

**Appendix B**  
**Detailed Status Report of**  
**Recommendations**  
**Since 2012**

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
EHealth – Procurement and Conflict of Interest	Health	2012	2	3	50	<p>The findings in the OoC’s report are consistent with ours. Recommendations regarding the procurement process from the OoC’s report are applicable to our findings as well. The OoC’s recommendations included:</p> <ul style="list-style-type: none"> <li>• Contract managers should ensure that the requirements of the <i>Public Purchasing Act</i> are followed. Documentation should be maintained supporting Minister’s exemptions particularly when the exemption for Specific Skills or Sole Source of supply is used.</li> <li>• A purchase order should be obtained prior to the payment of any amounts and the value of the purchase order should not be exceeded.</li> <li>• A signed statement of work should always be obtained prior to the commencement of the project.</li> <li>• When contracts are negotiated and signed with vendors, only contracts drafted by PNB should be utilized. Vendor contracts should not be used.</li> </ul>	Implemented

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EHealth – Procurement and Conflict of Interest	Health	2012	2	3	51	<p>In addition to the recommendations made by the OoC, we recommend:</p> <ul style="list-style-type: none"> <li>To avoid frequent contract amendments, the Department of Health adequately plan and define the scope, deliverables, timelines and costs for each IT contract and complete all required documentation before signing contracts or allowing work to commence; and</li> <li>In the event contract amendments are required, the Department of Health properly prepare and approve change requests and amendments to original contract agreements.</li> </ul>	Implemented
EHealth – Procurement and Conflict of Interest	Health	2012	2	3	69	<p>In general, the findings in the OoC's report were consistent with ours. The OoC's recommendations related to conflict of interest are applicable to our findings in this area as well. The OoC's recommendations included:</p> <ul style="list-style-type: none"> <li>Employees and contractors should sign off as having read and understood AD-2915 (Conflict of Interest) on an annual basis. For employees, this could be incorporated as part of their annual performance review. As stated in AD-2915 employees must advise the Senior Executive Officer of any conflict of interest situation in which they find themselves. Documentation should be maintained.</li> <li>Managers and directors should familiarize themselves with the meaning and definition of an "apparent conflict of interest ". A suggested reading could be the document on this topic published by the Treasury Board of Canada Secretariat.</li> </ul>	Implemented

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EHealth – Procurement and Conflict of Interest	Health	2012	2	3	69	<ul style="list-style-type: none"> <li>Contractors should not occupy management positions within the department. Where the situation is unavoidable, the contractor should be strictly limited to the financial information which they can access particularly with respect to competitor's information.</li> <li>Where contractors are members of project steering committees, they should not take part in any discussions surrounding the contracting/outsourcing of any work for the project.</li> <li>Contractors should be required to disclose business relationships with other contractors working in the department when a partnership or joint venture type relationship exists.</li> <li>If a Project Manager or member of a Steering Committee is a contractor and also a partner or principal of a consulting firm, the department should refrain from hiring other contractors from the same company on the project.</li> </ul>	Implemented
EHealth – Procurement and Conflict of Interest	Health	2012	2	3	70	We recommend the Department of Health develop and implement a plan to eliminate reliance on consultants serving as project managers and prohibit consultants from serving as members of RFP evaluation committees or project steering committees.	Implemented
EHealth – Procurement and Conflict of Interest	Health	2012	2	3	81	We recommend the Department of Health develop and implement a plan to in-source all IT operation and maintenance functions over the next two years.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
EHealth – Procurement and Conflict of Interest	Office of the Chief Information Officer	2012	2	3	85	<p>We recommend the Office of the Chief Information Officer develop and monitor compliance with a government-wide policy relating to the procurement, contracting and management of IT consultants. That policy should address and mitigate risks regarding procurement and conflict of interest of consultants, and clearly state when the use of internal IT resources is more appropriate. As a minimum, the policy should require that:</p> <ul style="list-style-type: none"> <li>• the primary role of IT consultants be to provide specialized expertise to government, typically for development initiatives;</li> <li>• IT operations and maintenance work be in-sourced, with allowances made for knowledge transfer from private sector experts in the shorter term;</li> <li>• a competitive bidding process, in compliance with all pertinent government legislation, be followed for the selection of consultants;</li> <li>• any exemption from the competitive bidding process be properly authorized and made for sound business reasons defensible to the public;</li> <li>• there is sufficient in house government expertise to effectively oversee and manage the work of consultants before a project is started;</li> <li>• the opportunity for real or perceived conflict of interest on the part of contracted consultants is mitigated, in part by requiring that project managers, and members of key project committees be staffed exclusively with in-house resources; and</li> <li>• provincial remuneration levels for IT staff not act as a barrier to the ability of government to hire and retain needed internal IT resources on a permanent basis.</li> </ul>	Not Implemented