

# 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 2015/16**  
**MINISTRY OF HEALTH**  
**Audit and Investigations Recoveries**

	<b>Audit #s</b>	<b>2015/16</b>
Eligibility, Compliance & Enforcement Unit(1)	875	\$3,136,741
Audit - Billing Integrity Program	20	\$6,080,977
Audit - PharmaCare Audit	27	\$3,181,422
<b>Total</b>	<b>922</b>	<b>\$12,399,140</b>

**Note:**

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

**Fiscal 2015/16**  
**MINISTRY OF SOCIAL DEVELOPMENT AND SOCIAL INNOVATION**  
**Enforcement Program Initiative**

<b>Type</b>	<b>Orders/ Judgements</b>	<b>Value</b>
Criminal Code Convictions	37	\$412,000
Repayment Agreements	80	\$1,019,000
<b>Total</b>	<b>119</b>	<b>\$1,465,000</b>

**Note:** No Civil Court Orders concluded during this period. Two cases were in progress with an estimated value of \$34,000. The estimated value is the amount the ministry will pursue through civil litigation and not necessarily what the court may award.

**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 impact 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; and
  - The difficulty faced by crown counsel in securing court times and venues.
- Civil Court Orders result from both Civil Supreme Court and Small Claims Court.
  - Civil Court Order amounts are not shown if amount is a collection order for a Criminal Conviction restitution order.
- The value of the court orders and repayment agreements 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 2015/16**  
**MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE**

Incidents Reported	1243
Value of Losses	\$4,131,765
Value of Recoveries	\$1,320,875
Net Loss	\$2,810,890
Potential for Recovery as Files Still Open	\$2,136,009
Potential Net loss - to Crown	\$674,881

**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.