversed and then correctly re-posted (e.g., where an estimated return is replaced by an actual return). In instances where the original transaction is not (or cannot be) reversed (e.g., system calculated penalty and interest) an opposite correcting entry needs to be processed to achieve the same effect.	X	X	X					X				System Configuration	P	A	Recurring	SFO/Executive Director Financial Services

Appendix A - Risk & Control Matrix

Process: Financial

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Transactions

Sub-Process Objective Controls provide reasonable assurance that manual adjustment transactions and worksheets are valid and are processed and recorded completely, accurately and timely.

				Sub-Process Risk: High														
				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm. Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
FI-03-C12	Manual adjustment transactions are invalid and / or inaccurate.	Y	Mandatory configuration of all transaction types Users are only able to use pre-configured transaction types to post any type of transaction in TACS. All transaction types (automated and manual) in TACS need to be pre-configured before they can be used to post. At a minimum the following needs to be configured: - DR and CR postings to two or more accounts, and - User group(s) associated with the transaction type	X	X	X				X		X	System Configuration	P	A	Recurring	SFO/Executive Director Financial Services	
FI-03-C13		Y	Reporting and review of transaction processing activity Management perform a periodic review of all aspects of manual transaction processing using Key Performance Indicator (KPI) and Exception reports including: 1. Daily Review of listing of "unhandled transactions" (summarizes any transactions posted in TACS and not included in the daily summary of transaction postings or payment images) 2. Periodic review of Financial Management ("FM") Transaction Detail Cube 3. CAS Exceptions - TACS creates cases for FM user actions if CAS rejects any transactions or payment images. 4. Accounts Receivable Reporting (A/R Summary by Month, A/R Detail Cube, Aged DR / CR Outstanding Transactions Summary) Any exceptions identified are followed-up and resolved.	X	X	X				X		X	Management Review	D	M	Periodic	SFO/Executive Director Financial Services	
FI-03-C14	An audit trail is not readily available to track the processing history of financial transactions.	Y	Retention of audit logging Audit logs of all taxpayer refund related transaction processing is maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of tax return fields changed. Access to delete or change audit logs is not available from within TACS.	X	X	X	X						System Configuration	D	A	Recurring	TACS Business Manager	

Legend

References to a control in another RCM that mitigates the identified risk

Appendix A - Risk & Control Matrix

Process:	IFTA - Jurisdictional Transmittals
Bus Unit / Loc:	Consumer Taxation Programs Branch (FACT Section)

Sub-Process: Registration

Sub-Process Objective Controls provide reasonable assurance that payments to and receipts from IFTA jurisdictions are valid, complete and accurate.

				Sub-Process Risk: Low															
				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
			<p><u>Note:</u></p> <p>- IFTA carrier <u>registrations and renewals</u> follow the Registration or the new eServices Processes.</p> <p>- IFTA carrier <u>returns</u> follow the Return Process.</p> <p>- IFTA carrier and jurisdiction <u>payments</u> follow the Payments Process.</p> <p>- IFTA carrier and jurisdiction <u>refunds</u> follow the Refund Process</p> <p>- IFTA <u>manual adjustment transactions and worksheets</u> follow the Transactions Process.</p> <p>- IFTA carrier-related <u>discovery, audit and leads</u> follow the Discovery, Audit, Leads Process.</p> <p>- IFTA carrier <u>collections</u> follow the Collections Process.</p> <p>- IFTA carrier and jurisdictional <u>revenue (and revenue- associated) accounting</u> follows the Revenue (Reconciliations) Process.</p>																
IF-01-C01	Unauthorized and / or inappropriate access to process IFTA Transmittals.	Y	<p>Restricted access to IFTA Transmittal functionality in TACS</p> <p>Only IFTA specialist have the systems permissions required to process Transmittals in TACS.</p>		X			X					X		System Access	P	A	Recurring	FACT Manager
IF-01-C02	Outgoing IFTA jurisdictional transmittals are incomplete, inaccurate or are processed more than once.	Y	<p>Automatic generation of IFTA outgoing transmittal worksheets and flagging of transmitted returns.</p> <p>TACS "IFTA Manager" automatically calculates and prepares the outgoing receipt and disbursement (including where applicable interest and penalties) amounts for each member jurisdiction based on returns filed (or estimated returns for late filers) in the transmittal period. Once a return / estimated return is flagged as transmitted it cannot be re-transmitted.</p> <p><u>Note:</u></p> <p>- For Clearing House member jurisdictions, all outgoing receipts and disbursements are transmitted as a single net amount to the IFTA Clearing House.</p> <p>- For non-Clearing House jurisdictions, an outgoing transmittal letter is generated, printed and mailed to each non-clearing house member jurisdiction.</p>	X	X	X					X				System Configuration	P	A	Monthly	FACT Manager

IF-01

Appendix A - Risk & Control Matrix

Process:	IFTA - Jurisdictional Transmittals
Bus Unit / Loc:	Consumer Taxation Programs Branch (FACT Section)

Sub-Process: Registration

Sub-Process Objective Controls provide reasonable assurance that payments to and receipts from IFTA jurisdictions are valid, complete and accurate.

Sub-Process Risk: Low

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	Prevent / Detect (Manual / Auto)		Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.		Monitoring				
IF-01-C03	Incoming IFTA jurisdictional transmittals are not captured, are captured inaccurately or are captured more than once.	Y	Management Review of IFTA Incoming Transmittals (non-clearing house jurisdictions) The IFTA specialist captures all non-clearing House member Incoming IFTA Transmittals to TACS on a monthly basis. The FACT Team Lead and / or FACT Manager reviews the captured IFTA Incoming Transmittals to ensure that they have been accurately and completely captured in TACS before being processed. Missing or incomplete Incoming IFTA Transmittals are followed-up on by the FACT Processing Team.	X		X								X	Management Review	D	M	Monthly	FACT Manager
IF-01-C04		Y	Automatic Download and Processing of Incoming IFTA Transmittals (Clearing House Jurisdictions) The TACS Job Stream Manager automatically downloads the monthly net receipt / disbursement receivable or payable transactions from the IFTA Clearing House through an interface. TACS "IFTA Manager" automatically calculates and prepares the outgoing receipt and disbursement (including where applicable interest and penalties) amounts for each member jurisdiction and posts the net result to the USD and CAD Clearing House Accounts.	X	X	X										Interface / Conversion	P	A	Monthly
IT-03-C05	Errors in downloads and/or uploads between TACS and the IFTA Clearing House are not captured and processed in a timely manner.	Y	Monitoring of TACS scheduled jobs All scheduled (batch) jobs in TACS (including interfaces) are monitored and managed using the TACS Job Stream Manager. Each night, when the Job Stream Manager executes the batch run, the following reports are e-mailed to the TACS Production Support Team: - A listing of all failed jobs - A listing of all incoming and outgoing files (for file based interfaces) TACS Production Support Team and Batch Operator perform a daily review of Job Stream Manager Status. In addition, the Job Stream manager sends out an e-mail to all Technical and Functional Leads identifying failed jobs. Failed jobs are assigned to be investigated and followed up by the developer responsible for the failed area. Failed scheduled jobs are corrected and re-submitted for processing.	X	X	X					X				Management review	D	M	Daily	TACS Business Manager

Appendix A - Risk & Control Matrix

Process:	IFTA - Jurisdictional Transmittals
Bus Unit / Loc:	Consumer Taxation Programs Branch (FACT Section)

Sub-Process: Registration

Sub-Process Objective Controls provide reasonable assurance that payments to and receipts from IFTA jurisdictions are valid, complete and accurate.

				Sub-Process Risk: Low															
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)				
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm.					Monitoring			
IF-01-C05	Incoming IFTA jurisdictional transmittals contain transactions that are incomplete, inaccurate or invalid.	Y	Management Review of IFTA Program Compliance Audit Reports (Clearing & Non-Clearing House Jurisdictions) On an annual basis, the FACT Manager reviews the results of the annual IFTA Program Compliance Audit conducted by IFTA Inc. The FACT Manager will consider whether non-compliance by a jurisdiction may have resulted in incomplete, invalid or inaccurate incoming IFTA Transmittals. If considered material, non-compliant jurisdictions will be flagged for more detailed review of evidence to support IFTA Incoming Transmittals.	X	X	X								X	Management Review	D	M	Annual	FACT Manager
IF-01-C06	Month-end IFTA transmittal processing (including exchange rate and month-end exchange rate revaluations) is invalid, incomplete or inaccurate.	Y	Management review of month-end IFTA Transmittal Processing exchange rates applied to IFTA Outgoing Transmittal Worksheets On a monthly basis, the FACT Team Lead and / or FACT Manager reviews the IFTA transmittal processing results for accuracy and specifically inspects that: - all non-clearing house incoming transmittals have been accurately captured - incoming transmittals from the IFTA Clearing House have been included and processed. - exchange rates used in the monthly transmittal as captured by the IFTA specialist agree to the rates provided by Provincial Treasury - monthly exchange rate differences on IFTA payables and receivables have been correctly calculated and applied.			X								X	Management Review	D	M	Monthly	FACT Manager
IF-01-C07	Funds Netting of Receipts and Disbursements by the IFTA Clearing House is incomplete, invalid or inaccurate.	Y	Management Review of IFTA Funds Netting Process Integrity (Clearing House Jurisdictions) On an annual basis the FACT Manager obtains the Service Auditors Report relating to the Funds Netting System of the IFTA Clearing House. The report is reviewed by the FACT Manager to note whether the funds netting process controls are appropriate and adequate to achieve control objectives related to the valid, accurate and complete processing of IFTA Transmittals. Any potential qualifications or exceptions identified by the Service Auditor are followed up on and assessed to determine their impact on the IFTA program.	X	X	X								X	Management Review	D	M	Annual	FACT Manager

Legend
References a control in another RCM that mitigates the identified risk

CP-01

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Discovery, Audit, Leads

Sub-Process Objective Controls provide reasonable assurance that the audit process is effective in identifying gaps or errors in tax revenue due to the Province.

Sub-Process Risk: Low

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component					Control Category (see list)	P(revent / D)etect M(annual / A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring						
CP-01-C01	Unauthorized and / or inappropriate access to add, or modify "Discovery Plans".	Y	Restricted access to add or modify Discovery plans Access to add or change "Discovery plans" or generate leads from a Discovery is restricted to only Asset Compliance Team Leads, Audit Workload Staff, and Discovery / Warehouse Developers.	X	X	X	X				X				System Access	P	A	Recurring	Director CTAB
CP-01-C02	Audit or Asset Leads identified are not assigned for an audit due to a lack of prioritization and / or rationalization.	Y	Lead discovery, tracking & disposal Once Leads are identified, they are tracked and monitored by Audit Workload Staff who are responsible for deciding how Leads are to be dealt with (i.e., assigned for audit or discarded). Leads are identified by: - using TACS "Discovery Manager" based on a "Discovery Plan" that uses pre-configured criteria and data sources to produce the Leads, or - by other staff in the branch on an adhoc basis. Leads are pushed to Audit Managers on a First-In-First-Out ("FIFO") basis and auditors will have leads pushed to them on an as needed basis. <u>Note:</u> TACS "Query Manager" can be used to examine individual customer files to create Leads that are managed in "Discovery Manager".	X	X	X				X				Management Review	P	A	Recurring	Director CTAB	
CP-01-C03		Y	Reporting and review of lead lifecycles Audit Team Leads perform a periodic review of all aspects of Lead activity using Lead Task Balance Cube including: 1. New Leads 2. Leads leading to audits 3. Closed Leads Audit Team Leaders are responsible for ensuring that their team members are sufficiently utilized and lead / audit work moves forward.	X	X	X				X		X	Management Review	D	M	Periodic	Director CTAB		

Appendix A - Risk & Control Matrix

Process: **Compliance**

Bus Unit / Loc: **Receivables Management Office (RMO)**

Sub-Process: Discovery, Audit, Leads

Sub-Process Objective Controls provide reasonable assurance that the audit process is effective in identifying gaps or errors in tax revenue due to the Province.

Sub-Process Risk: Low

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other	COSO Component							Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy		Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring					
CP-01-C04	Unauthorized and / or inappropriate access to add, modify, update or discard an audit.	Y	Restricted access to add, update or discard an audit Access to basic add or update functionality for an audit is restricted to only Audit Staff. <u>Note:</u> Basic audit addition or update functions are as follows: - Add audit - Work in progress link - Submit link (must be the Owner of the audit) - Re-work (audit, working paper or timesheet) - Discard (only available if an audit has not moved to a work-in-progress state) - Change filing period and posting period of an audit - Change program, priority, size, audit period, work date, description - Working paper (add, change, discard, submit) (restricted to the assigned user of the working paper)	X	X	X					X				System Access	P	A	Recurring	Director CTAB
CP-01-C05		Y	Segregation of duties between audit preparers and audit reviewers TACS is configured to prevent owners of audits and audit working papers from approving the working papers or posting the audit. In addition, ownership of audits is tracked to prevent the owner from being changed inappropriately. There is further segregation of duties between audit preparers and audit reviewers as follows: - Audits are created by Audit Workload Staff, Audit Staff, Audit Team Leads, Audit Managers and Audit Directors. - Audit Team Leads and Managers review the results of the audit. Access to approve audit working papers is restricted to only Audit Team Leads and Audit Managers.	X	X	X					X				Segregation of Duties	P	A	Recurring	Director CTAB

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Discovery, Audit, Leads
Sub-Process Objective Controls provide reasonable assurance that the audit process is effective in identifying gaps or errors in tax revenue due to the Province.

Sub-Process Risk: Low

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring						
CP-01-C06	Audit conclusions reached by audit staff are inappropriate and / or invalid.	Y	Management review and approval of audit working papers Audit working papers and conclusions reached are reviewed and approved by another audit team member with equal or more experience than the owner of the audit prior to concluding an audit (i.e., Team leaders approve Auditor / Senior Auditor files, Managers approve Team Leader files etc.). Once the working papers are approved the auditor submits the file for posting to someone above the owner of the audit or another higher authority who needs to be someone other than the owner and this person posts the audit which posts the debt to the Financials.	X	X	X	X					X				Management Review	D	M	Recurring	Director CTAB
CP-01-C07	Unauthorized and / or inappropriate access to approve adjustments and / or close audits.	Y	Restricted access to post an adjustment or to close an audit Access to post (if the user posting is not the owner of the audit) or to close an Audit is restricted to only Audit Team Leads, Audit Managers and Audit Directors.	X	X	X	X	X				X				System Access	P	A	Recurring	Director CTAB
CP-01-C08	Leads assigned for audit are not assigned and / or audits are not reviewed appropriately.	Y	Reporting and review of audit activities and outcomes Audit Team Leads perform a periodic review of key Audit related reporting cubes and reports such as the Audit Reporting Cube, Audit Monthly, Audit Yearly and Audit KPIs that include: 1. New Audits 2. Leads leading to audits 3. Closed Audits 4. Recoveries 5. Time spent on Audits. Audit Managers review and follow-up on audits that are taking more than 60 days to complete and also track statistics such as the number of audits, recovery per hour, hours per audit, number of nil audits, etc.	X	X	X								X		Management Review	D	M	Periodic	Director CTAB

Appendix A - Risk & Control Matrix

Process: Compliance

Bus Unit / Loc: Receivables Management Office (RMO)

Sub-Process: Discovery, Audit, Leads

Sub-Process Objective Controls provide reasonable assurance that the audit process is effective in identifying gaps or errors in tax revenue due to the Province.

				Sub-Process Risk: Low															
				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
FI-02-C03	Inappropriate or incorrect adjustments are processed during the audit process.	Y	Restricted access to approve / reject a "Claim", "Audit" ,"Under \$10" or IFTA refund Access to approve refunds is restricted per refund category, as follows: - "Claim" refund approval is restricted to only Collection Analysts and Collection Officers. - "Audit" refund approval is restricted to only Collection Analysts. - "Under \$10" refund approval is restricted to only Collection Analysts, FACT and Tobacco section staff. Access to reject refunds is restricted per refund category as follows: - "Claim" refund rejection is restricted to only Collection Analysts, RMO Managers, Refund Managers and Audit Managers. - "Audit" refund rejection is restricted to only Collection Analysts, RMO Managers and Audit Managers. - "Under \$10" refund rejection is restricted to only Collection Analysts and RMO Managers, FACT and Tobacco section staff. - IFTA refund rejection is restricted to only the IFTA Specialist and FACT section staff. <u>Note 1:</u> From an access perspective, Tobacco section staff, IFTA Specialists and FACT section users are able to approve their own refunds. However this is prevented through configuration control FI-02-CO7 and further mitigated by controls FI-02-C08h and FI-02-C09a.	X	X	X	X	X			X				System Access	P	A	Recurring	Executive Director CTPB
CP-01-C09	An audit trail is not readily available to track audit activity within TACS.	Y	Retention of audit logging The TACS "Audit Manager" is used to track, assign, document and retain evidence to support audit conclusions reached. Audit logs of all taxpayer refund related input, adjustment and processing is maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of tax return fields changed. Access to delete or change audit logs is not available from within TACS.	X	X	X	X			X				System Configuration	D	A	Recurring	TACS Business Manager	

Legend	
	References a control in another RCM that mitigates the identified risk

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)			
				Completeness Existence Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control Environment Control Activity	Risk Assessment Info. & Comm. Monitoring										
INSOLVENCY																		
CP-02-C01	Incomplete and/or inaccurate identification of insolvent Taxpayers.	Y	Creation of bankruptcy cases To flag a taxpayer as bankrupt a "Bankruptcy Notice" has to be received first. Upon receipt of a Bankruptcy Notice for a taxpayer, a Collection Analyst or Collection Officer creates a bankruptcy case in TACS with the information necessary to initiate a claim. The existence of an active bankruptcy case allows a claim to be added or suspended based on further Collection activity and the accrual of Penalties and Interest.		X		X				X			Authorization	P	A	Recurring	Director RMO
CP-02-C02		Y	Claim tracking and staging in TACS Bankruptcy claims are added by Collection Analysts or Collection Officers. Claim details and filing periods are added to claims by selecting filing periods from those available in the account and associating them with the specific claim. Claim details and filing periods can be revised.		X	X					X			System Configuration	P	A	Recurring	Director RMO
CP-02-C03		Y	Monthly review of insolvency processing activity On a monthly basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed an Insolvency Report by TACS for their review and approval. The Insolvency Report lists the following insolvency-related Key Performance Indicators (KPI's): - Case (age, created, closed, status) - Letters (count, types and validity) - Claim (date, amount) - Account (balance, ID, Tax type, Name) - Collection (balance, stage)	X	X	X					X			Management Review	D	M	Monthly	Director RMO
FI-03-C08	Unauthorized and / or inappropriate access to process manual adjustments to taxpayer Penalties & Interest.	Y	Restricted access to manually execute the penalty and interest engine Access to manually run the Penalty and Interest Calculation engine is restricted to Collection Analysts, Collection Officers, FACT-Team Leads, Tobacco Team Leads and the Tobacco Manager.	X	X	X	X	X			X		X	System Access	P	A	Recurring	TACS Business Manager

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
CP-02-C04	Unauthorized and / or inappropriate access to process manual adjustments to taxpayer Penalties & Interest.	Y	Restricted access to add a custom insolvency rate and change / cease or invalidate rates Access to change / cease or invalidate custom insolvency rates is restricted to only Senior Collection Analysts and Senior Collection Officers and available only within an Insolvency Case. Periods within a Collection are "selected" for inclusion in an Insolvency Case. Only those periods within the Case are available for the "custom rate" of 0%. Any periods not included (outside of the insolvency period) are restricted to the prescribed rate configured in TACS.	X	X	X	X				X				System Access	P	A	Recurring	Director RMO
CP-02-C05	Taxes, penalties and interest that are ultimately not recoverable continue to be assessed against an insolvent taxpayer.	Y	Manual flagging of taxpayer accounts for insolvency Collection Analysts or Collection Officers can apply the "Stop Billing", "Stop Interest", "Stop Penalty" and / or "Stop Penalty & Interest" indicator flags to taxpayers accounts that are undergoing insolvency proceedings to prevent the processing of unrecoverable taxes, penalties and interest from the effective insolvency date.		X	X	X				X				System Configuration	P	A	Recurring	Director RMO
FI-03-C10	Invalid or inaccurate adjustments to taxpayer Penalties and Interest are processed for Insolvency cases	Y	Automated penalty & interest calculation Penalty and interest calculated by TACS cannot be overridden. Any adjustments to penalties and interest need to be processed as a manual appeal adjustment or a waiver. The TACS Penalty & Interest calculation engine dynamically (i.e., in real-time) calculates and posts any Penalty and Interest that should be charged to a taxpayer. In addition, the Penalty and Interest Calculation Engine is executed at the end of each billing cycle (23rd of each month) to roll and update newly accrued interest on outstanding billing items.	X	X	X					X		X		System Configuration	P	A	Recurring	TACS Business Manager
CP-02-C06	Unauthorized and / or inappropriate access to insolvency processing functionality	Y	Restricted access to insolvency functionality Access to insolvency functionality (i.e., to change insolvency status, add / change claims or to add a bankruptcy) is restricted only to Collection Analysts and Collection Officers .	X	X	X		X			X				System Access	P	A	Recurring	Director RMO

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component				Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm.	Monitoring						
CP-02-C07	Unauthorized and / or inappropriate access to insolvency processing functionality	Y	Restricted access to add a bankruptcy proposal, CCAA, receivership case, Partnership Bankruptcy and Partnership CCAA Access to add a Bankruptcy Proposal, Companies' Creditors Arrangement (CCAA), Receivership Case, Partnership Bankruptcy (including Property) and Partnership CCAA is restricted only to Senior Collection Officers. Once accepted, all outstanding amounts follow the Write-off, payment and adjustments process.	X	X	X		X			X			System Access	P	A	Recurring	Director RMO
FI-03-C09		Y	Restricted access to process Appeal, Penalty and Interest Waiver Adjustments Access to add, approve, withdraw, or reject an Appeal Adjustment or a Penalty and Interest Waiver adjustment is restricted to Senior Collection Analysts, Asset Compliance Team Leads, FACT- Team Leads, Tobacco Team Leads and the Tobacco Manager.	X	X	X	X	X			X		X	System Access	P	A	Recurring	Executive Director CTPB
COLLECTION CREATION, STAGING AND ASSIGNMENT																		
CP-02-C08	Taxpayer accounts that are delinquent are not identified, assigned and pursued for Collection in a timely manner.	Y	Creation of Collections Collections can either be created automatically or manually as follows: <u>Automatic</u> : TACS uses configurable criteria (such as the age of the debt and cycle activity) to trigger a Collection Case. Collections are "staged" (refer to control CP-02-C10) at the time of creation based on risk scores (refer to control CP-02-C09). <u>Manual</u> : if required, Collection Analysts, Collection Officers, Senior Collection Officers and Collection Supervisors can add designated delinquent returns to a taxpayer's Collection Case.	X	X		X				X			System Configuration	P	A	Recurring	Director RMO

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (Manual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
CP-02-C09	Taxpayer accounts that are delinquent are not identified, assigned and pursued for Collection in a timely manner.	Y	Automated calculation of risk scores A Collection's risk score is a point value assigned at the time the Collection is created. The score is based on configurable criteria and only Collection Analysts, Senior Collection Analysts, Collection Analyst Supervisor, Collection Officers, Senior Collection Officers and Collection Supervisors are able to increase or decrease the total score. Examples of risk factors used in calculating the risk score include: - number of late returns, - transactions of a given type, - number of letters sent, and - total taxpayer or individual taxpayer account balances.	X	X		X				X				System Configuration	P	A	Recurring	Director RMO
CP-02-C10		Y	Automated staging of Collections Collections go through various pre-configured stages. Staging is used to track where a particular Collection is at in its lifecycle and, based on configuration, TACS triggers certain system activity (i.e., triggers the generation of corresponding or automatic write-off of a prescribed receivable, or printing of reminder letter to the Taxpayers) . "Staging" also allows for the grouping of a particular set of Collection or Bill Items and allows authorized users to advance the staging of grouped Collection or Bill Items.	X	X		X				X				System Configuration	P	A	Recurring	Director RMO
CP-02-C11		Y	Assignment of Collections Assignment of Collections identified by the system is performed by Collection Analysts, Senior Collection Analysts, Collection Officers and Senior Collection Officers. Collections are assigned one Collection or one Taxpayer at a time. If additional Collections are created for a taxpayer, they are automatically assigned to the employee who owns the existing Collections.	X	X		X				X				Management Review	P	A	Recurring	Director RMO
CP-02-C12		Y	Automated tracking of Collection activities TACS tracks all activities and allows Collection Analysts, Senior Collection Analysts, Collection Supervisors, Collection Officers, Senior Collection Officers and Collection Supervisors to record notes about collection activities, including time, contact information and a description of the activity. All users have read-only access to be able review Collection activity.				X							X	System Configuration	P	A	Recurring	Director RMO

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Control Activity	Risk Assessment	Info. & Comm.	Monitoring						
CP-02-C13	Taxpayer accounts that are delinquent are not identified, assigned and pursued for Collection in a timely manner.	Y	Periodic review of Collection processing activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Collections Errors, Individual Performance, Collection Officer Performance Summary Reports as well as Collection Inventory Data and Data Offset Reporting Cubes for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count and types) - Account (balance, ID, Tax type, Name) - Payments (type, count, amount) - Case (created, closed, types, count, amount) - Payment Plans (status, created, closed, count)	X	X		X				X				Management Review	D	M	Periodic	Director RMO
CP-02-C14	Unauthorized and / or inappropriate access to process or change bill or collection stages.	Y	Restricted Access to process or change bill staging Access to process or change bill staging is restricted only to Collection Analysts and Collection Officers.	X	X	X		X			X				System Access	P	A	Recurring	Director RMO
CP-02-C15		Y	Restricted access to change collection type or collection staging Access to change a collection type or collection staging is restricted to only Collection Analysts and Collection Officers.	X	X	X		X			X				System Access	P	A	Recurring	Director RMO
PAYMENT PLANS																			
CP-02-C16	Unauthorized and / or inappropriate access to add or change a payment plan.	Y	Restricted access to add or change payment plans Access to add or change a Payment Plan, Add Letter, Forecast or Reinstate a Payment Plan is restricted to only Collection Analysts and Collection Officers.	X	X	X		X			X				System Access	P	A	Recurring	Director RMO
CP-02-C17	Unauthorized and / or inappropriate access to perform a period transfer, transfer credit or Forced Offset	Y	Restricted access to perform a period transfer, transfer credit or forced offset Access to perform a period transfer, transfer a credit or to force an offset is restricted to only Collection Analysts, FACT-Processing Team, FACT- Desk Audit and Tobacco section staff.	X	X	X		X			X				System Access	P	A	Recurring	Director RMO

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	Detect		Control Frequency / Transaction Volume	Control Owner (position / title)
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring		(Prevent / Detect)	(Manual / Auto)		
CP-02-C13	Payment plans are invalid, inaccurate or unenforceable against delinquent taxpayers.	Y	Periodic review of Collection processing activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Collections Errors, Individual Performance, Collection Officer Performance Summary Reports as well as Collection Inventory Data and Data Offset Reporting Cubes for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count and types) - Account (balance, ID, Tax type, Name) - Payments (type, count, amount) - Case (created, closed, types, count, amount) - Payment Plans (status, created, closed, count)	X	X		X			X				Management Review	D	M	Periodic	Director RMO
CP-02-C18	Non-compliance with Payment Plans is not identified and remediated in a timely manner.	Y	Tracking of payment plan compliance Collection Analysts, Senior Collection Analysts, Collection Analyst Supervisors, Collection Officers, Senior Collection Officers and Collection Supervisors set up a Payment Plan in the system when an agreement with a taxpayer to settle an outstanding debt through a series of scheduled payments is reached. TACS tracks actual payments made by the taxpayer against the Payment Plan for compliance with the agreed terms and notifies Collection Analysts, Senior Collection Analysts, Collection Analyst Supervisors, Collection Officers, Senior Collection Officers and Collection Supervisors if action is required.	X	X	X				X				System Configuration	D	A	Recurring	Director RMO
CP-02-C13		Y	Periodic review of Collection processing activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Collections Errors, Individual Performance, Collection Officer Performance Summary Reports as well as Collection Inventory Data and Data Offset Reporting Cubes for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count and types) - Account (balance, ID, Tax type, Name) - Payments (type, count, amount) - Case (created, closed, types, count, amount) - Payment Plans (status, created, closed, count)	X	X		X			X				Management Review	D	M	Periodic	Director RMO

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)			
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity	Risk Assessment					Info. & Comm.	Monitoring	
COLLECTION CLOSE																			
CP-02-C19	Unauthorized and / or inappropriate access to close a Collection Case.	Y	Restricted access to close Collections Access to Close a Collection Case is restricted to only Senior Collection Analysts and Senior Collection Officers. To close collection cases with no balances, this is restricted to only Collection Analysts and Collection Officers.	X	X						X				System Access	P	A	Recurring	Director RMO
CP-02-C20	Taxpayer accounts that are identified, assigned and pursued for Collection are prematurely closed.	Y	Staging controlled closing of Collections Collection Cases are only closed automatically once the Case has progressed through staging and all pre-configuration criteria are met (i.e., once a zero balance is attained either through successful Collection activity, write-off, extinguishment or a combination thereof).		X		X				X				System Configuration	P	A	Recurring	Director RMO
CP-02-C21		Y	Manual flagging of active Collections Collection Analysts or Collection Officers can apply the "Stop Collection Close" indicator flag to a Collection Case that is still active to override closure through the regular staging process or prevent manual closure by Senior Collection Analysts or Senior Collection Officers.	X			X				X				System Configuration	P	A	Recurring	Director RMO
CP-02-C22		Y	Review and approval to close a Collection A Senior Collection Analyst or Senior Collection Officer reviews the Collection Errors, Individual Performance and Collection Officer Summary Reports to determine whether all requirements have been met in order to authorize a Collection for closure.	X	X		X				X				Authorization	D	M	Recurring	Director RMO
CP-02-C13	Taxpayer accounts that are identified, assigned and pursued for Collection are prematurely closed.	Y	Periodic review of Collection processing activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Collections Errors, Individual Performance, Collection Officer Performance Summary Reports as well as Collection Inventory Data and Data Offset Reporting Cubes for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count and types) - Account (balance, ID, Tax type, Name) - Payments (type, count, amount) - Case (created, closed, types, count, amount) - Payment Plans (status, created, closed, count)	X	X		X				X				Management Review	D	M	Periodic	Director RMO

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Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

				Assertions			Other			COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
WRITE-OFFS, EXTINGUISHMENTS AND REMISSIONS																				
CP-02-C23	Unauthorized and / or inappropriate access to process write-off transactions	Y	Access to submit write-off requests (cases) A write-off request (case) can only be submitted by Collection Analysts or Collection Officers.		X						X				System Access	P	A	Recurring	Director RMO	
CP-02-C24		Y	Access to approve write-off requests (cases) Access to approve submitted write-off requests (case) can only be performed by a "Supervisor" (i.e., Client Services Supervisors, Collection Supervisors or RMO Managers) and "Manager" (i.e., RMO Managers).		X						X				System Access	P	A	Recurring	Director RMO	
CP-02-C25	Invalid or inaccurate write-off adjustments are processed.	Y	System enforced criteria for write-off transactions Write-off transactions in the system can only be processed against taxpayer accounts as part of a batch once the entire batch has been approved for processing (refer to control CP-02-C32). A write-off adjustment in a batch is either automatically originated by TACS based on existing staging configuration or including the case of a manual write-off, it must be associated with an approved write-off request (case) (refer to control CP-02-C29) or originate from a Collection Case.		X		X				X				System Configuration	P	A	Recurring	Director RMO	
CP-02-C26	Unauthorized and / or inappropriate access to process write-off transactions	Y	Review and authorization of write-off requests (cases) Write-off requests require a two-tiered review and authorization process referred as Supervisor and Manager approval in order to be approved for further processing. Supervisor-level (Client Services Supervisor, Collection Supervisor, RMO Managers) and Manager-level (RMO Managers) users both review evidence (which may include supporting documentation, actions performed and the nature of the debt) supporting the write-off request (case). Once the respective reviewers are satisfied that the write-off request (case) meets the criteria for write-off the case will be approved.		X			X			X				Management Review	D	M	Recurring	Director RMO	
CP-02-C27	Unauthorized and / or inappropriate approval of write-off batches.	Y	Segregation of duties for write-off requests (cases) An write-off request (case) can only be submitted by Collection Analysts or Collection Officers. A submitted write-off request (case) can only be "Supervisor" approved by Client Services Supervisors, Collection Supervisors or RMO Managers) and "Manager" Approved by RMO Managers.		X						X				System Access	P	A	Recurring	Director RMO	

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Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
CP-02-C28	Unauthorized and / or inappropriate approval of write-off batches.	Y	Access to approve write-off batches A write-off batch can only be approved by RMO Legal & Support.		X			X			X				System Access	P	A	Recurring	Director RMO
CP-02-C29		Y	Review and authorization of write-off batches An RMO Manager reviews Write-off adjustments which are required to reference to approved write-off requests (cases). Once the respective reviewer is satisfied that the write-off adjustments are valid and accurate, the write-offs adjustments are approved for posting by the system.		X	X		X			X				Management Review	D	M	Recurring	Director RMO
CP-02-C30		Y	Review and authorization of write-off batches RMO Legal & Support reviews pending write-off adjustment batches. Once they are satisfied that the entire write-off batch is valid and accurate, the write-off adjustments are posted in TACS.		X	X		X			X				Management Review	D	M	Recurring	Director RMO
CP-02-C31	Unauthorized and / or inappropriate approval of write-off batches.	Y	Periodic review of Collection write-off, extinguishment & remission activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Individual Performance, Collection Officer Performance Summary Reports as well as write-off batch cubes (which include extinguishments) for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count & types) - Account (balance, ID, Tax type, Name) - Payments (types, count, amount) - Case (created, closed, types, count, amount) - Write Offs (requests, posted, tax type, amount, count, FAA codes) - Extinguishments (requests, posted, tax type, amount, count) - Remissions (posted, tax type, amount, count)	X	X		X			X					Management Review	D	M	Periodic	Director RMO
CP-02-C32	Invalid or inaccurate extinguishment adjustments are processed.	Y	System enforced criteria for extinguishment transactions Before an extinguishment adjustment can be approved (refer to control CP-02-C33) and processed in the system as an extinguishment transaction, it must be mapped to a pre-existing and approved supporting extinguishment case (refer to control CP-02-C34).		X		X			X					System Configuration	P	A	Recurring	Director RMO

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Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

				Assertions			Other		COSO Component									
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
CP-02-C33	Invalid or inaccurate extinguishment adjustments are processed.	Y	Authorization of extinguishment cases A Client Services Supervisor, Collection Supervisor or RMO Manager reviews extinguishment cases which are required to reference to a valid supporting source document and / or activities undertaken to support the extinguishment case. Once the respective reviewer is satisfied that the extinguishment case meets the criteria for extinguishment the case is approved.		X			X		X				Authorization	D	M	Recurring	Director RMO
CP-02-C34		Y	Review and authorization of extinguishment adjustments An RMO Manager reviews extinguishment adjustments which are required to reference to approved extinguishment cases. Once the respective reviewer is satisfied that the extinguishment adjustment is valid and accurate, extinguishment are approved for posting by TACS.		X	X		X		X				Management Review	D	M	Recurring	Director RMO
CP-02-C31	Invalid or inaccurate extinguishment adjustments are processed.	Y	Periodic review of Collection write-off, extinguishment & remission activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Individual Performance, Collection Officer Performance Summary Reports as well as write-off batch cubes (which include extinguishments) for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count & types) - Account (balance, ID, Tax type, Name) - Payments (types, count, amount) - Case (created, closed, types, count, amount) - Write Offs (requests, posted, tax type, amount, count, FAA codes) - Extinguishments (requests, posted, tax type, amount, count) - Remissions (posted, tax type, amount, count)	X	X		X			X				Management Review	D	M	Periodic	Director RMO
CP-02-C35	Unauthorized and / or inappropriate access to process extinguishment transactions	Y	Restricted access to submit and / or approve extinguishment cases An extinguishment case can only be submitted by Collection Analysts or Collection Officers. A submitted extinguishment case can only be approved by Client Services Supervisors, Collection Supervisors or RMO Managers.		X					X				System Access	P	A	Recurring	Director RMO

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Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component				Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Control Activity	Risk Assessment	Info. & Comm.					Monitoring	
CP-02-C36	Unauthorized and / or inappropriate access to process extinguishment transactions	Y	Restricted access to approve extinguishment adjustments An extinguishment adjustment can only be proposed and submitted by a Collection Analyst or a Collection Officer and can only be approved by an RMO Manager.		X			X			X			System Access	P	A	Recurring	Director RMO
CP-02-C37	Unauthorized and / or inappropriate access to process remission transactions	Y	Authorization for entering a remissions in TACS Remissions can only be entered in TACS once supporting legislation has been enacted. Each program area is responsible for their own tax remission processing in TACS as the need to process remissions is identified.		X						X			Authorization	P	M	Ad hoc	Director RMO
CP-02-C38		Y	Restricted access to add, approve, withdraw or reject a remission adjustment The ability to add, approve, withdraw or reject a Remission adjustment is restricted to Collection Analysts, the RMO Manager, FACT-Team Leads and the Tobacco section Team Lead and Manager.	X	X	X					X			System Access	P	A	Recurring	Executive Director CTPB
CP-02-C31	Invalid or inaccurate remission adjustments are processed.	Y	Periodic review of Collection write-off, extinguishment & remission activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Individual Performance, Collection Officer Performance Summary Reports as well as write-off batch cubes (which include extinguishments) for their review and approval. The reports and cubes list the following Collections-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count & types) - Account (balance, ID, Tax type, Name) - Payments (types, count, amount) - Case (created, closed, types, count, amount) - Write Offs (requests, posted, tax type, amount, count, FAA codes) - Extinguishments (requests, posted, tax type, amount, count) - Remissions (posted, tax type, amount, count)	X	X		X			X			Management Review	D	M	Periodic	Director RMO	
LIENS																		
CP-02-C39	Unauthorized and / or inappropriate access to process Lien transactions	Y	Restricted access to basic Lien functionality Access to basic Lien Functionality (add a Lien, add / change debt sources) is restricted only to Collection Analysts and Collection Officers.	X	X	X		X			X			System Access	P	A	Recurring	Director RMO

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Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)		
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring						
CP-02-C40	Unauthorized and / or inappropriate access to process Lien transactions	Y	Restricted access to Lien stages Access to change Lien stages related to registration of Certificates of Judgments (COJ's), Land Title Office (LTO) or Writ Authorizations Liens is restricted to only RMO Legal & Support Users. Access to change all other Lien stages is restricted only to Collection Analysts and Collection Officers.	X	X	X		X			X				System Access	P	A	Recurring	Director RMO
CP-02-C41	Lien opportunities are not identified and / or Liens are not pursued for registration in a timely manner.	Y	Automated Lien staging and creation of Lien cases One of the collection stages involves the creation of a Lien case. A Lien case is created automatically by TACS for Collection Analysts and Collection Officers to identify and pursue potential Lien sources and register Liens in TACS.	X							X				System Configuration	D	A	Recurring	Director RMO
CP-02-C42	Liens registered in the system are invalid or inaccurate	Y	Configuration of Lien stages Liens stages are configured in TACS based on Lien Stages. Lien stages differentiate between "pending registration" (when a Lien is added) and "registered" (when a Lien is approved after review).		X	X									System Configuration	D	A	Recurring	Director RMO
CP-02-C43		Y	Lien validation configuration Configuration validation rules built into TACS prevent the processing of Liens against taxpayer accounts where the Liens are outside configured tolerances. A Lien is made up of Bill Items that are chosen (included) by users from those that are within the Taxpayer Collection period. Users are restricted to the use of only those available Bill Items. Manually entered amounts or debt outside the Taxpayer Collection are not available to be included in a Lien Case.	X	X	X		X			X				System Configuration	P	A	Recurring	Director RMO
CP-02-C44		Y	System enforced matching of Liens to tax periods Liens are required to be posted against the Bill Item (which is the which the underlying outstanding tax receivable relates to) and this in turn has a period association in TACS.			X	X				X				System Configuration	P	A	Recurring	Director RMO

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Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component				Control Category (see list)	Prevent / Detect (Manual / Auto)		Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets	Control Environment	Control Activity	Risk Assessment	Info. & Comm.		Monitoring				
CP-02-C45	Liens registered in the system are invalid or inaccurate	Y	Review and advancement (approval) of registered Lien stages Liens are added to TACS by Collection Analysts and Collection Officers. Certificate of Judgments (COJ's), Land Title Office (LTO) or Writ Authorizations are reviewed by RMO Legal & Support users prior to being advanced in Lien Staging (approved as a valid and enforceable Lien). Any other type of Lien is advanced by Collection Analysts and Collection Officers.	X	X	X					X				Management Review	D	M	Recurring	Director RMO
CP-02-C46		Y	Periodic review of Lien processing activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Individual Performance, Collection Officer Performance Summary Reports as well as Collection Inventory Data cube for their review and approval. The reports and cubes list the following Lien-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count, types, valid) - Account (balance, ID, Tax type, Name) - Lien Case (created, closed, types, count, amount)	X	X		X				X				Management Review	D	M	Periodic	Director RMO
DEMANDS																			
CP-02-C47	Unauthorized and / or inappropriate access to process Demand transactions	Y	Restricted access to Demand functionality Access to change Demand Functionality status, Garnish ID, work date, add / change debt sources or request approval is restricted to only Collection Analysts, and Collection Officers.	X	X	X		X			X				System Access	P	A	Recurring	Director RMO
CP-02-C48	Demand opportunities are not identified and Demands are not pursued for registration.	Y	Automated Demand staging and creation of Demand cases One of the Collection stages involves the creation of a Demand case. A Demand case will be created automatically by TACS for Collection Analysts and Collection Officers to identify and pursue potential debt sources and register Demands in TACS.	X							X				System Configuration	D	A	Recurring	Director RMO

CP-02

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)				
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment					Info. & Comm.	Monitoring		
CP-02-C49	Demands registered in TACS are invalid or inaccurate	Y	Demand approval workflow All Demands captured in TACS are subject to tiered approval based on the Dollar-value of the Demand prior to Demand Letters being issued. Demand Approval Staging Levels are tiered as follows: - Level 1 (Demand <= \$ 5 000): Can only be approved by Collection Analysts, Senior Collection Analysts, Collection Analyst Supervisors, Collection Officers, RMO Managers and the RMO Director. - Level 2 (\$5 000 < Demand <= \$25 000): Can only be approved by Collection Officers, Senior Collection Officers, Collection Supervisors, RMO Managers and the RMO Director. - Level 3 (\$25 000 < amount <= \$50 000): Can only be approved by Senior Collection Officers, Collection Supervisor, RMO Managers and the RMO Director. - Level 4 (\$50 000 < amount <= \$100 000): Can only be approved by Collection Supervisors, RMO Managers and the RMO Director. - Level 5 (amount > \$100 000): Can only be approved by RMO Managers and the RMO Director.	X	X	X		X			X				System Configuration	P	A	Recurring	Director RMO
CP-02-C50		Y	System enforced matching of Demands to tax periods Demands are required to be posted against Bill Item (which is the which the underlying outstanding tax receivable relates to) and this in turn has a period association in TACS.			X	X				X				System Configuration	P	A	Recurring	Director RMO
CP-02-C51		Y	Periodic review of Demand processing activity On a periodic basis, Analyst Supervisors, Collections Supervisors and Collections Managers are e-mailed Individual Performance, Collection Officer Performance Summary Reports as well as the Collection Inventory Data and Data Offset cubes for their review and approval. The reports and cubes list the following Lien-related Key Performance Indicators (KPI's): - Collection (created, closed, stages, count, age, owner) - Letters (count, types, valid) - Account (balance, ID, Tax type, Name) - Payments (types, count, amount) - Demand Case (created, closed, types, count, amount)	X	X		X				X				Management Review	D	M	Periodic	Director RMO

Appendix A - Risk & Control Matrix

Process:	Compliance
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Collections

Sub-Process Objective Controls provide reasonable assurance that outstanding tax receivables due to the Ministry are identified, processed and collected by or on behalf of the Ministry in a timely manner.

				Sub-Process Risk: High															
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other		COSO Component			Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto		Control Frequency / Transaction Volume	Control Owner (position / title)			
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment	Control Activity		Risk Assessment	Info. & Comm.			Monitoring		
GENERAL																			
CP-02-C52	An audit trail is not readily available to track Collections transaction activity within TACS.	Y	Retention of Collection activity logging Audit logs of all taxpayer refund related input, adjustment and processing are maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of fields changed. Access to delete or change audit logs is not available from within TACS.	X	X	X	X				X				System Configuration	D	A	Recurring	TACS Business Manager

Legend
References a control in another RCM that mitigates the identified risk

FI-04

Appendix A - Risk & Control Matrix

Process:	Financial (FI-04)
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Revenue (Reconciliations)

Sub-Process Objective Controls provide reasonable assurance that tax revenue (including associated expenses, assets and liabilities) are accounted for in a valid, complete and accurate manner.

Sub-Process Risk: High

				Assertions			Other			COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness Existence Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment Info. & Comm. Monitoring	Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)							
REVENUE ACCOUNTING & DISTRIBUTION																				
FI-04-C01	Tax revenue transactions (including associated expenses, assets and liabilities) are not correctly accounted for.	Y	Revenue model (transaction posting) configuration TACS "Revenue Manager" supports revenue accounting and distribution through the use of Revenue Models. Revenue Models (sets of rules used to determine financial transactional account postings based on the transaction type) automatically allocate and post taxpayer financial transactions to revenue accounts based on configuration. TACS is configured to use the accrual basis of accounting. A single taxpayer transaction may result in multiple revenue transactions depending on the configuration of distribution rules.	X	X	X				X				System Configuration	P	A	Recurring	SFO / Executive Director Financial Services		
FI-04-C02	Tax revenue transactions (including associated expenses, assets and liabilities) are accounted for in the wrong period.	Y	Defined revenue period in TACS Financial transactions are posted to accounts in TACS on the day they occur. Each revenue period in TACS is associated with configured "Revenue" days. The posting of transactions is associated with the Revenue period in which the "Revenue" day is configured.			X				X				System Configuration	P	A	Recurring	SFO / Executive Director Financial Services		
FI-04-C03	Tax revenue accounting treatment is incorrectly and / or inappropriately changed or changed by an unauthorized user.	Y	Restricted ability to change accounting & revenue period configuration Changes to the accounting method or revenue period configuration can only be performed by following the TACS "Change Control" process. It is not possible to alter TACS accounting and revenue period configuration directly within the application.		X					X				System Configuration	P	A	Recurring	TACS Business Manager		
FI-04-C04	Tax revenue accounting transactions are not completely and accurately processed as an accounting entry in TACS.	Y	TACS Unhandled Exceptions Report On a daily basis the TACS Unhandled Exceptions Report is executed and reviewed by the Financial Management (FM) group to identify any instances of transactions that exist in TACS that have not been posted as a TACS Journal Entry due to missing or inaccurate transaction posting configuration.	X	X	X							X	Exception / Edit Report	D	A	Recurring	SFO / Executive Director Financial Services		

FI-04

Appendix A - Risk & Control Matrix

Process:	Financial (FI-04)
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Revenue (Reconciliations)

Sub-Process Objective Controls provide reasonable assurance that tax revenue (including associated expenses, assets and liabilities) are accounted for in a valid, complete and accurate manner.

Sub-Process Risk: High

Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Assertions			Other			COSO Component					Control Category (see list)	(P)revent / (D)etect (M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
				Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring						
FI-04-C05	Tax revenue accounting transactions are not completely and accurately transferred from TACS to CAS.	Y	Feedback file received from CAS for transmitted revenue accounting entries A feedback file is produced by CAS on a daily basis which is a copy of the input source file generated by TACS with specific fields updated with status, errors and error messages as to which transactions have posted or generated an error and did not post. The Financial Management (FM) group is alerted by TACS in real-time if a CAS upload file has errors and FM group are able to use TACS functionality to follow-up, investigate and correct the errors.	X		X					X				System Configuration	D	A	Daily	SFO / Executive Director Financial Services
RECONCILIATION																			
FI-04-C06	Tax revenue bank accounts do not reconcile to accounting records.	Y	Daily bank statement to TACS reconciliation HPAS performs a daily reconciliation of transactions per the Tax Revenue bank account statements to transactions posted in TACS. Any reconciling items between the bank statements and TACS are investigated and followed up on. Unresolved differences are logged and reported to the Ministry of Finance to be allocated to the appropriate business area (payment, refunds etc.) for further follow-up and resolution.	X	X	X					X				Reconciliation	D	M	Daily	SFO / Executive Director Financial Services
FI-04-C07		Y	Monthly bank statement to TACS and CAS reconciliation HPAS performs a daily reconciliation of transactions per the Tax Revenue bank account statements to transactions posted in TACS and CAS . Any reconciling items between the bank statements and TACS or CAS are investigated and followed up on. Unresolved differences are logged and reported to the Revenue Solutions Branch (RSB) at the Ministry who provide oversight in resolution. HPAS in conjunction with RSB and appropriate business areas (payment, refunds etc.) take appropriate follow-up action and resolve the issues.	X	X	X					X				Reconciliation	D	M	Monthly	SFO / Executive Director Financial Services

Appendix A - Risk & Control Matrix

Process:	Financial (FI-04)
Bus Unit / Loc:	Receivables Management Office (RMO)

Sub-Process: Revenue (Reconciliations)
Sub-Process Objective Controls provide reasonable assurance that tax revenue (including associated expenses, assets and liabilities) are accounted for in a valid, complete and accurate manner.

				Sub-Process Risk: High															
				Assertions			Other		COSO Component										
Control Ref #	Risk (what could go wrong in the absence of control)	Key Control (Y/N)	Control (who, what, when, where, how)	Completeness	Existence	Accuracy	Records Maint	Transaction Auth	Safeguard Assets Control	Environment Control Activity	Risk Assessment	Info. & Comm.	Monitoring	Control Category (see list)	(P)revent / (D)etect	(M)anual / (A)uto	Control Frequency / Transaction Volume	Control Owner (position / title)	
FI-04-C08	The subsidiary ledger (TACS) do not reconcile to the General Ledger (CAS)	Y	Revenue and A/R reconciliation of subsidiary ledger (TACS) to General Ledger (CAS) On a monthly basis, the Financial Management (FM) group prepares an Accounts Receivable (A/R) reconciliation between the Subsidiary Ledger (TACS) and the General Ledger (CAS). The Consumer Taxpayer Branch (CTB) prepare a Revenue Reconciliation of the various Revenue categories (types of taxes) between TACS and CAS. Reconciling items are identified for further follow-up and resolution.	X	X	X								Reconciliation	D	M	Monthly	SFO / Executive Director Financial Services	
FI-04-C09	Tax revenue is incorrectly allocated to revenue programs (tax types)	Y	Monthly revenue program reconciliations On a monthly basis, the Policy Group prepares a reconciliation of TACS Revenue Accounts (Program Areas) to CAS Revenue Stobs (stobs are a unique sub-section of the General Ledger). Reconciling items are identified for further follow-up and resolution.			X				X				Reconciliation	D	M	Monthly	SFO / Executive Director Financial Services	
GENERAL																			
FI-04-C10	An audit trail is not readily available to track Collections transaction activity within TACS.	Y	Retention of revenue accounting logging Audit logs of all tax revenue accounting is maintained in TACS indefinitely. Audit logs maintain details such as the date, time, user and values of fields changed. Access to delete or change audit logs is not available from within TACS.	X	X	X	X			X				System Configuration	D	A	Recurring	TACS Business Manager	

Legend
References a control in another RCM that mitigates the identified risk

FORM USAGE AND ROUTING:

This form must be completed for all service contracts and amendments to service contracts involving an increase to the dollar value. It requires approval from the contract manager and the ADM (only in certain circumstances) before the contract/amendment is signed. After being signed by both parties, attach the original contract/amendment to the original Service Contract Checklist and forward to Accounts, Financial Services and Administration, Ministry of Finance.

DESCRIPTION OF CONTRACT - Complete Part 1 for all contracts and amendments.

Legal Contractor Name: GDL Consulting Inc.

Req #:

Contract #: C15REV31360

Contract Type: ☐ New ☐ Multi-year ☐ Renewal ☒ Amendment

Brief Description of Services:

Term: April 2, 2015-March 31, 2016

Rate (per hour or day): \$95.00/\$72.00 p/hr

To provide professional audit services for compliance testing of petroleum and natural gas royalty payors.

CONTRACT CODING: (if more lines needed attach separate sheet)**Complete for Capital Asset Contracts (STOB 2000):****OFA STOBs:**

Amount	Cl.	Resp.	Service Line	STOB	Project	OFA STOB	Service Date (DD-MMM-YYYY)	Asset # (if applicable)
120,000.00	022	32925	26255	6001	3200000			

2175-Heavy Equipment
2195-Operating Equipment
2215-Office Furniture & Equip.
2275-Mainframe HW & Servers
2281-M/F HW & Servers WIP
2295-PC Hardware
2315-Mainframe Software
2321-Mainframe Software WIP
2335-Major Systems Software
2355-PC Software
2395-Tenant Improvements

120,000.00 CONTRACT TOTAL**Commonly Used Contract STOBs:**

6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt.).

6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation.

6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.

6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting).

6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals).

6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.

SELECTION PROCESS - Complete Part 2 for **new** contracts only. Do **not** complete for renewals or amendments. Select only **one** box.**Open Process**☐ **Request for Proposal (RFP) (100) RFP # 2014-MOG-02**

Suppliers submit proposals on how, and at what price, they would provide a service.

☐ **Invitation to Quote (ITQ) (100) ITQ # _____**

For priced based services only - you know exactly what you want done and are looking for the best price.

☐ **Other Open Competitive Process (100)**

Identify process used: _____

An open competitive process other than Request for Proposal or Invitation to Quote is used (e.g., Joint Solution Procurement, Invitation to Tender), normally by advertising the opportunity on BC Bid.

Direct Process:☐ **Three Verbal or Written Bids (300)**

Only used for contracts less than \$25,000. A RFP or ITQ is required for contracts valued at \$25,000 or more. Documentation of bids must be kept on the contract file. Note: Obtaining verbal bids is not recommended but if used, the process must be documented in writing and included in the contract file (e.g., communication between ministry and vendors).

☐ **Direct Invitation to Selected Vendors (300)**

A competitive solicitation, for contracts \$25,000 or more, that is issued to a limited list of vendors and not advertised on BC Bid. If vendors are on a pre-qualification list, use category 401 below.

Note: A RFP or ITQ is required by ministry policy for contracts valued at \$25,000 or more.

Direct Award:☐ **Public Sector Organization (200)**

The contract is negotiated and directly awarded without competitive process because the contract is with another government organization.

☐ **Sole Source (201)**

The contract is negotiated and directly awarded without competitive process because the ministry can **strictly prove** that only one contractor is qualified. A NOI is not required. **Note:** Evidence of how the ministry "proved" sole source must be documented in the contract file.

☐ **Sole Source - Notice of Intent (205)**

The contract is negotiated and directly awarded without competitive process (a NOI is not a competitive process) because the ministry believes but **cannot strictly prove** that only one contractor is qualified and a Notice of Intent is posted. A NOI must be posted on BC Bid when a contract for services or construction valued at more than \$50,000, is to be directly awarded on this basis. **Note:** It is **recommended** that a NOI be posted for opportunities valued at \$25,000 or more that are being awarded on this basis.

☐ **Security, Order, etc. (203)**

The contract is negotiated and directly awarded without competitive process because a competitive process would interfere with the ministry's ability to maintain security or order or to protect human, animal or plant life or health.

☐ **Emergency (202)**

The contract is negotiated and directly awarded without competitive process because an unforeseeable emergency exists and the services could not be obtained in time by means of a competitive process.

☐ **Confidentiality (204)**

The contract is negotiated and directly awarded without competitive process where the acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise government confidentiality, cause economic disruption or be contrary to the public interest.

☐ **No Justification (206)**

Where a direct award has been made which is not justified under one of the exceptional conditions specified in the Core Policy and Procedures Manual section 6.3.3 a (1) (i.e., 200 - 204), or a Notice of Intent was required but has not been issued, or it is provided for under another policy.

☐ **Direct Award - Under \$25,000 (207)**

A direct award has been made for a contract less than \$25,000 and categories 200, 201, 202, 203 and 204 do not apply.

Pre-qualification:☐ **Selected Vendor From Pre-qualification List (400)**

A contract that is issued to a vendor on a pre-qualification list without undertaking a competitive process. The process must be consistent with the rules publicized when the list was established.

☐ **Purchase from a Corporate Supply Arrangement (500)**

A purchase from a pre-established corporate supply arrangement as identified in the Core Policy Manual section 6.3.2 a (1).

☐ **Competition Among Vendors on a Pre-qualification List (401)**

A competitive solicitation that is issued to a limited list of vendors selected from a pre-qualification list. The process must be consistent with the rules publicized when the list was established.

Check appropriate box to indicate which competitive process was used:

☐ RFP ☐ ITQ ☐ 3 Verbal or Written Bids

☐ Other (please identify): _____

SERVICE CONTRACT CHECKLIST

Page 2

AGREEMENT ON INTERNAL TRADE (AIT) / BRITISH COLUMBIA - ALBERTA TRADE, INVESTMENT & LABOUR MOBILITY AGREEMENT (TILMA)

Complete Part 3 for new contracts only. Do not complete for renewals/amendments. Select only one box.

PART 3

☐ Purchase Subject to AIT/TILMA (100)

The purchase is for services over \$75K and is not excluded or exempted under any other provision of the AIT/TILMA or other category below.

☐ Purchase Not Subject to AIT/TILMA (200)

The purchase is for services \$75K or less.

☐ Excluded - Exempted Commodity/Service (300)

The purchase is for services that are exempted from coverage of AIT/TILMA or to which the AIT/TILMA does not apply by virtue of its specific reference in Chapter 5 of the agreement (e.g., health & social services).

☐ Excluded - Emergency (400)

A purchase where an unforeseeable situation of urgency exists and the services cannot be obtained in time by means of an open procurement.

☐ Excluded - Security, Order, etc. (500)

A purchase where compliance with the open tendering provisions set out in Ch. 5 of the AIT/TILMA would interfere with the Province's ability to maintain security or order or to protect human, animal, plant life or health.

☐ Excluded - Product Compatibility/Exclusive Rights (600)

A purchase which must: ensure compatibility with existing products; recognize exclusive rights, such as exclusive licenses, copyright and patent rights; or maintain specialized products that must be maintained by the manufacturer or its representative.

☐ Excluded - Procurement of Prototype (700)

The procurement of a prototype or a first service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.

☐ Excluded - Regional/Economic Development (800)

A purchase which, under exceptional circumstances, may be excluded by the Province from the application of Chapter 5 of the AIT/TILMA for regional and economic development purposes.

PART 4

POLICY COMPLIANCE - NEW CONTRACTS - Complete for new contracts only. Do not complete for renewals/amendments.

YES NO N/A

- Before taking steps to find a contractor, a cost benefit justification (CBJ) must be prepared for service contracts over \$100,000. Where appropriate, it should include a cost comparison between contracting out vs. using in-house resources if they were available, contract outcomes, etc. Has a CBJ been prepared for inclusion in the contract file? (CPPM 6.3.1.5)
- As per the AIT/TILMA, did you advertise on BC Bid for any contract over \$75,000 or if a pre-qualification list was used, did you select the contractor through a competitive process between all suppliers on the list? (CPPM 6.3.2.c)
- Executive Financial Officer (EFO) pre-approval is required for all **Labour and Citizens' Services** service contracts over \$25,000 that are being directly awarded. Has a briefing note been signed by the EFO for inclusion in the contract file?
- If this contract was directly awarded (including the policy exemptions in CPPM 6.3.3.a) have the reasons been clearly explained and documented for inclusion in the contract file? (CPPM 6.3.3.a)
- If this contract is being awarded to a contractor that has been used for similar work in the previous 3 months (3 months from previous expiry date) the new contract must be approved by an expense authority with authority for the combined total of the contracts. Has the appropriate expense authority approved the contract? (CPPM 6.3.2.a.11)
- Can you confirm this contract does not constitute an employer/employee relationship? (CPPM 6.3.1.6). For more information, refer to "Employee or Self-Employed" pamphlet at <http://www.cra-arc.gc.ca/E/pub/tg/rc4110/rc4110-06e.pdf>.
- If the General Services Agreement was not used, did you obtain Legal Services and Risk Management approval? Documentation of approval must be kept in the contract file. (CPPM 6.3.3.d)
- Does **Schedule A** clearly identify specific and measurable contract deliverables? (CPPM 6.3.6.c)
- Does **Schedule A** clearly identify the process the ministry will use to monitor the contractor's performance (e.g., frequency & format of reporting requirements)? (CPPM 6.3.6.c)
- If sub-contractors will be providing any of the services are they identified in **Schedule C**?
- If this is a professional services contract (e.g., IT, accounting, management consulting), have you completed and attached **Schedule D** (Insurance) & **Schedule F** (Additional Terms)?
- If **Schedule D** (Insurance) is attached, is the insurance adequate to cover the risks associated with this contract <http://www.fin.gov.bc.ca/pt/rmb/forms/coiover.stm>?
- If the contractor will be involved with "personal information" as defined in the **FOIPPA**, have you completed and attached **Schedule E** (Privacy Protection - <http://www.mser.gov.bc.ca/privacyaccess/PPS/minpps.doc>)? (CPPM 6.3.3.e.11)
- Has the **Information Package for Service Contractors** been forwarded to the contractor?
- Appendix 1** must be attached to all service contracts including travel expenses. Have you attached Appendix 1?

CONTRACT AMENDMENTS - Complete Part 5 for contract amendments only.

Reason for amendment:
Extended date and dollars to contract

Previous Contract Total:	120,000.00
Amendment Amount:	120,000.00
New Contract Total:	240,000.00

PART 5

POLICY COMPLIANCE

YES NO

- Does the amendment format comply with the CPPM (CPPM 6.3.3.e.9)? http://www.fin.gov.bc.ca/camss/fsa/Branch/Forms/Modification_Agreement.doc
- The amendment amount(s) must be added to the original amount of the contract to determine the new total for approval requirements. Has the appropriate expense authority approved the amendment?
- Have the circumstances that caused this contract to be amended been clearly documented for inclusion in the contract file (e.g., unforeseen technical problem delayed the project and the details are explained in the file)?

APPROVALS - Complete Part 6 for all contracts and amendments

PART 6	Contract Mgr. Name:	**ADM Name: Elan Symes	AP/PO Clerk
	Signature & Date	Signature & Date	Initials & Date

** ADM sign-off is only required if the contract was directly awarded or the answer to any of the questions in Part 4 or 5 was 'NO'.

MODIFICATION AGREEMENT

Contract #: C15REV31360

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
represented by

The Minister of Finance
(the "Province", "we", "us", or "our", as applicable)

AND

GDL Consulting Inc.
(the "Contractor" "you" or "your" as applicable)

BACKGROUND

- A. The parties entered into an agreement dated April 2, 2014, a copy of which is attached as Exhibit 1 (the "Agreement").
- B. The parties have agreed to modify the Agreement.

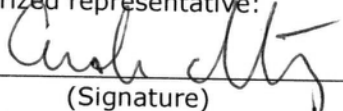
AGREEMENT

The parties agree as follows:

- (1) That the term of the Agreement is extended from March 31, 2015 up to and including March 31, 2016.
- (2) That Schedule B, Fees and Expenses, be amended to add \$120,000.00 to Fees for a new Contract Maximum of \$240,000.00.
- (3) Increase hourly rate from \$95.00 per hour to \$96.00 per hour.
- (4) In all other respects, the Agreement is confirmed.

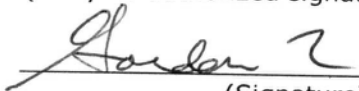
The parties have duly executed this modification agreement as of the 24th day of March of 2015.

SIGNED AND DELIVERED on the 24th day of March, 2015 on behalf of the Province by its duly authorized representative:


(Signature)

ANDREW RITONJA, M.O.G.E.O.
(Print Name)

SIGNED AND DELIVERED on the 24th day of March, 2015 by or on behalf of the Contractor (or by its authorized signatory or signatories if the Contractor is a corporation):


(Signature)

Gordon Lee, GDL Consulting Inc.
(Contractor or Authorized Signatory)

Previous Contract Total:	\$120,000.00
Amendment Amount:	\$120,000.00
New Contract Total:	\$240,000.00

GENERAL SERVICE AGREEMENT



For Administrative Purposes Only

Ministry Contract No.: _____
Requisition No.: _____
Solicitation No.(if applicable): _____
Commodity Code: _____

Contractor Information

Supplier Name: GDL Consulting Inc.
Supplier No.: 2094308
Telephone No.: 250-658-5879
E-mail Address: _____ s.22
Website: _____

Financial Information

Client: 22
Responsibility Centre: 32925
Service Line: 26255
STOB: 6001
Project: 3200000

Template version: December 1, 2013

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SCHEDULE A – SERVICES

- Part 1 - Term**
- Part 2 - Services**
- Part 3 - Related Documentation**
- Part 4 - Key Personnel**

SCHEDULE B – FEES AND EXPENSES

- Part 1 - Maximum Amount Payable**
- Part 2 - Fees**
- Part 3 - Expenses**
- Part 4 - Statements of Account**
- Part 5 - Payments Due**

SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 2 day of April, 2014.

BETWEEN:

GDL Consulting Inc. (the "Contractor") with the following specified address and fax number:
5321 Patricia Bay Hwy, Victoria BC
V8Y 1S9
250-658-5879

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Ministry of Finance, Mineral, Oil and Gas Revenue Branch (the "Province") with the following specified address and fax number:
PO Box 9328, 2nd Floor 1810 Blanshard Street, Victoria BC
V8W 9N3
250-952-0191

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Incorporated Material" means any material in existence prior to the start of the Term or developed independently of this Agreement, and that is incorporated or embedded in the Produced Material by the Contractor or a Subcontractor;
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced or provided by the Contractor or a Subcontractor and includes the Incorporated Material;
- (e) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor must perform the Services to a standard of care, skill and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
 - (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify, in whole or in part, the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

- 3.8 The Contractor must:
- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
 - (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

- 4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:
- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,

- (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual or other agreements in place and available to enable the Contractor to fully perform the Services and to grant any licenses under this Agreement, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
- (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
- (c) if it is information in any Incorporated Material.

Public announcements

5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

- 5.5 The Contractor must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

- 6.1 If the Contractor receives a request for access to any of the Material from a person other than the Province, and this Agreement does not require or authorize the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

- 6.2 The Province exclusively owns all property rights in the Material which are not intellectual property rights. The Contractor must deliver any Material to the Province immediately upon the Province's request.

Matters respecting intellectual property

- 6.3 The Province exclusively owns all intellectual property rights, including copyright, in:

- (a) Received Material that the Contractor receives from the Province; and
- (b) Produced Material, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Produced Material and that confirm the vesting in the Province of the copyright in the Produced Material, other than any Incorporated Material.

Rights in relation to Incorporated Material

- 6.4 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to exercise, in respect of that Incorporated Material, the rights set out in the *Copyright Act* (Canada), including the right to use, reproduce, modify, publish and distribute that Incorporated Material; and
 - (b) the right to sublicense or assign to third-parties any or all of the rights granted to the Province under section 6.4(a).

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

- 8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Material and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any loss, claim (including any claim of infringement of third-party intellectual property rights), damage award, action, cause of action, cost or expense that the Province or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, (each a "Loss") to the extent the Loss is directly or indirectly caused or contributed to by:
- (a) any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement; or
 - (b) any representation or warranty of the Contractor being or becoming untrue or incorrect.

Insurance

- 9.2 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 9.3 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 9.4 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:
- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 9.5 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.3 and 9.4.

10 FORCE MAJEURE

Definitions relating to force majeure

10.1 In this section and sections 10.2 and 10.3:

(a) "Event of Force Majeure" means one of the following events:

- (i) a natural disaster, fire, flood, storm, epidemic or power failure,
- (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
- (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
- (iv) a freight embargo

if the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and

(b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

11.1 In this section and sections 11.2 to 11.4:

(a) "Event of Default" means any of the following:

- (i) an Insolvency Event,
- (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
- (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and

(b) "Insolvency Event" means any of the following:

- (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
- (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
- (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
- (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
- (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or

- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

Delay not a waiver

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Victoria, British Columbia.

Costs of mediation or arbitration

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of a mediation or arbitration under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights or obligations under this Agreement without the Province's prior written consent. Upon providing written notice to the Contractor, the Province may assign to any person any of the Province's rights under this Agreement and may assign to any "government corporation", as defined in the *Financial Administration Act*, any of the Province's obligations under this Agreement.

Subcontracting

- 13.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.4, 7.1, 7.2, 8.1, 9.1, 9.2, 9.5, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely subject to any applicable limitation period prescribed by law, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:
- (a) an employee or partner of the Province; or
 - (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province must make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

- 13.14 The Contractor must not provide any services to any person in circumstances which, in the Province's reasonable opinion, could give rise to a conflict of interest between the Contractor's duties to that person and the Contractor's duties to the Province under this Agreement.

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
 - (b) a provision in a schedule will prevail over any conflicting provision in a document attached to or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this Agreement is to be construed as interfering with, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

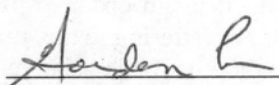
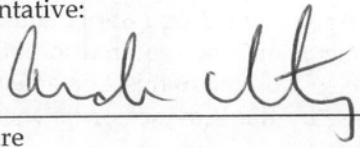
14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>3th</u> day of <u>April</u>, 2014 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p><u></u> Signature(s)</p> <p><u>Gordon Lee</u> Print Name(s)</p> <p><u>Principal, GDL Consulting</u> Print Title(s)</p>	<p>SIGNED on the <u>8</u> day of <u>April</u>, 2014 on behalf of the Province by its duly authorized representative:</p> <p><u></u> Signature</p> <p><u>ANDREW RITOWSKI</u> Print Name</p> <p><u>MOG ED</u> Print Title</p>
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Schedule A – Services

PART 1. TERM:

1. Subject to section 2 of this Part 1, the term of this Agreement commences on April 2, 2014 and ends on March 31, 2015.
2. Two (2) additional 1-year options to renew at the sole discretion of the Province.

PART 2. SERVICES:

Outputs

The Contractor must perform Compliance Audits on petroleum and natural gas companies under the *Petroleum and Natural Gas Act*, and the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, and the Drilling and Production Tax Regulation. The audits assigned to the Contractor will be delegated by the Ministry and will focus on various risk factors. Field audits for purposes of this RFP refers to oil and gas head offices, predominately located in Calgary, Alberta.

Inputs

The Contractor will for each audit:

- Prepare an audit plan, identifying audit risks, audit scope and approach and audit timetable, before initiating an Audit.
- Contact the Tax/Royalty Payor and schedule the Audit.
- Prepare an Audit report, detailed recommendations and supporting working papers to the Ministry on the completion of each Audit.
- Assist the Ministry in ensuring the Tax/Royalty Payor is in compliance with both the *Petroleum and Natural Gas Act* and related regulations by conducting Compliance Audits to verify that royalties are correctly reported to the Ministry.
- Be open to working alone on an audit or as part of a team audit.

Outcomes

Through the delivery of the Services the Province wishes to realize the following outcomes and, without limiting the obligation of the Contractor to comply with other provisions of this Part, the Contractor must use commercially reasonable efforts to achieve them:

- Prepare audit proposal letters clearly outlining proposed adjustments and relevant facts and assumptions. The proposed adjustments are to be supported by sufficient appropriate audit evidence.
- Acknowledge that the issues and adjustments were reviewed with the Royalty Payor.
- Keep Tax/Royalty Payor files and information secure and confidential in accordance with legislation and Ministry policies.
- Be available after the Contract has expired to provide background to the audits performed during the contract period.

The parties acknowledge that the Contractor does not warrant that these outcomes will be achieved.

Reporting requirements

The Contractor must email monthly time progress reports to the Ministry's Validations/Audit Section Manager. The reports will be submitted no later than 10 business days after the end of each month, and will include, at a minimum, the following information:

- Activities completed in the reporting period
- Activities to be performed in the upcoming period
- Issues uncovered
- Decisions required
- Outstanding Issues

PART 3. RELATED DOCUMENTATION:

Not applicable

PART 4. KEY PERSONNEL:

1. The Key Personnel of the Contractor are as follows:
 - (a) Gordon Lee
 - (b) Junior Auditor

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: Despite sections 2 and 3 of this Schedule, \$120,000.00 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

Hourly Rate

Fees: at a rate of \$95.00 per hour for Principal Auditor, and \$72.00 per hour for Junior Auditor for those hours during the Term when the Contractor provides the Services.

3. EXPENSES:

None

4. STATEMENTS OF ACCOUNT:

Statements of Account: In order to obtain payment of any fees under this Agreement for a period from and including the 1st day of a month to and including the last day of that month (each a "Billing Period"), the Contractor must deliver to the Province on a date after the Billing Period (each a "Billing Date"), a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement; and the Billing Period to which the statement pertains;
- (c) the Contractor's calculation of all fees claimed under this Agreement, including a declaration that the Services for which the Contractor claims fees have been completed;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any GST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of all applicable taxes payable by the Province in relation to the Services;
- (f) a description of this Agreement to which the statement relates;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes) claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

Not applicable

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligations or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000.00 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide to the Province within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
4. The Contractor must obtain, maintain and pay for any additional insurance which the Contractor is required by law to carry, or which the Contractor considers necessary to cover risks not otherwise covered by insurance specified in this Schedule in the Contractor's sole discretion.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
 - (a) “access” means disclosure by the provision of access;
 - (b) “Act” means the *Freedom of Information and Protection of Privacy Act* (British Columbia);
 - (c) “contact information” means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (d) “personal information” means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the “control of a public body” within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province’s statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor’s statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor’s obligations, or the exercise of the Contractor’s rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor’s collection of personal information.

Accuracy of personal information

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement

expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

8. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must correct or annotate the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 Business Days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

13. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

14. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

15. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

16. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:

- (a) receives a foreign demand for disclosure;
- (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
- (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

- 19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

- 20. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule, and the Contractor must permit and provide reasonable assistance to any such inspection.

Compliance with the Act and directions

- 21. The Contractor must in relation to personal information comply with:
 - (a) the requirements of the Act applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
 - (b) any direction given by the Province under this Schedule.
- 22. The Contractor acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

- 23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

- 24. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

- 25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.

26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms

Not applicable

Schedule G – Security Schedule

Definitions

1. In this Schedule,
 - (a) "Equipment" means any equipment, including interconnected systems or subsystems of equipment, software and networks, used or to be used by the Contractor to provide the Services;
 - (b) "Facilities" means any facilities at which the Contractor provides or is to provide the Services;
 - (c) "Information" means information
 - (i) in the Material, or
 - (ii) accessed, produced or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement;
 - (d) "Record" means a "record" as defined in the *Interpretation Act*;
 - (e) "Sensitive Information" means
 - (i) Information that is "personal information" as defined in the *Freedom of Information and Protection of Privacy Act*, or
 - (ii) any other Information specified as "Sensitive Information" in Appendix G6, if attached; and
 - (f) "Services Worker" means an individual involved in providing the Services for or on behalf of the Contractor and, for greater certainty, may include
 - (i) the Contractor or a subcontractor if an individual, or
 - (ii) an employee or volunteer of the Contractor or of a subcontractor.

Schedule contains additional obligations

2. The obligations of the Contractor in this Schedule are in addition to any other obligations in the Agreement or the schedules attached to it relating to security including, without limitation, the obligations of the Contractor in the Privacy Protection Schedule, if attached.

Services Worker confidentiality agreements

3. The Contractor must not permit a Services Worker who is an employee or volunteer of the Contractor to have access to Sensitive Information unless the Services Worker has first entered into a confidentiality agreement with the Contractor to keep Sensitive Information confidential on substantially similar terms as those that apply to the Contractor under the Agreement.

Services Worker security screening

4. The Contractor may only permit a Services Worker who is an employee or a volunteer of the Contractor to have access to Sensitive Information or otherwise be involved in providing the Services if, after having subjected the Services Worker to the personnel security screening requirements set out in Appendix G1 and any additional requirements the Contractor may consider appropriate, the Contractor is satisfied that the Services Worker does not constitute an unreasonable security risk. The Contractor must create, obtain and retain Records documenting the Contractor's compliance with the security screening requirements set out in Appendix G1 in accordance with the provisions of that appendix.

Services Worker activity logging

5. Subject to section 6, the Contractor must create and maintain detailed Records logging the activities of all Service Workers in relation to:
 - (a) their access to Sensitive Information; and
 - (b) other matters specified by the Province in writing for the purposes of this section.
6. The Records described in section 5 must be made and maintained in a manner, and contain information, specified in Appendix G2, if attached.

Facilities and Equipment protection and access control

7. The Contractor must create, maintain and follow a documented process to:
 - (a) protect Facilities and Equipment of the Contractor required by the Contractor to provide the Services from loss, damage or any other occurrence that may result in any of those Facilities and Equipment being unavailable when required to provide the Services; and
 - (b) limit access to Facilities and Equipment of the Contractor
 - (i) being used by the Contractor to provide the Services, or
 - (ii) that may be used by someone to access Informationto those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons.
8. If the Province makes available to the Contractor any Facilities or Equipment of the Province for the use of the Contractor in providing the Services, the Contractor must comply with any policies and procedures provided to it by the Province on acceptable use, protection of, and access to, such Facilities or Equipment.

Sensitive Information access control

9. The Contractor must:
 - (a) create, maintain and follow a documented process for limiting access to Sensitive Information to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons; and
 - (b) comply with the information access control requirements set out in Appendix G3, if attached.

Integrity of Information

10. The Contractor must:
 - (a) create, maintain and follow a documented process for maintaining the integrity of Information while possessed or accessed by the Contractor; and
 - (b) comply with the information integrity requirements set out in Appendix G4, if attached.
11. For the purposes of section 10, maintaining the integrity of Information means that, except to the extent expressly authorized by the Agreement or approved in writing by the Province, the Information has:
 - (a) remained as complete as when it was acquired or accessed by the Contractor; and

- (b) not been altered in any material respect.

Documentation of changes to processes

- 12. The Contractor must create and maintain detailed Records logging any changes it makes to the processes described in sections 7, 9 and 10.

Notice of security breaches

- 13. If Contractor becomes aware that:

- (a) unauthorized access, collection, use, disclosure, alteration or disposal of Information or Records containing Information; or
- (b) unauthorized access to Facilities or Equipment

has occurred or is likely to occur (whether or not related to a failure by the Contractor to comply with this Schedule or the Agreement), the Contractor must immediately notify the Province of the particulars of that occurrence or likely occurrence. If the Contractor provides a notification under this section other than in writing, that notification must be confirmed in writing to the Province as soon as it is reasonably practicable for the Contractor to do so.

Review of security breaches

- 14. If the Province decides to conduct a review of a matter described in section 13 (whether or not the matter came to the attention of the Province as a result of a notification under section 13), the Contractor must, on the request of the Province, participate in the review to the extent that it is reasonably practicable for the Contractor to do so.

Retention of Records

- 15. Unless the Agreement otherwise specifies, the Contractor must retain all Records in the Contractor's possession that contain Information until directed by the Province in writing to dispose of them or deliver them as specified in the direction.

Storage of Records

- 16. Until disposed of or delivered in accordance with section 15, the Contractor must store any Records in the Contractor's possession that contain Information in accordance with the provisions of Appendix G5, if attached.

Audit

- 17. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy:
 - (a) any Records in the possession of the Contractor containing Information; or
 - (b) any of the Contractor's Information management policies or processes (including the processes described in sections 7, 9 and 10 and the logs described in sections 5 and 12) relevant to the Contractor's compliance with this Schedule

and the Contractor must permit, and provide reasonable assistance to the exercise by the Province of the Province's rights under this section.

Termination of Agreement

18. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

19. In this Schedule, unless otherwise specified:
 - (a) references to sections are to sections of this Schedule; and
 - (b) references to appendices are to the appendices attached to this Schedule.
20. Any reference to the "Contractor" in this Schedule includes any subcontractor retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors comply with this Schedule.
21. The appendices attached to this Schedule are part of this Schedule.
22. If there is a conflict between a provision in an appendix attached to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.
23. If there is a conflict between:
 - (a) a provision of the Agreement, this Schedule or an appendix attached to this Schedule; and
 - (b) a documented process required by this Schedule to be created or maintained by the Contractorthe provision of the Agreement, Schedule or appendix will prevail to the extent of the conflict.
24. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

SCHEDULE G – Appendix G1 – Security screening requirements

The personnel security screening requirements set out in this Appendix G1 are for the purpose of assisting the Contractor determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

1. The Contractor must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of "primary identification" of the Services Worker and at least one piece of "secondary identification" of the Services Worker,* as described in the table following this section. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
<p>Issued by ICBC:</p> <ul style="list-style-type: none"> • B.C. driver's licence or learner's licence (must have photo) • B.C. Identification (BCID) card <p>Issued by provincial or territorial government:</p> <ul style="list-style-type: none"> • Canadian birth certificate <p>Issued by Government of Canada:</p> <ul style="list-style-type: none"> • Canadian Citizenship Card • Permanent Resident Card • Canadian Record of Landing/Canadian Immigration Identification Record 	<ul style="list-style-type: none"> • School ID card (student card) • Bank card (only if holder's name is on card) • Credit card (only if holder's name is on card) • Passport • Foreign birth certificate (a baptismal certificate is not acceptable) • Canadian or U.S. driver's licence • Naturalization certificate • Canadian Forces identification • Police identification • Foreign Affairs Canada or consular identification • Vehicle registration (only if owner's signature is shown) • Picture employee ID card • Firearms Acquisition Certificate • Social Insurance Card (only if has signature strip) • B.C. CareCard • Native Status Card • Parole Certificate ID • Correctional Service Conditional Release Card

*It is not necessary that each piece of identification viewed by the Contractor contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

2. The Contractor must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, obtain or create, as applicable, Records of all such verifications, and retain a copy of those Records.

Verification of employment history and reference checks

3. The Contractor must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Contractor requesting that a Services Worker provide employment references and the Contractor contacting those references. If a Services Worker has no relevant employment history, the Contractor must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records.

Security interview

4. The Contractor must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Contractor it wishes to do so.