

ANNUAL LOSS REPORTING SUMMARY

Risk Management Branch and Government Security Office

NOTE: Annual Loss Summary Reports for programs are not included within the above graphical statistics.

Four ministries, in addition to reporting General Incidents or Losses, are tasked to report losses associated with their Program Areas. A 1997/98 report by the Auditor General identified that this second tier reporting would be appropriate to the [then] Ministries of Human Resources, Forests, Health, and Transportation and Highways.

[Core Policy 20.2.6](#) - Due to the nature of certain programs, some ministries experience recurring losses from general incidents and/or illegal activities. These ministries often have internal resources dedicated to managing the losses (e.g., Prevention and Loss Management Services Branch). Examples of such loss incidents include:

- Suspected false or fraudulent claims for social benefits, loans, grants, or transfers including employment and income assistance, student loans and MSP.
- Overpayments or erroneous payments.
- Loss of revenue that should have been received or collected.
- Theft of Crown property (e.g., unauthorized timber harvest); damage to Crown property; etc.

These ministries, that have internal resources dedicated to managing losses, must report their loss incidents to the Risk Management Branch by June 30th of each year for the preceding fiscal year, on an Annual Loss Summary Report.

Fiscal 2014/15

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS

Recurring losses from general loss incidents and/or illegal activities are reported annually as the value of reporting these types of losses as they occur on a GILR is limited. They must be reported to the Risk Management Branch by June 30 of each year for the preceding year on an Annual Loss Summary Report.

* **Estimated** ** Reasons and safeguards can be explained from the caveat

Fiscal Year		Value of Losses	Value of Recoveries	Net Loss	Reason for losses**	Safeguards and Loss Control Measures**
2014/15	Water	\$7.3M (accounts receivable)	\$5.1M (accounts paid)	\$0 to Min of Fin collections	<p>Unpaid fees on current water licenses. (MC: I am unaware of any billing for unauthorized water use.) \$1.4M was still outstanding as of 26 June 2015; \$0.7M of that is from two situations where ownership is indeterminate or the debt is uncollectible at this time.</p> <p>All collection activity is now in-house: \$189K has been collected over the last six months.</p>	General accounting and billing procedures in place to bill and receive payments.

Fiscal 2014/15
MINISTRY OF HEALTH
Audit and Investigations Recoveries

	Audit #s	2014/15
Eligibility, Compliance & Enforcement Unit(1)	1022	\$3,099,813
Audit - Billing Integrity Program	33	\$5,873,534
Audit - PharmaCare Audit	26	\$3,151,860
Total	1081	\$12,125,207

Note:

(1) Includes amounts agreed to be paid, but not necessarily collected as collection is performed by the Health Authorities.

Fiscal 2014/15

MINISTRY OF SOCIAL DEVELOPMENT AND SOCIAL INNOVATION

Enforcement Program Initiative

Type	Orders/ Judgements	Value
Criminal Code Convictions	69	\$801,000
Settlement (Cases which did not proceed to court or where a stay of proceedings was entered)	60	\$916,000
Civil Court Orders	17	\$8,000
Total	146	\$1,725,000

Explanatory Notes:

- The numbers for the Enforcement Program are preliminary and subject to change.
- Values are rounded to the nearest 1,000.
- The number of criminal convictions will vary annually. There are several factors beyond branch control that impacts this number including, but not limited to:
 - The number of criminal investigators available to work on files;
 - The complexity of those files that are accepted for criminal investigation;
 - The difficulty faced by crown counsel in securing court times and venues; and/or
 - Civil Court Orders result from both Civil Supreme Court and Small Claims Court.
- The value of the court orders/judgements is not necessarily the amount paid or collected.
- The Ministry of Social Development and Social Innovation (SDSI) is committed to providing assistance only to people who are eligible for benefits under the Acts and in doing so, is accountable to the citizens of BC.
- SDSI actively pursues all allegations or suspicions of fraud.
- SDSI also has a robust prevention and compliance program in place aimed at reducing fraud and recovering funds issued to ineligible clients.

Fiscal 2014/15

MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE

Incidents Reported	1325
Value of Losses	\$3,407,022
Value of Recoveries	\$608,895
Net Loss	\$2,798,127
Potential for Recovery as Files Still Open	\$2,716,036
Potential Net loss - to Crown	\$82,091

Explanatory Notes:

- Claims are received up to two years after incident date therefore the costs, recoveries and numbers of claims may change retroactively when reporting subsequent year data.
- These figures are based on incidents reported to the Ministry's Claims Section. Note, not all incidents are reported to the Ministry.