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Santé  
Canada

## **Final Audit Report**

# **Audit of Laboratory Facilities**

**March 2010**

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## Executive Summary

Health Canada owns nine laboratory facilities across Canada which are key to delivering on the departments regulatory science activities and are an important strategic asset. The Real Property and Facilities Management Division is responsible for the physical laboratory infrastructure (the focus of the audit) while the Science Branches are responsible for laboratory activities. As well, the Strategic Policy Branch has a leadership role in developing and implementing strategic plans for the laboratory facilities.

The objective of the audit was to examine the management controls in place for maintaining and managing the laboratory infrastructure in relation to governance, policy, strategic planning, performance measurement, investment planning, physical condition, health safety and security. The audit was conducted in accordance with the Internal Auditing Standards for the Government of Canada, and has examined sufficient, relevant evidence and obtained sufficient information and explanations to provide a reasonable level of assurance in support of the audit conclusion.

Governing the laboratories is complex considering the joint interests and accountabilities from the various Branches. Consequently, in the past, difficult decisions regarding the management and investment in the laboratory infrastructure have sometimes been deferred. In addition, the budget for recapitalization has been frozen since 1995 at \$2.5 million which has left seven of Health Canada's laboratory facilities in fair to poor condition.

Recent actions taken by the Department in the area of governance, policy, and performance measurement will facilitate decision making; however, there is still a need for improved horizontal governance and management so that important decisions regarding the revitalization and/or consolidation of the laboratory facilities can occur. As such, it is essential that the Department's laboratory stakeholders work collaboratively to create a long term strategy to sustain the laboratories; secure funding and solve deferred maintenance issues.

The Real Property and Facilities Management Division is in the process of increasing the amount of laboratory facility performance measurement information available to support decision making and is working towards developing an integrated performance/risk measurement framework.

There are a variety of channels the Department can use to identify and report health safety and security issues, including inspections, Threat and Risk Assessments and issues identified in the annual budget and investment plans. However, health safety and security concerns are not always being reported and action to resolve concerns are not always timely as budget restrictions have limited the Department's ability to address issues raised.

Recent leadership from the Strategic Policy Branch to initiate the *Laboratory Infrastructure Renewal Initiative* project will focus the Department towards regaining some lost ground on the overall infrastructure. The Strategic Policy Branch is receiving guidance and being supported by the Real Property and Facilities Management Division as well as the other Science Branches.

Management has agreed, with an action plan, to the five recommendations which will serve to strengthen the management controls in place to better maintain and manage the laboratory infrastructure.

## Introduction

### Background

The Real Property and Facilities Management Division (RPFMD), within the Corporate Services Branch is responsible for managing the infrastructure of the laboratories. Laboratory infrastructure is the essential physical and organizational structure that is needed for the laboratories to function. The Division's role is to ensure Health Canada's laboratory facilities remain safe, secure and a healthy place to work.

Key to delivering on Health Canada's mandate is its science activities which are carried out in numerous laboratory facilities across Canada. While work is conducted in many laboratory facilities, the Department is the custodian of nine facilities. The infrastructure of the nine custodial laboratory facilities was the focus of the audit. The laboratory infrastructure, alone, represents a major capital and operational investment. In 2009-10, the nine Health Canada laboratory facilities were estimated to hold a market value of \$390 million (not audited).

Health Canada scientific expertise contributes to decisions about health standards, health policy, regulations and health programs. As such, the laboratories provide specialized testing, analysis and research for the delivery of programs in areas such as food, drugs and consumer products.

Health Canada's laboratory facilities are defined by the Government of Canada as "Special Purpose Space" as they are designed to accommodate specific essential activities. These Special Purpose Spaces are managed, operated and funded by the Department.

A majority of Health Canada's laboratory work is conducted by three branches: the Healthy Environments and Consumer Safety Branch, the Health Products and Food Branch, and Regions and Programs Branch.

Three of Health Canada's custodial laboratories are in the Regions (Winnipeg, Scarborough and Longueuil), and therefore come under the authority of the Regions and Programs Branch.

#### **Laboratory Activities**

##### **Health Products and Food Branch**

- human pharmaceuticals;
- biologics and radiopharmaceuticals;
- medical devices;
- foodborne pathogens and chemical contaminants;
- food and nutrients.

##### **Healthy Environments and Consumer Safety Branch**

- radiation protection;
- consumer product safety;
- water, air & climate change;
- chemical management.

**Regions and Programs Branch Laboratory Activities**

Drug Analysis Services: confirms the identity and purity of controlled substances seized by municipal, provincial and federal police forces and Canada Customs.

Food Laboratory Program: analyze food products for chemical contaminants, natural toxins, pesticides and nutrients to support regulatory programs.

Inspectorate Laboratory Programme: provides analytical services and expertise to support inspections, compliance verifications and investigations conducted by the Inspectorate or police forces related to human pharmaceuticals, biologics, medical devices, veterinary drugs and natural health products.

Across the Department there are other key stakeholders involved with the management of the laboratories. For example, the Strategic Policy Branch has a leadership role in developing and implementing strategic plans for laboratories and currently has the lead for the development of Health Canada's Science Plan which includes the *Laboratory Infrastructure Renewal Initiative*. As well, the Chief Financial Officer Branch is responsible for preparing the Investment Plan to support value-for-money and sound stewardship through effective laboratory investment planning and ensuring the availability of resources for existing and new assets, as well as providing support so that acquired services are allocated in a diligent and

rational manner within existing departmental reference levels.

## **Audit Objectives**

The objective of the audit is to examine the management controls in place for maintaining and managing the laboratory infrastructure in relation to governance, strategic planning, policy, performance measurement, investment planning, physical condition, health safety and security.

## **Audit Scope and Approach**

The audit was undertaken by the Audit and Accountability Bureau in accordance with the Health Canada Risk-Based Audit Plan for 2008-2009 which was tabled at the Departmental Audit Committee on April 3, 2008, and subsequently approved by the Deputy Minister. The audit was conducted in accordance with the Internal Auditing Standards for the Government of Canada, and has examined sufficient, relevant evidence and obtained sufficient information and explanations to provide a reasonable level of assurance in support of the audit conclusion.

The audit criteria were developed from a variety of sources including: Treasury Board policy, guides and standards; Health Canada policy and procedures; Public Works and Government Services Canada guidance; Laboratory Bio-safety manuals and guidelines;

and Royal Canadian Mounted Police – Control of Access. The criteria were reviewed and approved by the Real Property and Facilities Management Division. (Appendix 1)

Audit methodology included only a review of the nine laboratory facilities owned by Health Canada. Interviews, documentation reviews, sampling of Building Maintenance Plans, Service Agreements, analysis of cost, pricing and maintenance records and site visits were completed. The audit was conducted primarily within the National Capital Region, with regional site visits to Winnipeg and Scarborough along with site visits to the Sir Frederick Banting Building and the Radiation Protection Building both in Ottawa.

The audit was not a financial attestation audit and therefore the audit did not confirm any amounts noted on departmental financial statements. While the audit reviewed security and safety issues, the audit did not examine security or inventory control of bio-hazardous or chemical materials. Lastly, the audit did not examine the effectiveness or efficiency of the science programs conducted in the laboratory facilities.

## **Findings, Recommendations and Management Responses**

### **Laboratory Infrastructure**

#### **Governance Structure**

##### **Audit Criteria**

Laboratory facilities should be well governed through effective governing bodies.

Governing Health Canada's laboratory facilities is complex considering the joint interests and accountabilities from the various Branches and in the past they were managed in silos. Consequently, difficult decisions regarding the management and investment in the laboratory infrastructure have sometimes been deferred leaving seven of nine laboratories in poor to fair condition.

The highest level of governance at Health Canada is the Senior Management Board, chaired by the Deputy Minister. Strategic decisions such as rationalization or optimization of the laboratory facilities should be considered and decided upon at this level.

On laboratory management issues, the Senior Management Board (SMB) is supported by three Sub-Committees: SMB Science; SMB Operations; and SMB Finance Evaluation and Accountability. Matters related to laboratory infrastructure may be raised at any or all of these sub-committees.

In September 2009, the Real Property and Facilities Management Division created a Real Property Accountability Framework which defines committees, roles and responsibilities for real property including the laboratory facilities. Currently, the Corporate Services Branch has an *Internal Services Board* which is a strategic discussion forum for Director Generals. Recommendations related to laboratory infrastructure and management as well as other real property recommendations are brought forward to the *Internal Services Board*. In addition there is a *Client Relations and Space Management Committee* which includes all Branches. The Investment Planning Sub-Committee reviews capital planning for the laboratory facilities and feeds this information into the Department's annual Investment Plan.

As a part of the *Laboratory Infrastructure Renewal Initiative*, Strategic Policy Branch is proposing the establishment of a Director General Laboratory Renewal Steering Committee to improve horizontal governance and ensure collaboration in the development and implementation of Health Canada's long term strategic plan for the laboratory facilities.

Lastly, roles and responsibilities have recently been delineated in the draft *Laboratory Management Policy*. As such, the Real Property and Facilities Management Division is responsible for the physical laboratory infrastructure while the Science Branches are responsible for laboratory activities.

Despite the move towards a horizontal committee structure which will support consultation, there is no overall authority under the Deputy Minister for the laboratory facilities. Therefore, in order to improve oversight and, in the short-term, to better manage the laboratory facility renewal initiative, the Department would benefit from a more formalized horizontal governance structure.

### **Recommendation 1**

*It is recommended that SMB – Policy strengthen the governance structure for Health Canada's laboratories and that the Assistant Deputy Minister – Corporate Services Branch update the Real Property Accountability Framework to reflect the new governance structure.*

### **Management Response**

A Director General Laboratory Renewal Steering Committee, reporting to SMB-Science and into Health Canada's formal governance structure, will be created under the *Laboratory Infrastructure Renewal Initiative* to improve horizontal governance. The Committee will be authorized to make decisions on behalf of ADM's on allocation and reallocation of laboratory space, required laboratory activities and recommendations on the purchase of equipment. It will ensure collaboration in the development of Health Canada's long term strategic plan for the laboratory facilities.

As well, the Assistant Deputy Minister, Corporate Services Branch will update the Real Property Framework to reflect the new governance structure for the laboratories.

### **Strategic Planning**

Strategic planning is the identification of a desired long-range outcome and the development of a sequence of actions to achieve it, based on analysis of the organization's resources and its environment.

In documentation collected and reviewed it was noted that the Real Property and Facilities Management Division recognizes that a strategic plan is required to ensure that the Department makes balanced laboratory facility investment decisions that meet program needs while remaining within the existing reference levels; however, a plan does not yet exist.

A strategic plan should be based on a performance assessment of the existing laboratory property assets including any ongoing and/or new property arrangements. The Strategic Policy Branch has initiated work on a long term strategic plan through the *Science Plan Laboratory Infrastructure Renewal Initiative* and a vision and direction for renewal have been articulated along with recommendations that have been presented to Senior Management. Specifically, the Strategic Policy Branch has conducted an assessment of the laboratory facilities and analyzed capacity, physical condition, service delivery, space utilization along with various options for consolidation.

While there is a clear need for a long term strategic plan, there is also a need to address urgent infrastructure issues. A combination of immediate action (such as the Infrastructure Renewal Initiative) and a strategic plan will be necessary to ensure the long term sustainability of the laboratory infrastructure. As such, stakeholders must work collaboratively to create a long term strategy to sustain the laboratory facilities; secure funding and solve deferred maintenance issues.

### **Recommendation 2**

*It is recommended that SMB-Science oversee the development of a long term strategic plan (based on the Science Plan and Investment Plan) which optimizes the Department's custodial laboratories and will support Corporate Services Branch in the horizontal infrastructure management of those facilities. The long term strategic plan should be presented to SMB-Policy for approval.*

## **Management Response**

A senior level Laboratory Renewal Steering Committee will be created, under the Science Plan Laboratory Infrastructure Renewal Initiative, to improve horizontal governance and to ensure collaboration in the development and implementation of Health Canada's long term strategic plan, based on the Science Plan, which optimizes the Department's custodial laboratories and will support Corporate Services Branch in effectively managing those facilities. The long term plan will be presented to SMB-Science for discussion and then to SMB-Policy for approval.

Corporate Services Branch collaborated with the Science Branches in 2009 to secure new funding for two years under the Canada Economic Action Plan to address challenges due to deferred laboratory facility maintenance. For example, Corporate Services Branch has been working with Healthy Environment and Consumer Safety Branch to optimize the use of funds received to solve deferred maintenance issues at the Radiation Protection Building and the Environmental Health Centre.

## **Policies, Practices and Procedures**

### **Audit Criteria**

Laboratory facilities should be managed with current policies, practices and procedures.

The Real Property and Facilities Management Division has recently developed a Real Property Accountability Framework. The new framework has been long overdue in the Department and should function to bridge operations and maintenance in the laboratories, which in the past have not been fully integrated. Given Health Canada's decentralized structure, the new framework will also provide a more consistent and comprehensive approach to managing the Department's laboratory portfolio on a national basis. The new framework includes a proposed *Laboratory Facility Management Policy*; however, both the framework and the policy need to be formally approved.

The proposed laboratory facility management policy outlines that the Assistant Deputy Minister, Corporate Services Branch is accountable for the laboratory facilities lifecycle management and identifies who will be responsible on the specific lifecycle management activities. In addition, the proposed policy outlines that the laboratory facilities will be managed using a lifecycle approach and will be done in concert with the Science Strategy and Departmental priorities. It further explains that the Assistant Deputy Ministers from each of the science branches are responsible to identify the minimum laboratory facilities requirements to meet science program and research needs as well as to identify any laboratory facility occupancy surplus.

A second new policy, which will aid in the management of the laboratory facilities, is the *Real Property Investment Policy*. This policy expects custodian departments to acquire,

maintain, preserve, and dispose of real property to the maximum long term economic advantage of the government while satisfying their real property needs.

Once the laboratory facility policy is approved and implemented, along with the implementation of the investment policy, these should provide for better overall infrastructure management and continuity in decision-making.

### **Recommendation 3**

*It is recommended that the Assistant Deputy Minister, Corporate Services Branch in conjunction with the Strategic Policy Branch; Regions and Programs Branch; Healthy Environments and Consumer Safety Branch; and Health Products and Food Branch, approve the Real Property Accountability Framework and related Laboratory Facility Policy to support horizontal management of the laboratory infrastructure.*

### **Management Response**

In April 2009, a *Real Property Management Framework* was completed. The accountability framework describes real property roles and responsibilities and the governance structure related to real property management.

Health Canada has developed a suite of policies including a Laboratory Facility Management Policy to address all corporate functions specific to managing the laboratories. This policy forms part of the Real Property Management Framework which will be updated and approved April 2010.

### **Performance Measurement**

#### **Audit Criteria**

Performance measures should be established to determine relative performance of laboratory infrastructure to support decision making.

The 2009 Treasury Board Guide for the Management of Real Property expects informed decisions about investments during ongoing use of real property. According to the guide, key components of an effective system should include: performance indicators that can be used to measure how well laboratory infrastructure is being managed and how well individual program goals are being met with respect to laboratory facility inputs; established baselines against which performance and subsequent facility infrastructure goals can be measured; and accurate, and reliable data.

The guide notes that by continuously measuring actual real property performance against established targets based on appropriate benchmarks, departments can use the performance results when making decisions on acquisition, use, maintenance, and

disposal strategies. These in turn inform the strategic planning function for the development of the long term investment plan.

The Real Property and Facilities Management Division is in the process of increasing the amount of laboratory facility performance measurement information available to support decision making and is working towards developing an integrated risk management framework. For example, the Division has started to monitor vacancy and financial performance information and is currently assessing its real property risks, mitigation strategies and its high level integrated performance management framework.

In the *Departmental Performance Report 2007-08*, performance measurement information on accommodation costs is reported. As well, there is a National Custodial Plan (2008-2013) which records performance information related to budget allocations. Recently, the Division collected laboratory facility performance information on space utilization, building infrastructure and physical condition. While the Division has clearly identified the problems associated with the physical condition of the laboratory infrastructure and this information has been presented to the Senior Management Board it must now be integrated into a risk/performance measurement framework in order for the Department to make the complex short and long term allocation decisions.

#### **Recommendation 4**

*It is recommended that the Assistant Deputy Minister, Corporate Services Branch continue to develop appropriate performance measures for laboratory infrastructure management.*

#### **Management Response**

Corporate Services Branch is developing an Integrated Real Property Risk and Performance Measurement Framework including performance measures for the laboratory facilities. As well, the Branch will consult with the Strategic Policy Branch and the Science Branches to ensure linkages between program delivery risk and real property risks.

#### **Investment Planning**

##### **Audit Criteria**

Investment planning should occur on a five year basis for the laboratory facilities using a lifecycle approach.

Health Canada utilizes a lifecycle approach to managing laboratory facilities and makes decisions based on an investment analysis over a five year period. As expected by the

Government of Canada, the Department has a five year Investment Plan. However, the last time the laboratory facilities saw major changes was in the 1990's and the budget for recapitalization was frozen in 1995 at \$2.5 million while operations and maintenance costs have been increasing. A review of the funding for laboratory infrastructure in 2007 showed that deficits were typically paid from the operating funds for the laboratories.

Not surprisingly, the 2009-2010 Investment Plan has identified expenditures to address deferred maintenance at the facilities totalling approximately \$88.5 million over the next five years. Completing this maintenance would protect the integrity and viability of the nine laboratory facilities over the life of the programs that they support however, the Real Property and Facilities Management Division will only receive approximately \$20 million over the next five years leaving a shortfall of approximately \$68 million for deferred maintenance.

Health Canada has established a Capital Vote to help address a number of projects that have been identified for funding. Capital project descriptions and justifications have been prepared for these requirements. The Real Property and Facilities Management Division has assigned priority and risk scores to these projects. Included in the capital requirement is a one time lump sum of \$16.2 million secured under the *Canada Economic Action Plan – Accelerated Infrastructure Program* (Budget 2009). Health Canada has created a working group represented by all Science Branches to identify projects and recommend a strategy. Over fiscal years 2009-10 and 2010-11, the Department will complete a series of projects previously deferred for the Sir Frederick Banting Building in Ottawa and the Manitoba Regional laboratory in Winnipeg including work in the National Capital Region for the removal of all under ground fuel storage tanks. The projects were identified in the Building Management Plans for laboratory facilities and were rolled into the Departmental Investment Plan.

Once the work is completed it will improve the physical safety and security conditions of some of the laboratory facilities by resolving some building code, fire code, and occupational health safety deficiencies while meeting laboratory certification standards. Lastly, it will assist Health Canada in becoming compliant with the *2009 Canadian Environmental Protection's Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations* which must be accomplished by June 2012.

Other expenses for managing the laboratory infrastructure include the contract with the Government of Canada's property manager to take care of maintenance and repairs of the nine Laboratory facilities which cost the Department approximately \$18 million last year. Cost effectiveness of these arrangements should be reviewed as part of the performance measurement exercise and in consultation with the Laboratory Renewal Steering Committee.

Recommendation two calls for a long term strategic plan which, in its final state, would provide a strategic solution for the rationalization and/or consolidation of the laboratory facilities. Once implemented it would address the issues raised along with allowing the Department to keep pace with scientific advancement and allow the programs to continue

to effectively deliver on the regulatory mandate. However, as mentioned in recommendation two, it will be important that the long term strategic plan and investment plan are fully aligned.

## **Physical Condition**

### **Audit Criteria**

The laboratory facilities should be regularly assessed to determine physical condition.

As noted, there are major concerns regarding the conditions and efficiencies of the Department's laboratory infrastructure. The average age of the laboratories is over 40 years and the Real Property and Facilities Management Division reported that the majority of the laboratory facilities are in fair or even poor condition. (see Appendix 2) Building condition reports indicated that some buildings suffer from functional deficiencies that are difficult to remedy, even with extensive renovations. Furthermore, the Department is incurring high operating costs per occupant in comparison to modern facilities.

The Animal Breeding Building was constructed in 1967 and has been vacant for 10 years and while there were plans to dispose of the building, a decision on its future has yet to be made. Currently the building is being used as storage for non-organic furnishings, soft office furniture (chairs) and laboratory equipment. Despite yearly expenditures to keep the building operational, the operational cost of the building is much lower than the lease cost for a similar amount of space; even if it is a storage space.

The Radiation Protection Building was built in 1950 and suffers from a crumbling building shell which is now in need of a major refurbishment or replacement as it has reached the end of its service life. The facility requires recapitalization in all disciplines including architectural, mechanical, and electrical. In addition, many safety code violations are present. Some of the main issues include leaking windows, holes in the walls, problems with the heating system, inoperative and unreliable fume hoods.

The Environmental Health Centre was constructed in 1965 and is also in need of a major refurbishment or replacement. It has not been maintained and suffers from a poor ventilation system; many code related deficiencies and occupant safety issues. There are stored material in corridors and exit areas, and laboratory space is crowded.

The Real Property and Facilities Management Division will be investing \$4.6 million over the next two years to solve some of the deferred maintenance problems at the Radiation Protection Building and Environmental Health Centre however; this is only an interim solution to address urgent needs. The longer-term needs of the Department can only be fulfilled through a strategic plan endorsed by Senior Management.

## Health Safety and Security

### Audit Criteria

The laboratory facilities should be regularly assessed to determine that health safety and security requirements are met.

Health Canada uses several different vehicles to assess its laboratory facilities conditions, safety and security these include: Occupational Health and Safety Reports; Building Maintenance Plans and Assessments; and Threat and Risk Assessments.

The Real Property and Facilities Management Division provides functional direction to each regional laboratory however each Region manages its own internal laboratory operations. For example, each laboratory facility has an Occupational Health and Safety Committee whose responsibilities are to conduct regular building inspections to identify health and safety risks. Depending on the issue identified, it could be resolved by a supervisor or the building manager.

Some health safety issues observed during the audit include: safety showers and eyewash facilities not being accessible and access to emergency equipment being blocked. Eye irrigation equipment was not always readily available. The Scarborough Laboratory Annex houses toxic substances including Polychlorinated Biphenyls and Dioxins' yet there are no eye wash stations in this building. This is currently not in compliance with the Canadian Centre for Occupational Health and Safety standard as well as internationally recognized standards. In addition, the emergency showers in the hallways did not have floor drains.



When there is a serious health safety risk it should be reported to Real Property and Facilities Management Division and corrective action will be taken as appropriate; however, not all health safety issues are directly reported to them. However, internal communication should improve as the Real Property and Facilities Management Division has resumed its participation in the Occupational Health and Safety Committee. The Division receives the requirements and integrates them into the laboratory facility maintenance and Investment Plan to address the health safety issues as priorities.

Secondly, Health Canada has an agreement with the Government of Canada's Real Property Manager to ensure the health, safety, security, and comfort of occupants and the cost-effectiveness of the operation and maintenance of a facility. Under this agreement, Health Canada assigns responsibility to the third party provider for daily maintenance and operations of its laboratory facilities, the management of allocated resources (human and financial) and project management activities. As a custodial department, Health Canada has the responsibility to carry out the functions of analysis, planning, investment management, performance monitoring and development of asset strategies.

Through this agreement, Health Canada is provided with an annual Building Maintenance Plan for each laboratory facility. A Building Maintenance Plan is a comprehensive plan for managing building operations, repairs, and outlines the intended improvements. The plan covers a five year period and includes all cost associated with maintenance and operation. The Real Property and Facilities Division uses these plans to develop a five year financial picture of the projects and operations and maintenance funds required to operate each laboratory facility.

A third mechanism for monitoring health safety and security is through Threat and Risk Assessments. The stated objectives of the Government Security Policy prescribe two complementary mechanisms; baseline security requirements, and continuous risk management based upon Threat and Risk Assessments (TRA).

The *Harmonized Threat and Risk Assessment Methodology* is designed to address all employees, assets and services at risk. In essence, the TRA is a formal project to collect and analyze relevant data to determine risk levels and recommend efficient, cost-effective safeguards where required. According to the Government Security Policy TRA's are conducted on a regular basis and revised when there are circumstances that could result in a changed threat and should identify security factors unique to specific departments. Specific assessments should be detailed enough to serve as the basis for recommendations to the responsible manager. Safety and emergency considerations must be taken into account in such assessments.

Samples of TRA's were reviewed from three of the laboratories. TRA's for the Winnipeg and Scarborough laboratories were not current and in Longueuil a TRA was not found.

Winnipeg's last TRA was conducted in 2004 and the overall threat to the facility was considered "low." A new TRA is scheduled to be completed in the spring 2010 after major renovations to the building are completed.

The Scarborough TRA was last completed in July 1998 by a third party consulting firm. At that time, there was a medium risk of theft, vandalism and crimes to property or persons although physical security at the building was noted as very good. A security site visit of the laboratory facility was conducted in 2002 and a security status update was conducted in 2004. However, during site visits it was observed that this laboratory facility had an external door to the lunchroom that was not controlled by either entry cards or guards.

While there is card access and it is connected to the security system it is not connected to the "In and Out" readers and therefore does not count the card at this reader. In the event of an emergency no one would know if the person was in or out of the building and secondly, if an employee (or someone else comes in possession of an employee pass) they could enter the facility without being recorded.

The Department has a range of tools that managers should be using to identify health safety and security concerns such as: the health and safety inspections, Threat and Risk Assessments; the annual budget and investment plans. However, it is difficult to know if safety and security concerns are being reported or if reported concerns are being addressed on a timely basis. As mentioned, health and safety requirements are being integrated to the laboratory maintenance plans and should be addressed as a priority.

Recently, the Real Property and Facilities Management Division has begun to participate in all laboratories' Occupational Health and Safety Committees where recommendations are being addressed through the laboratory maintenance and capital plans. Continued participation by all stakeholders should assist in detecting and reporting safety and security concerns.

### **Recommendation 5**

*It is recommended that the Assistant Deputy Minister, Corporate Services Branch conduct condition and risk assessment of the laboratory infrastructure to identify impact of deferred maintenance on health safety of occupants for the laboratories as required to support decision making related to safety and security.*

### **Management Response**

Corporate Services Branch is addressing all Occupational Health Safety Committees' recommendations through the Laboratory Maintenance Plan and as an issue arises. As well Safety and Security Management Division, Corporate Services Branch will also be enhancing its review.

Under the Building Management Plan, Corporate Services Branch has requested the third party service provider to conduct a Condition and Risk Assessment on the custodial buildings.

Lastly, in collaboration with responsible managers, the Safety and Security Management Division will ensure that a systematic Threat and Risk Assessment of Health Canada's laboratory facilities is conducted every five years or on a required basis where changes to risk level occur.

## Conclusion

The laboratories have been in need of a governance structure, horizontal in design, to assist the Department in making some difficult strategic decisions regarding future investments in the laboratory facilities. In order to optimize and sustain the laboratories the governing bodies will need to continue to work together to address urgent requirements and to develop and implement a long term laboratory infrastructure strategy to support the Real Property and Facilities Management Division in their property management role.

The Real Property Management Control Framework, including the Laboratory Facility Management Policy, once approved and implemented along with the development of an integrated performance/ risk measurement framework will benefit senior decision makers and provide for better overall laboratory infrastructure management.

While the Department has a variety of vehicles to identify health safety and security concerns, such as occupational health safety committee inspections and Threat and Risk Assessments, addressing these issues have not been timely and have been limited by budget constraints thereby increasing the Department's overall risk.

Recent leadership from all the laboratory stakeholders to collaborate on the *Laboratory Infrastructure Renewal Initiative* will focus the Department towards developing and implementing a long term strategic plan for renewing this strategic asset.

## Appendix 1 - Lines of Enquiry and Audit Criteria

Line of Enquiry	Audit Criteria
<p>1. The laboratory facilities are well governed and adhere to Treasury Board of Canada Secretariat Policies.</p>	<ul style="list-style-type: none"> <li>▪ Laboratory facilities should be well governed through effective governing bodies;</li> <li>▪ Roles and responsibilities should be clear;</li> <li>▪ Appropriate laboratory facility policies, practices and procedures exist;</li> <li>▪ Laboratory facilities should have an investment plan and be managed using a lifecycle approach;</li> <li>▪ Performance measures should be established to determine relative performance to support decision making.</li> </ul>
<p>2. The conditions of the laboratory facilities are maintained as per Government of Canada policy.</p>	<ul style="list-style-type: none"> <li>▪ The laboratories should be regularly assessed to determine physical condition;</li> <li>▪ Regular assessment of maintenance and repairs should occur.</li> </ul>
<p>3. Safety and security is sufficient to protect laboratory employees, information and other valuable assets.</p>	<ul style="list-style-type: none"> <li>▪ Threat and Risk Assessments are conducted on a regular basis;</li> <li>▪ Periodic tests of security procedures, plans and equipment are undertaken;</li> <li>▪ Health Canada controls access to restricted-access areas;</li> <li>▪ Service and utility entrance and exit points are safeguarded;</li> <li>▪ Access to information and assets is limited;</li> <li>▪ Laboratory facility security measures adhere to international standards.</li> </ul>

## Appendix 2 - Health Canada's Laboratory Facilities (2007)

Building				
	<b>Animal Breeding Building</b>	<b>Lagimodière, Manitoba</b>	<b>Longueuil, Quebec</b>	<b>Scarborough, Ontario</b>
<b>Year of Construction</b>	1967	1987	1972	1973
<b>Occupant</b>	To be disposed 0% occupied	RAPB 77% occupied	RAPB 100% occupied	RAPB 100% occupied
<b>FTEs</b>	0	45	110	114
<b>Usable Space</b>	3074m <sup>2</sup>	4629m <sup>2</sup>	6507m <sup>2</sup>	7187m <sup>2</sup>
<b>Building Condition</b>	Poor	Good	Fair	Fair



Building					
	<b>Environmental Health Centre</b>	<b>Lab. Centre for Disease Control</b>	<b>Radiation Protection Bldg</b>	<b>Sir Frederick Banting</b>	<b>Occupational Health Unit</b>
<b>Year of Construction</b>	1965	1954	1950	1978	1956
<b>Occupant</b>	HECSB 100% occupied	HPFB/PHAC 100% occupied	HPFB/HECSB 100% occupied	HPFB/HECSB /FNIHB 100% occupied	CSB/PWGSC (Office) 100% occupied
<b>FTEs</b>	113	130	163	425	33
<b>Usable Space</b>	5441m <sup>2</sup>	8895m <sup>2</sup>	6298m <sup>2</sup>	23,581m <sup>2</sup>	1716m <sup>2</sup>
<b>Building Condition</b>	Poor	Poor/Fair	Poor/Fair	Fair	Good

