

Prince Rupert Port Authority

Special Examination – Final Report

June 2018



To the Board of Directors
Prince Rupert Port Authority, and
The Minister of Transport

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RE: Summary Report – Special Examination

June 8, 2018

As required by section 41 of the Canada Marine Act (CMA), we have carried out a Special Examination of the financial and management control and information systems and management practices maintained by the Prince Rupert Port Authority (PRPA, the Authority) during 2017. The Authority is required by subsection 41 (1) of the CMA to maintain these systems and practices in such manner as will provide reasonable assurance that:

- The assets of the Authority are safeguarded and controlled;
- The financial, human and physical resources of the Authority are managed economically and efficiently; and
- The operations of the Authority are carried out effectively.

Our responsibility is to express an opinion on whether during the period under examination from January 1, 2017 to December 31, 2017; there was reasonable assurance that there were no significant deficiencies in the systems and practices examined.

A plan for the examination, based on our survey of the Authority's systems and practices, was approved by the Audit Committee on September 27, 2017. The plan included the criteria to be applied in the Special Examination. We selected the criteria specifically for this examination in consultation with the Authority. They were selected based on our knowledge and experience with value for money auditing by reference to legislative and regulatory performance, to standards and practices followed by the Authority and by other organizations. The areas examined and criteria are shown in Appendix 1.

The plan also identified those systems and practices that we considered to be essential to providing the Authority with reasonable assurance with respect to its assets being safeguarded and controlled, its resources being managed economically and efficiently, and its operations being carried out effectively. Other systems and practices of the Authority, although covered in the survey, were excluded from detailed examination because our analysis of their significance and risks associated with them indicated that, during the period under examination, they were not critical to providing the Authority with reasonable assurance as required by subsection 41 (1) of the CMA.

Our examination was made in accordance with the plan, as well as in accordance with standards for assurance engagements, recommended by the Canadian Institute of Chartered Professional Accountants. Accordingly, it included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, with respect to the criteria established, there is reasonable assurance that during the period under review there were no significant deficiencies in the systems and practices examined.

Yours sincerely,

Grant Thornton LLP



June 8, 2018

Appendix 1 – Examination Scope and Criteria

Examination Area	Scope Area	Summary Assessment Criteria (Expected State)
1. Risk Management	1.1 Risk identification and assessment	Risk identification and assessment processes are effectively designed and deployed
	1.2 Risk treatment	Risk treatment identification and assessment processes are effectively designed and deployed
	1.3 Risk monitoring and response	Risk monitoring and response practices are effectively designed and deployed
	1.4 Risk Governance	An internal audit function (or other independent means of assessment) is deployed as necessary
2. Stakeholders Relations	2.1 Identification and Strategy Setting	There is an effective integrated stakeholder engagement strategy in place
	2.2 Communications and Engagement	There is an effective stakeholder communications strategy in place
3. Protection of Assets	3.1 Land Use Planning	Land use planning is conducted in accordance with strategic plan development and the process is managed to ensure its ongoing evaluation (leases, vacant land).
	3.2 Procurement	Contract solicitation and award practices are designed to ensure that program objectives are achieved Travel related expenses support the achievement of strategic objectives.
3a. Facilities Security	3a.1 Security Vulnerability Assessment	An effective Security Vulnerability Assessment (SVA) or Port Security Assessment (PSA) is performed
	3a.2 Port Security Plan	An effective Port Security Plan (PSP) is developed and deployed
	3a.3 Training	There is sufficient security awareness training, inclusive of all aspects of the PSP, provided
	3a.4 Monitoring	Effective monitoring procedures are consistently deployed

Examination Area	Scope Area	Summary Assessment Criteria (Expected State)
3b. Information Technology Security	3b.1 Threat Assessment	IT security and threat risk assessments (STRAs) are periodically conducted
	3b.2 Information and Communication	Appropriate IT security policies and procedures are developed, communicated, and periodically reviewed
	3b.3 System Access	Access to PRPA network applications, infrastructure, and data are controlled
	3b.4 System Operations	Effective detection, monitoring and response procedures are deployed
	3b.5 Change Management	Changes to infrastructure, data, software, and procedures are effectively controlled
	3b.6 Risk Mitigation	PRPA identifies, selects, and develops risk mitigation activities for risks arising from potential business disruptions
	3b.7 Training	Policies and procedures are in place and actioned



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