

February 2017



PROGRESS AUDIT: EVERGREEN LINE RAPID TRANSIT PROJECT

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of British Columbia

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The Honourable Linda Reid
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Building
Victoria, British Columbia
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Dear Madame Speaker:

I have the honour to transmit to the Speaker of the Legislative Assembly of British Columbia the report *Progress Audit: Evergreen Line Rapid Transit Project*. We conducted this work in accordance with the standards for assurance engagements set out by the Chartered Professional Accountants of Canada (CPA) in the CPA Handbook - Assurance and Value-for-Money Auditing in the Public Sector, Section PS 5400.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
February 2017

AUDITOR GENERAL'S COMMENTS

Our original audit of the Evergreen Line Rapid Transit project in 2013 looked at whether the Ministry of Transportation and Infrastructure (MOTI), Partnerships BC and Ministry of Finance provided Treasury Board with enough information to make well-informed decisions about the project. We concluded that the information provided to Treasury Board fell short of what was required to fully understand the recommendations being made to them.

Since 2013, Partnerships BC, MOTI, and the Ministry of Finance have been working to implement the seven recommendations from our report. Those we audit are required to submit detailed action plans to the Legislative Assembly's Select Standing Committee on Public Accounts (PAC) that identifies the work they undertake to address our recommendations. We carried out this progress audit to see if government's progress in implementing our 2013 recommendations has been accurately presented to PAC.

We found that government has fairly and accurately represented its progress, with just one exception. Government reported one recommendation as fully or substantially completed where as we determined that it was only partially complete. All told, five of our original seven recommendations are now fully or substantially implemented. Both of the outstanding recommendations are waiting on work by the Ministry of Finance.

The first outstanding recommendation concerns government's Capital Asset Management Framework (CAMF). We recommended that government implement a plan to update the CAMF to improve guidance on the information required for capital project planning, and how work on that information should be documented and overseen. The Ministry of Finance self-assessed as having fully/substantially completed their actions related to the recommendation. However, while some updates have been



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AUDITOR GENERAL'S COMMENTS

made to the CAME, the updates related to our recommendation have not yet been implemented. We will continue to monitor the Ministry's progress in the future.

The other remaining recommendation targets the due diligence around developing and reviewing business cases for projects. Partnerships BC and MOTI have fully or substantially completed their work by developing and implementing new policies, requirements and templates to address our recommendation. The Ministry of Finance has just begun its work on this recommendation, and plans to review project planning and approval guidelines as part of the overall update to CAME. These changes will impact project planning and approval across all government organizations, not just the transportation sector.

There should always be complete information about the costs, benefits, and risks to be managed when making decisions regarding capital projects. This is especially true for high cost, large scale projects like the \$1.43 billion Evergreen Line Rapid Transit Project.

We'd like to thank Partnerships BC, the Ministry of Finance, and the Ministry of Transportation and Infrastructure for their cooperation and participation during this progress audit. We'd also like to acknowledge the significant amount of work they have done so far to address our recommendations.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
February 2017

SUMMARY OF RECOMMENDATIONS

FROM OUR 2013 REPORT

WE RECOMMEND THAT TO IMPROVE:

Guidelines, documentation and oversight:

- 1** The Ministry of Finance implement a project plan, describing the scope, required resources, timelines and deliverables, for updating the Capital Asset Management Framework (CAMF) to provide comprehensive guidance for public sector agencies on:
 - ◆ the information required to underpin capital project planning and how this should be documented; and
 - ◆ the type of oversight that should be applied to verify the information presented to government (recommendation 1).
- 2** The Ministry of Finance, the Ministry of Transportation and Infrastructure, and Partnerships British Columbia document project reviews so that the scope of these reviews, and the analysis underpinning decisions, are clearly described in their written records (recommendation 2).
- 3** The Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships British Columbia improve how they assess and report on whether strategic options assessments and business cases have followed the CAMF guidelines (recommendation 6).

Performance measurement:

- 4** The Ministry of Transportation and Infrastructure provide more detailed guidance on performance measurement so that business cases follow CAMF by including appropriate detail on performance indicators, targets and how these will be measured (recommendation 4).

SUMMARY OF RECOMMENDATIONS FROM 2013 REPORT

- 5** The Ministry of Transportation and Infrastructure develop and apply a detailed framework for measuring, managing and reporting on the performance of the Evergreen Line. The framework should describe:
- ◆ evaluation objectives and specific performance measures;
 - ◆ methods for collecting reliable, meaningful information;
 - ◆ how agencies will measure and manage performance and resource this work; and
 - ◆ how the outcomes will be shared across government and the wider community (recommendation 5).

Transit ridership and benefit estimates:

- 6** The Ministry of Transportation and Infrastructure provide more detailed guidance on its requirements for estimating ridership and the economic benefits of transit projects (recommendation 3).
- 7** The Ministry of Transportation and Infrastructure update its guidelines to make relevant comparisons with observed data central to justifying and explaining traffic and ridership forecasts (recommendation 7).

PROGRESS AUDIT

AUDIT OF THE EVERGREEN LINE RAPID TRANSIT PROJECT

Report Released: March 2013

First Self-Assessment: November 2014

Action Plan: November 2015 [see [Appendix A](#)]

Discussed by the Public Accounts Committee: [November 19, 2013](#)

Exhibit 1: Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships BC 's progress in implementing our recommendations

| Recommendation # | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|-----|---|-----|-----|-----|---|-----|
| Auditee Assessments | | | | | | | |
| Ministry of Finance | ● | ● | n/a | n/a | n/a | ● | n/a |
| Ministry of Transportation and Infrastructure | n/a | ● | ● | ● | ● | ● | ● |
| Partnerships BC | n/a | ● | n/a | n/a | n/a | ● | n/a |
| OAG Assessments | | | | | | | |
| Ministry of Finance | ● | ● | n/a | n/a | n/a | ● | n/a |
| Ministry of Transportation and Infrastructure | n/a | ● | ● | ● | ● | ● | ● |
| Partnerships BC | n/a | ● | n/a | n/a | n/a | ● | n/a |

● Fully/substantially implemented ● Partially implemented ● No action taken
 ● Alternative action taken

PROGRESS AUDIT

BACKGROUND

Every year, the provincial government faces the challenge of deciding how to use public resources to achieve its policy goals in a way that will best meet the needs of the people of British Columbia. The reality is that the resources available cannot meet all the demands for investment in infrastructure (including capital assets) and improved services.

For this reason, it is essential that government be fully and accurately informed about the likely costs, expected benefits and nature of the risks of potential projects. In 2002, the B.C. government published the Capital Asset Management Framework (CAMF) to establish best practices in managing public sector capital assets, and to help agencies find the most efficient ways to meet the province's infrastructure needs.

The framework sets minimum standards and oversight requirements based on the risk and complexity of the project, as well as the experience of the delivery agency. For example:

- ◆ For smaller, less complex projects, a strategic

options analysis is likely unnecessary. A single, simplified business case, together with minimal oversight, is likely to be sufficient for informing government's planning decisions.

- ◆ In contrast, costly, complex and moderate- to high- risk projects are likely to need both a strategic options analysis and a detailed business case that includes a substantive evaluation of the options and a thorough risk assessment.

The Evergreen Rapid Transit Line, described below, is exactly the kind of high-risk, costly and complex project that requires the more intensive approach to analysis and oversight.

The Evergreen Line and the Provincial Transit Plan

- ◆ The \$1.43 billion Evergreen Rapid Transit Line is an 11 kilometre extension of the SkyTrain system. The new line opened December 2, 2016 connecting Coquitlam City Centre through Port Moody to Lougheed Town Centre (Exhibits 2 and 3).

Exhibit 2: Vancouver's rapid transit system



Source www.evergreenline.gov.bc.ca

Exhibit 3: Evergreen line route through NE Metro Vancouver



PROGRESS AUDIT

The Evergreen Line is part of the 2008 Provincial Transit Plan (included in the Ministry of Transportation and Infrastructure's March 2015 10-year plan, named [BC on the Move](#)) that aims to improve transit services in B.C. as a way of supporting both economic growth and the government's climate change goals.

The ministry had overall responsibility for developing the Evergreen Line and informing government's planning decisions. The ministry:

- ♦ jointly developed a 2008 business case with TransLink, recommending that the Evergreen Line be scoped as a SkyTrain extension using a northwestern corridor
- ♦ jointly developed a 2010 business case with Partnerships BC, recommending a public-private partnership (P3) design-build-finance procurement for the Evergreen Line
- ♦ submitted both business cases to Treasury Board in 2010 after the cases were reviewed by the Ministry of Finance, and secured Treasury Board's approval of these recommendations

We did our original audit to determine whether the Ministry of Transportation and Infrastructure and Partnerships BC had provided Treasury Board with sufficient rigorous information to enable it to make well-informed decisions. We asked:

1. Did the two agencies provide sufficient rigorous information to be able to recommend the project (scope) option most likely to cost-effectively meet government's objectives?
2. Did the two agencies demonstrate that the recommended P3 arrangement represents the best procurement solution, taking account of the expected costs, benefits and risks?

OBJECTIVES AND SCOPE

We examined the November 2015 self-assessed 1st Action Plan of the Ministry of Finance, the Ministry of Transportation and Infrastructure, and Partnerships BC, addressing all seven recommendations we made in our 2013 audit report, *Audit of the Evergreen Line Rapid Transit Project*. The ministries' and Partnerships BC's November 2015 self-assessments are included unedited and in their entirety in [Appendices A & B](#).

We examined the actions reported by the ministries and Partnerships BC to determine whether those actions were a fair and accurate representation of the progress made by the three auditees in implementing our recommendations.

We interviewed executives from the ministries and Partnerships BC, and reviewed documents as necessary. We began our work in November 2015 and audit work for this report was completed on December 5, 2016.

We conducted this progress audit in accordance with the standards for assurance engagements set out by the Chartered Professional Accountants of Canada (CPA) in the CPA Handbook – Assurance and Value-for-Money Auditing in the Public Sector Section PS 5400, and under the authority of Section 11 of the Auditor General Act.

We verified the actions of the ministries and Partnerships BC to address our recommendations, but we stopped short of assessing the effectiveness of the actions. The outcomes of those may not be fully evident for some years.

PROGRESS AUDIT

CONCLUSION

The actions reported by the Ministry of Finance, the Ministry of Transportation and Infrastructure, and Partnerships BC were a fair and accurate representation of the progress made in implementing six of our seven recommendations.

However, one is still in progress, rather than being fully/substantially completed as reported in the self-assessment action plan (see [Exhibit 1](#)). Planned updates to the Capital Asset Management Framework (CAMF) that address recommendation 1 have been delayed.

KEY OBSERVATIONS

Guidelines, documentation and oversight

RECOMMENDATION 1: *We recommend that the Ministry of Finance implement a project plan, describing the scope, required resources, timelines and deliverables, for updating the Capital Asset Management Framework (CAMF) to provide comprehensive guidance for public sector agencies on:*

- ◆ *the information required to underpin capital project planning and how this should be documented; and*
- ◆ *the type of oversight that should be applied to verify the information presented to government.*

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Partially implemented

Observations

Although progress has been made, the Ministry of Finance has not completed its project that would address our recommendation. The planned and ongoing updates to CAMF are part of a broader initiative, including recommendations related to our audit. As the ministry noted, it created two new best practice guidance documents since our audit report, but they are not related to our recommendations. The November 2015 work plan the ministry provided us with projected that the first chapter of relevant work would be released in the summer of 2016. The updated work plan it provided in July 2016 delayed the release date of the first chapter to Fall 2016/Winter 2017. To date, the ministry has not released this chapter. As a result we have concluded that the action plan is only partially implemented.

RECOMMENDATION 2: *We recommend that the Ministry of Finance, the Ministry of Transportation and Infrastructure, and Partnerships British Columbia document their project reviews so that the scope of these reviews, and the analysis underpinning decisions, are clearly described in written records.*

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Fully/substantially implemented

PROGRESS AUDIT

Observations

The Ministry of Transportation and Infrastructure has updated its project charter template to help ensure compliance with CAMF and better documentation of scope and analysis. A CAMF compliance checklist has also been developed and being used for projects.

Partnerships BC has created and implemented a peer review template and new guidance to document project reviews. These are being used as part of its quality management framework.

RECOMMENDATION 6: *We recommend that the Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships British Columbia improve how they assess and report on whether strategic options assessments and business cases have followed the CAMF guidelines.*

MoTI/Partnerships BC

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Fully/substantially implemented

Ministry of Finance

Auditee Assessment:

- Partially implemented

OAG Assessment:

- Partially implemented

Observations

The Ministry of Transportation and Infrastructure developed, tested and implemented a CAMF checklist for projects. A Concept Plan process for strategic options is still in development; however, the scope of this work surpasses our recommendation.

Partnerships BC fully implemented the recommendation by revising its quality control process to include review for compliance with the principles of CAMF. The Vice-President, Projects is responsible for ensuring that reports have met company standards before they are released.

The Ministry of Finance plans to revise Business Case Guidelines to ensure CAMF is followed for strategic options assessments, but these have been delayed. Some tools to help ensure CAMF compliance, such as a risk screening tool have been developed. These tools did not exist when we reviewed the business cases for Evergreen, but they were already in use at the time of our audit.

PROGRESS AUDIT

Performance measurement

RECOMMENDATION 4: *We recommend that the Ministry of Transportation and Infrastructure provide more detailed guidance on performance measurement so that business cases include appropriate detail on performance indicators, targets and how these indicators will be measured.*

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Fully/substantially implemented

Observations

The Ministry of Transportation and Infrastructure has updated its general Business Case Guidelines to strengthen linkages to CAMF and improve performance measures. Responsibility for these items has been assigned to individual project executive boards in their terms of reference. When the ministry first defines a project and provides guidance, it requires that staff identify performance measure information as part of the critical success factors.

For Evergreen specifically, the ministry hired a consultant to help develop performance measures and identify how they can be measured. These will provide a good benchmark for future transit projects.

RECOMMENDATION 5: *We recommend that the Ministry of Transportation and Infrastructure develop and apply a detailed framework for measuring, managing and reporting on the performance of the Evergreen Line. The framework should describe:*

- ◆ *evaluation objectives and specific performance measures;*
- ◆ *methods for collecting reliable, meaningful information;*
- ◆ *how agencies will measure and manage performance and provide the necessary resources to do this work; and*
- ◆ *how the outcomes will be shared across government and the wider community.*

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Fully/substantially implemented

Observations

The Ministry of Transportation and Infrastructure has created a detailed performance measurement framework and monitoring plan. These align with the business case goals, objectives and commitments.

The ministry has gathered the data needed to measure business case objectives, such as ridership and economic development along the corridor.

PROGRESS AUDIT

Transit ridership and benefit estimates

RECOMMENDATION 3: *We recommend that the Ministry of Transportation and Infrastructure provide more detailed guidance on its requirements for estimating ridership and the economic benefits of transit projects.*

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Fully/substantially implemented

Observations

The Ministry of Transportation and Infrastructure has updated its Business Case Handbook, which now specifies that staff must complete and retain comparisons of viable options in project records for each business case. The ministry also made improvements to the Transit Business Case Template, including new guidance defining project inputs, such as ridership forecasts.

In preparation for the update, the ministry did a literature review titled “Forecast Accuracy for Major Transportation Projects,” which summarizes academic studies of forecasting accuracy in large transportation projects around the world.

RECOMMENDATION 7: *We recommend that the Ministry of Transportation and Infrastructure update its guidelines to make relevant comparisons with observed data central to justifying and explaining traffic and ridership forecasts.*

Auditee Assessment:

- Fully/substantially implemented

OAG Assessment:

- Fully/substantially implemented

Observations

The ministry’s updates to its business case guidelines for highway projects specifically require the use of observed data to inform forecasts. The ministry is also assessing the use of GPS-based proprietary traffic volume data as an alternative to other more costly collection methods. This will provide data that is both more detailed and timely than older methods of traffic measurement.

APPENDIX A:

DETAILED ACTION PLAN BY MINISTRY OF FINANCE

Prepared for the Select Standing Committee on Public Accounts by the Ministry of Finance

Audit of the Evergreen Line Rapid Transit Project released: [March 2013](#)

Initial PAC Meeting: [November 19, 2013](#)

1st Action Plan Update self assessment: November 04, 2014

2nd Action Plan Update: November 2015

| | |
|---|---|
| Recommendation # | 1 |
| OAG Recommendations ¹ | <p>The Ministry of Finance implement a project plan, describing the scope, required resources, timelines and deliverables, for updating the Capital Asset Management Framework (CAMF) to provide comprehensive guidance for public sector agencies on:</p> <ul style="list-style-type: none"> ◆ The information required to underpin capital project planning and how this should be documented; and ◆ The type of oversight that should be applied to verify the information presented to government. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | ● Fully/substantially implemented |
| Action Taken ³ | <ul style="list-style-type: none"> ◆ Representatives from the construction industry and the provincial government have been working together through the Deputy Ministers and Industry Infrastructure Forum (DMIIF) to review capital procurement practices and current policy direction. ◆ DMIIF provides support for consolidated input from, and engagement with, industry. The Ministry of Finance works with the CAMF subcommittee of DMIIF to implement priority initiatives related to CAMF. ◆ As a result of that work, the Province has implemented two new best practice guidelines under the CAMF; Pre-qualification Processes and Privilege Clauses. |

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

Action Taken³ *continued*

- ◆ Implementation of project plan for the update of CAMF has begun with the approval and release of best practices guidance documents mentioned above under the “tools” section. In addition, revisions of the procurement chapter are underway and nearing completion.
- ◆ In keeping with the CAMF update project plan, the next section of the document to be updated is the planning chapter.
- ◆ The revision of CAMF will include guidance on the information required in planning a capital project, documentation needed and the due diligence required on information presented to government, particularly as part of the update of the planning chapter.
- ◆ As the update of CAMF is an ongoing project, the project plan is reviewed and revised internally as needed.

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

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| Recommendation # | 2 |
| OAG Recommendations ¹ | The Ministry of Finance, the Ministry of Transportation and Infrastructure, and Partnerships British Columbia document project reviews so that the scope of these reviews, and the analysis underpinning decisions, are clearly described in their written records. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | <ul style="list-style-type: none"> ● Fully/substantially implemented |
| Action Taken ³ | <ul style="list-style-type: none"> ◆ Ministry of Finance reviews of capital project submissions are documented and retained through Treasury Board Staff briefing notes prepared for the advice of Treasury Board. ◆ The Ministry of Finance has implemented a risk screen tool to provide consistent documentation of the analysis performed to support the initial review of risk and complexity for a capital project, and determine the level of government oversight required for project approval. ◆ Partnerships BC (PBC) has prepared and implemented a standard template to document its internal project reviews (“Peer Reviews”). Information required to complete the template typically includes, but is not limited to: <ul style="list-style-type: none"> ◆ Key Project information ◆ Peer Review meeting participants, including project team members and reviewers ◆ key discussion topics ◆ actions items and takeaways and ◆ final review sign off and confirmation. <p>Peer Review meeting minutes are retained within PBC’s project files.</p> |

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

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| Recommendation # | 6 |
| OAG Recommendations ¹ | The Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships British Columbia improve how they assess and report on whether strategic options assessments and business cases have followed CAMF guidelines. |
| Action Planned | The Ministry of Finance plans to review guidelines for strategic options assessments and business cases during the update of the planning section of CAMF, including the development of tools as needed (e.g. scalable business case template). |
| Target Date | 2016 |
| Assessment of Progress by Entity ² | ● Partially implemented |
| Action Taken ³ | <ul style="list-style-type: none"> ◆ Internal Partnerships BC business case development guidelines are based on CAMF, and as business cases are reviewed by Ministries, PBC and Finance, consideration is given to whether CAMF principles have been met. ◆ Ministry of Finance reviews of business cases, including strategic options analysis provided by agencies, are aligned with the principles in CAMF and reported through TBS briefing notes prepared for the advice of Treasury Board. |

¹ This should include all the recommendations listed in the Office of the Auditor General (OAG) report unless previously assessed as fully or substantially implemented. (i.e. only outstanding recommendations need to be reported).

² The Select Standing Committee on Public Accounts (PAC) will request an update (i.e Assessment of Progress and Actions Taken column completed) on a yearly basis from the audited organization until all recommendations are fully implemented or otherwise addressed to the satisfaction of the PAC. After the first action plan update only outstanding recommendations (i.e. those not fully or substantially implemented) need to be reported.

³ This action plan and their subsequent updates have not been audited by the OAG. However, at a future date that Office may undertake work to determine whether the entity has fairly and accurately represented their progress in addressing the recommendations. The results of that work will be reported in a separate report prepared by the OAG.

APPENDIX B:

DETAILED ACTION PLAN BY MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE, AND PARTNERSHIPS BC

Prepared for the Select Standing Committee on Public Accounts by Ministry of Transportation and Infrastructure, and Partnerships BC

Audit of the Evergreen Line Rapid Transit Project released: [March 2013](#)

Initial PAC Meeting: [November 19, 2013](#)

1st Action Plan Update self assessment: November 4, 2014

2nd Action Plan Update: November 2015

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|---|---|
| Recommendation # | 2 |
| OAG Recommendations ¹ | The Ministry of Finance, the Ministry of Transportation and Infrastructure, and Partnerships British Columbia document project reviews so that the scope of these reviews, and the analysis underpinning decisions, are clearly described in their written records. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | ● Fully/substantially implemented |
| Action Taken ³ | MoTI has changed its mandated procedures in its Project Charter (completed in December 2014) to ensure the project team follows standards established in CAME. |

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

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|---|--|
| Recommendation # | 3 |
| OAG Recommendations ¹ | The Ministry of Transportation and Infrastructure provide more detailed guidance on its requirements for estimating ridership and the economic benefits of transit projects. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | ● Fully/substantially implemented |
| Action Taken ³ | <p>MoTI has developed a Transit Business Case template which is based on Federal Government requirements and aligns with CAMF requirements. These templates and processes are provided as background requirements to major transit investment project teams who develop a clear statement of the business problem and a strategy for identifying options, along with reviewing available data, modeling tools used in the region, and includes stakeholder consultations.</p> <p>MoTI conducted a comparison of traffic forecasts for major transportation projects to post-completion actual volumes. Results of this review showed that each project is unique and that each project will need to develop an appropriate forecasting methodology.</p> <p>When required, the project team includes contracted subject area experts to model ridership forecasts and to quantify and monetise tangible and intangible economic benefits for use in the development of the Business Case and the comparison of viable options to address the stated business problem.</p> <p>The Transit Business Case Template was amended to ensure project teams provide a detailed review of the processes being proposed to forecast ridership and the proposed strategy to quantify and monetize economic benefits in the development of the Business Case; this work was completed in December 2014.</p> |

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

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| Recommendation # | 4 |
| OAG Recommendations ¹ | The Ministry of Transportation and Infrastructure provide more detailed guidance on performance measurement so that business cases follow CAMF by including appropriate detail on performance indicators, targets and how these will be measured |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | <ul style="list-style-type: none"> Fully/substantially implemented |
| Action Taken ³ | <p>All major projects have Project Executive Boards that provide oversight to each major capital project during the planning and implementation of the project. These Boards are mandated to ensure the project complies with government decisions and directions. CAMF is a mandated standard and project teams are directed to be compliant to this standard.</p> <p>Performance Measures are required in all Business Cases to ensure government is receiving estimated benefits for the investments.</p> <p>The business case guidelines for highway projects were updated (April 2014) and posted on MoTI's Internet site. The linkages to CAMF requirements have been strengthened and additional guidance has been provided for performance indicators.</p> <p>MoTI's Project Charter Template was amended to clearly assign the responsibility of compliance with CAMF in the development of the Business Case and was completed in December 2014.</p> |

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

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| Recommendation # OAG Recommendations ¹ | 5 Ministry of Transportation and Infrastructure develop and apply a detailed framework for measuring, managing, and reporting on the performance of the Evergreen Line, The framework should describe: <ul style="list-style-type: none"> ◆ Evaluation objectives and specific performance measures; ◆ Methods for collecting reliable, meaningful information; ◆ How agencies will measure and manage performance and resource this work; and, ◆ How the outcomes will be shared across government and the wider community. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | <ul style="list-style-type: none"> ● Fully/substantially implemented |
| Action Taken ³ | <p>The Evergreen Line Project has developed and implemented a framework for measuring the performance of the Evergreen Line. The framework was developed with assistance from external experts in the areas of performance planning, to ensure that current best practices in performance measurement were considered. This framework is outlined in the Evergreen Line Performance Management Plan, which was approved by the Project Board in July 2014.</p> <p>The Evergreen Line Business Case included the following goals and objectives: Increasing Transportation Choice; Support for Growth Management; Support for Environmental Sustainability Initiatives; and Meeting procurement Goals. The Performance Management Plan outlines the framework to measure the performance of these Project goals and objectives. The performance measures are allocated into three major categories: Regional, Operational and Project Commitments. During this process, the Project consulted with the relevant agencies (TransLink, City of Port Moody, City of Coquitlam, and the Transit Branch of MOTI). The methods for collecting reliable and meaningful information were determined in discussions with these agencies.</p> <p>Currently, during the Project implementation phase, the Project Team continues to track the Project Commitments and meets quarterly with the Evergreen Project Board. The Project Team is also working with the the City of Coquitlam and City of Port Moody to establish baseline data for the Regional Commitments. This baseline data will form the pre project announcement development baseline and will be referenced against future measurements of concentrated building development within 800 metres of the new Evergreen Line Stations.</p> <p>During operations, TransLink will measure regional and operational performance measures and provide updates to MOTI at frequencies as set out in the Performance Plan. MOTI will also continue to measure outcomes that are not captured by TransLink for five years after opening.</p> |

DETAILED ACTION PLAN - PREPARED FOR THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS

| | |
|---|---|
| Recommendation # | 6 |
| OAG Recommendations ¹ | The Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships British Columbia improve how they assess and report on whether strategic options assessments and business cases have followed CAMF guidelines. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | ● Fully/substantially implemented |
| Action Taken ³ | MoTI has established, through its published Business Case Development Guidelines, that all major capital projects have to comply with CAMF, and as business cases are reviewed by MoTI explicit consideration will be given to whether CAMF principles have been met. |
| Recommendation # | 7 |
| OAG Recommendations ¹ | The Ministry of Transportation and Infrastructure update its guidelines to make relevant comparisons with observed data central to justifying and explaining traffic and ridership forecasts. |
| Action Planned | N/A |
| Target Date | N/A |
| Assessment of Progress by Entity ² | ● Fully/substantially implemented |
| Action Taken ³ | As discussed in Recommendation 4, consideration will be given for each project delivery team to review and assess the project Business Case's forecasting methodology. These forecasts are an essential component in the identification of performance measures used to assess the success of the project in achieving government expectations. Major capital projects planning teams may secure independent subject area experts to assess existing data, forecasting models, and coordinates with stakeholder agencies to develop project/corridor specific forecasts and project specific performance measures. The business case guidelines for highway projects were updated (April 2014) and posted on MoTI's Internet site. The linkages to CAMF requirements have been strengthened and additional guidance has been provided for forecasting. MoTI Project Charter Template was amended in December 2014 to clearly assign the responsibility for making comparisons to observed data, and justifying any variations. |

¹ This should include all the recommendations listed in the Office of the Auditor General (OAG) report unless previously assessed as fully or substantially implemented. (i.e. only outstanding recommendations need to be reported).

² The Select Standing Committee on Public Accounts (PAC) will request an update (i.e Assessment of Progress and Actions Taken column completed) on a yearly basis from the audited organization until all recommendations are fully implemented or otherwise addressed to the satisfaction of the PAC. After the first action plan update only outstanding recommendations (i.e. those not fully or substantially implemented) need to be reported.

³ This action plan and their subsequent updates have not been audited by the OAG. However, at a future date that Office may undertake work to determine whether the entity has fairly and accurately represented their progress in addressing the recommendations. The results of that work will be reported in a separate report prepared by the OAG.



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