
**Report on the Review of the Fisheries and
Aquaculture Licensing and Compliance Branch**

Ministry of Agriculture and Lands

Distribution

Executive Summary Only

Deputy Minister **L. Pedersen**

Full Report

Assistant Deputy Minister
Corporate Services Division **J. Kendall**

Assistant Deputy Minister
Strategy, Policy and Legislation **D. Stancil**

Director
Fisheries and Aquaculture
Licensing and Compliance Branch **J. Hunter**

**Internal Audit & Advisory Services
Office of the Comptroller General
Ministry of Finance**

Date of fieldwork completion: July 2005

Table of Contents

Section

Page No.

Abbreviations	i
Executive Summary	1
Purpose and Objectives	5
Scope and Approach	5
Observations, Conclusions and Recommendations	7
1.0 Planning and Allocation of Inspections	7
2.0 Risk-Based Inspections	10
3.0 Linkages to Licensing	13
4.0 Penalties	17
5.0 Reporting	18



Abbreviations

ALRAS	Aquaculture Licensing and Referrals Administration System
CFLS	Commercial Fisheries Licensing System
ERM	Enterprise-wide Risk Management
Flora	Flora System
the branch	Fisheries and Aquaculture Licensing and Compliance Branch
the ministry	Ministry of Agriculture and Lands
WLAP	formerly the Ministry of Water, Land and Air Protection

Executive Summary

We have completed our review of the inspection program within the Fisheries and Aquaculture Licensing and Compliance Branch (the branch). The purpose of the project was to review the inspection program to provide feedback to the former Ministry of Agriculture, Food and Fisheries (the ministry), now part of the Ministry of Agriculture and Lands so that they can assess whether their current resource allocation and volume of inspections sufficiently mitigates the risk of industry non-compliance with the regulatory framework.

Branch fisheries inspectors conduct inspections at every active salmon farm in the province a minimum of once per year, and more frequently when necessary. For example, in 2004, the eight branch fisheries inspectors carried out 114 inspections and 60 investigations at the 94 salmon farms in BC. In addition, the fisheries inspectors conduct an annual spot audit program, randomly selecting six to ten salmon farms for a comprehensive review of farming operations and a dive audit.

The provincial government lifted the moratorium on finfish farm licenses in 2002, and the aquaculture sector is anticipated to expand over the next few years. The ministry has requested advice regarding the appropriateness of the current inspection program for finfish aquaculture sites, and how to maximize the inspection function and minimize risks related to aquaculture inspections in the face of a growing sector.

Overall, we conclude inspection resources within the branch are adequate to maintain the current annual inspection program of all active finfish licensees at this time. Our analysis of data obtained from the branch suggests that there may be ample opportunity to achieve 100% inspection rate of finfish licensees or inspection resources could be re-allocated to other sectors deemed to be a risk, and, in addition, to gain other efficiencies from changes in future working practices and behaviors.

We also conclude the risk-based approach used by inspectors is not clearly or quantitatively applied and there is no assurance that high risk licensees and high risk sectors are inspected more frequently than low risk sites.

We further conclude opportunities exist for the branch to enhance the effectiveness and efficiency of the inspection function through the implementation of additional controls described in our report.

Planning and
Allocation of
Inspections

The branch has well-defined plans that clearly outline inspection objectives and priorities, however implementation of plans at the inspector level and monitoring progress achieved could be improved upon.

The branch has had a three-year operational plan that identifies specific branch strategies, key action items and outcome measures and targets. As well, the branch has identified five inspection priorities and inspectors were aware of these priorities although none had developed a plan for each type of inspection, including scope, objectives, timeframe and scheduling to assist in the efficient and effective achievement of all priorities.

Risk Based
Approach to
Inspections

The risk criteria used in the branch are not clearly or quantitatively applied and most inspections are not risk-based, rather they are treated uniformly based on type and time. While the new supplemental policies and procedures manual defines risk criteria for consideration in the planning of inspections, there is no methodology that can be used by the inspectors to rank relative risk and identify operational priorities based on risk.

Further, the branch should take steps to accurately measure and assess the risks associated with the potentially significant level of non-compliant activity within commercial fisheries enterprises.

Linkages
between
Licensing and
Inspections

The liaison and coordination between licensing and inspections within the branch is generally effective and there are a number of routine processes in place to ensure information sharing. However, there are also opportunities that may enhance branch efficiency and effectiveness through streamlining systems and procedures.

Regulatory
Framework

While we did not review the fisheries and aquaculture regulatory framework, we did find that the current legislation and regulations limit the ability of the fisheries inspectors to effectively enforce compliance. Tickets are not seen as an effective tool to ensure compliance, and only nine violation tickets had been issued in 2004. The preferred approach is one of compliance and progressive enforcement, and Inspectors generally relied on tools such as coaching and training in trying to achieve industry compliance with the regulations.

Reporting

Reporting processes within the branch are adequate and needed information is gathered enabling management to report on results achieved. In addition, there are opportunities for the branch to use the information to analyse and assess the effectiveness and efficiency of its operations.

A range of key information is collected and reported on within a number of adequate systems, and is used by the branch to track and measure levels of activity and to demonstrate successful achievement of Service Plan and branch objectives. In addition, information from these systems could be used to enhance strategic and operational planning, such as the forecasting and scheduling workloads, establishing budgets, and the monitoring of inspection activities and individual results. As well, the branch could use information from the systems to analyse the impact of the regulatory framework and other operational risks on the efficiency and effectiveness of the inspection function.

During the course of our work, we noted many strong management practices in place to assist the branch in achieving its objectives, including a focus on the goals of ensuring public health and environmental conservation are protected; individual accountability and an emphasis on results; mentoring between inspectors; quarterly results measurement, and an emphasis on developing and renewing key partnerships.

We also noted the branch is acting on a number of key risks through the development of a harmonized approach to First Nations consultation, the drafting of a policy paper on multi-year licensing of finfish farms; ongoing liaison with the Ministry of Environment (former WLAP) on the integration of licensing systems, the design of single-window licensing and permitting processes, and strict attention to the management of escapes.

We would like to thank the management and staff of the Fisheries and Aquaculture Licensing and Compliance Branch for their assistance and input into this review.

Ian Birch
Director, Operations
Internal Audit & Advisory Services

November 7, 2005

Introduction

A goal of the former Ministry of Agriculture, Food and Fisheries (the ministry), now part of the Ministry of Agriculture and Lands was to ensure optimum benefits to British Columbians from marine fisheries and aquaculture.

Seafood and fisheries industries are challenging businesses, particularly given the prominent federal role in management and regulation. The sectors are subject to fluctuations in wild fish populations, ever-changing consumer preference, volatile market prices, changing international economic conditions, shifting government policy and intense competition. To remain competitive in a global economy, issues relating to security of access and sector capacity need to be addressed.

An objective of the ministry is to ensure a growing and well-managed aquaculture sector. As part of managing this sector, the ministry reviewed its Regulatory Framework in 2004 and compared it to other major salmon farming jurisdictions. The review concluded that BC has the most prescriptive and the only performance based legislation compared to five other jurisdictions. The Fisheries and Aquaculture Licensing and Compliance Branch (the branch) furthers the achievement of this objective through the licensing, monitoring, and inspecting of the industry, in order to support, encourage and ultimately achieve full compliance with all regulations and generate improvements in industry practice, while working to maintain consumer confidence.

The branch has the responsibility to receive license applications, adjudicate and issue commercial seafood licenses and permits for finfish aquaculture operations, commercial seafood activities and commercial harvests of marine plants and wild oysters. The branch is also responsible for monitoring, inspecting and reporting on commercial fisheries to ensure compliance with the ministry's regulatory framework, and to conduct inspections of aquaculture operations on behalf of the Ministry of Environment.

The Fisheries and Aquaculture Licensing and Compliance Branch have a finite resource and, given that industry growth is a ministry objective, seek to ensure that resources are appropriately allocated to areas of highest risk.

The ministry has requested, as part of its annual audit plan, that Internal Audit & Advisory Services (IAAS) review the inspection program regarding the appropriateness of the current inspection program for finfish aquaculture.

Purpose and Objectives

The purpose of this assignment was to review the inspection program to provide feedback to the ministry so that they can assess whether their current resource allocation and volume of inspections sufficiently mitigates the risk of industry non-compliance with the regulatory framework. Specifically, we reviewed the following areas.

- Planning – the deployment of resources is appropriately allocated to the areas of highest risk.
- Inspections – inspection activities are conducted in areas of highest risks.
- Linkages to Licensing – linkages between the licensing and inspections section within the branch serve as effective controls over the licensing and inspection processes.
- Penalties – serve as an adequate deterrent to non-compliance with the Regulatory Framework.
- Reporting – key information is identified, collected and reported on to demonstrate successful achievement of objectives, and is used for decision-making.

We also planned to facilitate an Enterprise-wide Risk Management (ERM) session to assist the branch in integrating ERM into its operations. This session has been postponed until fall 2005. It is anticipated this session will result in a branch-produced risk register. We do not expect to further report on this process.

Scope and Approach

The scope of this review included a review of risks and controls associated with the inspection program and also included the following:

- discussions with management and staff of the Fisheries and Aquaculture Licensing and Compliance Branch in order to gain input into and prioritize risks;
- reviewing a sample of inspection files, records, reports, the new *Supplementary Guidelines to the Fisheries Inspectors Policies and Procedures Inspection Manual*, and other documents as required; and,

- accompanying fisheries inspectors on inspections of licensed sites, and undertaking discussions with site personnel.

Our review excluded a review of the regulatory framework (legislative and regulatory requirements) since an independent consultant recently examined this. As well, our review did not include an assessment of the *Supplementary Guidelines to the Fisheries Inspectors Policies and Procedures Manual*, rather we reviewed it to address our objectives above.

Observations, Conclusions and Recommendations

1.0 Planning and Allocation of Inspections

In this section, we reviewed the adequacy of branch planning processes and whether these processes result in the most efficient and effective deployment of inspection resources. We also assessed the adequacy of inspection policies and procedures in ensuring that inspections will be carried out efficiently and effectively.

Overall we conclude there are adequate planning processes within the branch that result in the identification of objectives, priorities and targets, however, the branch plan could be more effectively operationalized by having individual inspectors develop and record a workplan to ensure inspections priorities will be achieved.

The new Supplementary Guidelines to the Fisheries Inspector Policy and Procedures Manual should enhance the efficiency and effectiveness of the inspection function by providing clear and explicit standards for planning, preparing and scheduling different types of inspections, conducting and assessing compliance, documenting and communicating findings, and appropriate follow up actions.

In our opinion, branch inspection resources are sufficient to maintain 100% annual inspections of finfish farms at this time, although the branch may want to consider a risk-based approach where inspections are targeted at high risk sectors and operators.

Operational Planning of Inspections

The branch has had a Three Year Operational Plan 2002/03 – 2004/05 that identifies specific inspection objectives by sector, strategies to achieve those objectives, key action items and outcome measures and targets, including the frequency of inspections. The branch also holds an annual inspectors meeting where results of inspections are discussed, operational issues and priorities are identified, and workloads are allocated amongst the staff. Following the most recent inspectors meeting held on February 8, 2005, based on a review of issues, the following five inspections priorities were identified:

- annual finfish farm inspections at all active sites;
- shellfish inspections at 25% of active sites;
- commercial fisheries (finfish and shellfish) as required,

- wild oyster harvest inspections as required; and
- marine plant inspections as required.

All inspectors interviewed were aware of these priorities and priorities are assigned to individual inspectors, although none had an individual workplan to assist in the efficient and effective achievement of all priorities. In the absence of documented workplans, we were advised some inspectors may use Microsoft Outlook to record and track their inspection activities, although, based on our interviews with inspectors, we found that Outlook is used inconsistently which impacts branch efficiency and effectiveness.

The lack of individual workplans and a consistent approach to scheduling inspections activities creates the risk that branch priorities may not be successfully completed, negatively impacting on the achievement of ministry goals and objectives for fisheries and aquaculture.

The branch should consider the development of individual inspector work plans (goals, objectives and strategies) for each of these five priorities, and other operational objectives, that allows for seasonality, and that will also allow the opportunity for inspectors to be able to react in a timely manner to incidents and complaints, and to prevent/anticipate incidents and complaints through inspections at high risk sites. In addition, the branch should ensure Outlook is used consistently to facilitate “safe second”, that is, inspectors traveling in pairs, and the booking of vehicles and vessels.

Recommendations

- (1) The branch should ensure each inspector develops an individual workplan.**
 - (2) The branch should reinforce the use of MS Outlook to record and track inspections activities.**
-

Supplementary Guidelines

Substantial effort has been directed towards a revision of the Fisheries Inspectors Policies and Procedures Inspection Manual Supplementary Guidelines, which should serve as an effective business tool for inspectors. To assist in its effective implementation and to serve as a control, the branch may want to consider requiring inspectors to confirm they have read and understand the policies and procedures.

The new supplementary guidelines also present an opportunity to link the inspection function to Service Plan goals and objectives and strategies, and ensure alignment with Service Plan performance measures and targets. In addition, linking the guidelines to the Service Plan allows the branch to revisit the usefulness and relevance of the guidelines on an annual basis.

Recommendations

- (3) The branch should require inspectors to confirm they have read the supplementary guidelines.**
 - (4) The branch should link mission and mandate as well as the Service Plan performance framework to the supplementary guidelines.**
-

Inspections Resource Allocation

Branch data indicates that, in 2004, 440 inspections and investigations were carried out by the Senior Fisheries Inspector and seven inspectors in the branch across all licence categories. The branch estimated the time spent on these activities to be approximately 4700 hours. This figure represents 63% of total inspector capacity in the branch (based on 7 inspectors x average annual 1600 hours = 11,200 hours). This analysis suggests the following:

- 37% of inspector time is not spent on inspections and investigations;
- the branch is in a position to maintain the current annual inspection program of all active finfish licensees at this time and, as the sector grows and number of active farms increases, the branch may be able to sustain this program for the foreseeable future; or

- the annual inspection regime could be re-focused on high risk finfish farms, and some inspection resources could be re-allocated to other sectors deemed to be a risk.

As a significant amount of inspector capacity is not focused on inspections or investigations, the branch may want to conduct a more thorough analysis of inputs and outputs, perhaps through a pilot project, giving consideration to factors such as inspector time in and out of the office, number and type of inspections completed by each inspector, time per inspection, seasonality and other external considerations. This analysis can assist the branch in determining appropriate time spent on administrative activities and in setting targets for inspections for each sector.

Recommendation

- (5) The ministry should analyse inspector capacity and determine an appropriate inspection program and resource allocation for each sector.**
-

2.0 Risk-Based Inspections

In this section we reviewed whether there are processes in place in the branch to ensure inspections are targeted at the areas of highest risk. We conclude the number of inspections carried out for each license type is not based on a key risk factor: the rate of compliance with legislation, regulations and license terms and conditions as measured by the volume of warnings and violation tickets issued. While the branch is moving towards the use of risk criteria to help identify inspection frequency, at this time, the risk-based approach used by inspectors is not clearly or quantitatively applied and there is no assurance that high risk licensees and high risk sectors are inspected more frequently.

Compliance

We found that branch operations, in particular inspections, tend to be concentrated on finfish farms and there are extensive legislation and regulations, policies and procedures, and reporting focused on this sector. This creates the risk that less attention is paid to other potentially equally or higher risk sectors (the relative risk of each sector has not been assessed).

Based on compliance data from the branch, the average rate of compliance with legislation, regulation and policy across all categories is 92.5% based on 24 warnings (letters or tickets) and 9 violation tickets issued from 440 inspections and investigations carried out in 2003/04. The rate of compliance for all categories is outlined in the table below:

License Type	Number of Licenses	Inspections/ Investigations	Warnings (letter/ticket)	Violation Ticket	Rate of Compliance (from data)
Finfish	128	174	9	3	93%
Shellfish	460	75	6	3	88%
Commercial	478	173	7	2	95%
Wild Oyster	93	4	0	0	100%
Marine Plants	68	7	2	1	57%
Waste Mgmt / Other	N/A	7	0	0	100%
Total	1,227	440	24	9	92.5%

In some areas the number of inspections/investigations are so low that it is difficult to draw conclusions, although, overall this data suggests a high rate of compliance across most license types, or alternatively, a low level of issuing and recording of appropriate warnings and violation tickets. It also suggests the number of inspections conducted for each license type may not conform to the level of risk based on non-compliance. For example, the number of shellfish inspections should increase due to the relatively low rate of compliance with applicable legislation, regulations and license terms and conditions. As compliance within the sector increases, the number of inspections could decrease. Additionally, the number of marine plant inspections should increase in response to the low level of compliance, and we were advised the branch has plans to address this sector.

Commercial Fisheries

We were advised by staff within the branch that there may be a large number of unlicensed commercial fishery enterprises on the lower mainland (we have not assessed the accuracy or validity of this). It is difficult to speculate on the levels of non-compliant activity within these enterprises; however given the priorities of public health and public confidence in the industry as well as environmental conservation, additional efforts should be taken to accurately measure and assess this risk. For example, the branch should consider conducting a pilot project on product traceability to begin to assess the level of risk. (We were subsequently advised the branch has initiated a project to assess the level of compliance in the Commercial Fisheries sector.)

Recommendation

(6) The branch should take steps to assess the level of risk associated with unlicensed commercial fisheries activity.

Risk-Based Approach

Based on our interviews, we found the inspectors' risk based approach to planning and conducting inspections is highly subjective, is not documented and is not based on ministry standards or government Enterprise-wide Risk Management standards for risk ranking. At this time the ministry has not integrated Enterprise-wide Risk Management (ERM) into operational planning and the ministry has no Risk Management Plan. This creates the risk that inspectors may not be inspecting high risk operations and may be focusing too much on low risk operations.

The new supplementary guidelines for inspectors outlines inspection frequency for:

- routine inspections at a prescribed rate;
- problem operations as defined by noncompliance with legislation, regulations, license terms and conditions and complaints, requiring increased inspections at a rate to be determined by the Senior Inspector; and
- inspection frequency for some types of operations including fish processing and cold storage, marine plant processing and fish buying stations are discretionary and based on the judgement of the inspector.

These policies do represent a shift towards a risk-based approach although the risk criteria used to set frequency of routine inspections is not documented, is unclear and is not quantified.

In keeping with the principles of risk management, the systematic identification, analysis, evaluation and treatment of potential risk, the branch should develop a risk framework using a quantifiable risk ranking methodology that results in inspection frequency based on risk criteria such as:

- history (record keeping, issues carried forward);
- licensee experience;
- compliance records (warnings, tickets, sanctions, penalties);
- incidents (health and safety, environment);
- comparison against high performing operations;
- regulatory requirements; and

- type of license.

If results from the risk analysis indicate there are high risk sectors other than finfish farms, the regulatory framework for those sectors, e.g., legislation, regulations, policies and procedures, may need to be reviewed to ensure risk factors are adequately addressed.

Recommendation

- (7) The branch should develop a risk framework using a quantitative analysis that results in an annual risk-based inspections plan for both license types and individual licensees.**
-

3.0 Linkages to Licensing

In this section we reviewed the effectiveness of communications and information sharing between the fisheries inspectors and the licensing staff and whether there are adequate controls in place to assist in the identification and management of high risk operations.

We conclude that while there a number of effective branch administrative procedures to support linkages between the two functions, there are also weaknesses that impact branch efficiency and effectiveness. In addition, there may be opportunities to enhance controls by strengthening inspector roles and responsibilities through revised procedures and training.

Information Sharing

We found the liaison and coordination between commercial fisheries licensing and inspection sections to be generally effective with a number of routine processes in place to ensure information sharing including:

- notification from licensing to inspections when a pre-license inspection is required;
- notification from licensing to inspections when a renewal is issued and when a renewal reminder (2nd notice) is issued;
- a reconciliation between licenses active in 2004 and 2005 is carried out for commercial fisheries licenses and anomalies are brought to the attention of inspectors for potential follow up;
- a Canadian Food Inspection Agency – ministry reconciliation and anomalies are brought to the attention of inspectors for potential follow up;

- Bring Forward system to ensure timeliness;
- an ongoing scan is carried out for issues within the commercial fisheries for the attention of inspections; and
- inspection history of licensees is captured in the Commercial Fisheries Licensing System (CFLS) database.

There are also weaknesses we noted including:

- multiple systems, spreadsheets and physical files which impact efficiency, compounded by the possibility that more than one person could be working on the licensee file at the same time which potentially impacts effective decision-making;
- the inspector “firewall” (information on ongoing investigations is not shared with licensing) which could impact effective licensing decisions;
- licensing staff cannot access the Flora system, which is used by inspectors to record information on investigations, inspections, and compliance, which could impact their licensing decisions;
- inconsistent use by inspectors of the electronic "notepad" used to record key information on the status of licensees; and
- loss of historical data on the Aquaculture Licensing and Referrals Administration System (ALRAS) system.

These operational issues impact branch efficiency and effectiveness, potentially creating the risk that licensing decisions may be made on the basis of incomplete information, e.g., issuing of licenses to non-compliant applicants or where an investigation is ongoing; as well as the risk that information reviewed by the inspector as part of their preparation for conducting inspections may not be the most current.

To enhance coordination between the two sections, the branch may want to consider additional controls such as:

- providing Licensing with access to the Flora system;
- reinforce the consistent use of the "notepad";

- reducing the number of physical files for each licensee and using a log in/log out control sheet; and
- replacing the one-off emails from the licensing section to the inspectors by an excel document that could be updated and circulated on a regular basis.

Recommendation

(8) The branch should consider implementing additional controls to enhance information sharing between licensing and inspections and to assist in the identification of high risk operations.

Information Systems

At present, there are a number of information systems and processes in use by the branch to collect and report on licensee information including:

- Commercial Fisheries Licensing System (CFLS) which captures commercial fisheries licensing data such as licensee name, type and individual inspection results;
- Aquaculture Licensing and Referrals Administration System (ALRAS) which captures aquaculture data such as licensee name, type and expiration date;
- Microsoft Access databases used to supplement the information stored in ALRAS including:
 - A-Track – for tracking marine water finfish aquaculture applications and amendments;
 - B-Track – for tracking freshwater finfish aquaculture applications and amendments;
 - C-Track – for tracking shellfish aquaculture applications and amendments;
- spreadsheet used to capture Wild Oyster data;
- spreadsheet used for Marine Plant data; and
- Flora system used to record casefile history (inspections and investigations) of all licensees.

The multiple systems in use and lack of connectivity result in the duplication of data entry as well as the need for emails to keep staff apprised of new information. The age of the technology doesn't allow historical information to be kept, and when information fields are updated, information is lost. Overall, the number and the age of the information systems in use has a significant impact on branch efficiency and effectiveness. The branch has been working with the former Ministry of Water, Land and Air Protection on a systems integration project and should continue to work with the restructured Ministry of Environment on licensing and permitting systems integration.

Recommendation

(9) The branch should give priority to securing funding for an integrated systems platform to mitigate the risks to data collection and retrieval.

Roles and Responsibilities

We were advised that the branch has four fisheries inspectors new to the position. This creates opportunities for management to re-assess and potentially re-assign the roles and responsibilities of the Senior Inspector and the fisheries inspectors with the goal of enhancing the overall efficiency and effectiveness of the team. For example, the Senior Inspector currently enters a significant amount of data entry into the Flora system that inspectors should enter. The Senior Inspector role should be focused on mentoring, quality review and assurance and overview activities, while inspectors should carry the responsibility for managing their own case files. The development and implementation of case file standards promoting the consistent use of systems, data entry fields and timeframes for data capture can serve to increase efficiencies within the inspections team.

In addition, the efficiency and effectiveness of the inspectors, in particular those new to the branch, may benefit from training including:

- investigations to ensure inspectors have the ability to conduct an effective investigation;
- Enterprise-wide Risk Management to support a risk-based approach to planning and conducting inspections;
- Time Management to assist inspectors with prioritizing and managing their workload and increasing their productivity;

- ALRAS to facilitate consistent, accurate and timely data entry; and
- Flora system data entry and reporting to facilitate consistent, accurate and timely data entry.

Recommendations

(10) The branch should review the roles and responsibilities of the Senior Inspector and fisheries inspectors with the goal of enhancing efficiency and effectiveness.

(11) The branch should consider the provision of training to fisheries inspectors in order to increase their efficiency and effectiveness.

4.0 Penalties

In this section we reviewed the penalties within the regulatory framework in which the branch's inspection program operates to determine whether the fisheries inspectors can effectively enforce the legislation and regulations as a means of enhancing industry compliance.

We conclude the current legislation and regulations limit the ability of the fisheries inspectors to effectively enforce compliance. Tickets are not seen as an effective tool to ensure compliance. Inspectors tend to take a compliance approach, rather than enforcement, and generally relied on tools such as coaching and training in trying to achieve industry compliance with the regulations. This approach is consistent with the direction from senior management within the ministry where enforcement is viewed as a continuum and where the ministry should demonstrate a progressive approach to increasing compliance.

Branch staff have a range of enforcement tools including warning tickets, violation tickets, as well as the ability to seize product, suspend or close operations, or cancel licenses, however inspectors regard the legislation as outdated and penalties are seen as too low to serve as effective deterrents. We were advised that some licensees, primarily in the wild fisheries sector, view the cost of a fine as the cost of doing business, as often the fine is less than the annual license cost.

We were also advised the lack of effective deterrents within the fines system also impacts the ability of inspectors to build strong working relationships with other agencies such as the Department

of Fisheries and Oceans, the Canadian Food Inspection Agency and the BC Centre for Disease Control and affects the credibility with law enforcement agencies and the justice system who view the regulations as ineffective.

Further, the six month statute of limitations creates a risk that unreported non compliance may be identified but penalties may not be able to be pursued given the short time frame. This has a negative impact on deterrence.

The branch may want to consider quantifying the impact of these regulatory framework issues and make a business case for changes to the legislation and regulations.

Recommendation

(12) The branch should quantify the impact of low penalties and the six month statute of limitations on the efficiency and effectiveness of the inspection function.

5.0 Reporting

In this section we reviewed whether key information is identified, collected and reported on to demonstrate successful achievement of objectives, and is used for decision-making. As mentioned previously, there are numerous information systems and tools that are used by the branch to capture licensing and inspection information and performance information, and report on results achieved. There are also opportunities for the branch to use information being collected to assess and analyse risk areas such as perceived regulatory deficiencies, aquaculture compliance, and illegal commercial fisheries activity.

Performance Measurement

We found there are a number of adequate systems used by the branch to track and measure levels of activity such as volume and type of licences, revenues, as well as file status including CFLS, ALRAS, and Flora systems. In addition, the Flora system captures key case data including inspections and compliance/enforcement activities.

There may be opportunities for the branch to use information from these systems to strengthen its control environment and increase overall efficiency and effectiveness including the following:

- enhance strategic planning through trend analysis of different sectors;

- enhance operational planning through forecasting and scheduling workloads, in ensuring equitable distribution of work and in establishing budgets;
- monitoring of inspection activities (e.g. time spent on inspections, number of inspections completed); and
- reporting on individual inspector work plan results.

Recommendation

⁽¹³⁾ The branch should assess the need for additional performance information from existing systems.
