



OFFICE OF THE
BRITISH COLUMBIA CONTAINER
TRUCKING COMMISSIONER

CTC Audits

Process Manual

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1 Purpose of this Document

This document was prepared by the Office of the Container Trucking Commissioner (CTC) as a guide for Trucking Company licensees undergoing a compliance audit. A compliance audit is an assessment of an auditee's activities to determine whether they comply with the relevant regulatory requirements.

The document provides a general outline of the CTC procedures for conducting a compliance audit.

2 Auditing Services Overview

2.1 Compliance Audit Definition

A Compliance Audit is undertaken to confirm whether a firm is following the terms of an agreement, or the rules and regulations applicable to an activity or practice prescribed by an external agency or authority.

The specified criteria in compliance audits conducted by the CTC are generally the legal and regulatory requirements outlined in:

- The Container Trucking Act¹
- The Container Trucking Regulation²
- The Container Trucking Services Licence³

2.2 Auditee Definition

An auditee is a person or organization being audited. The CTC audits licensees and truckers (both direct employees of licensees and independent operators sponsored by the licensee) whose activities are regulated by the CTC.

2.3 Compliance Audits as a Regulatory Tool for the CTC

The CTC has responsibilities and powers as set out in the *Container Trucking Act*, which includes:

- Managing all Truck Licensing System (TLS) Container Trucking Services licences
- Investigating, auditing and enforcing compliance with the Act
- Overseeing the Confidential Drayage Complaint Line (ConfidenceLine) established in 2014

The CTC uses compliance audits as one of its regulatory tools to assess the extent to which a licensee is complying with its legal requirements.

¹ http://www.bclaws.ca/civix/document/id/complete/statreg/14028_01

² http://www.bclaws.ca/civix/document/id/complete/statreg/248_2014

³ <http://bc-ctc.ca/2016-cts-licence-application-package> (see Sample BC Container Trucking Services License)

Objectives of the Compliance Audit

Compliance audits in the CTC are used to achieve the following objectives:

- Confirming licensee compliance with the CTC established regulations and legislation through an evidence-based review of mandatory records from the licensee
- Providing better accountability within the drayage sector
- Maintaining the integrity of the regulatory system administered by the CTC
- Ensuring credible and robust regulation

The CTC auditor will:

- Coordinate the activities of the audit
- Correspond, as appropriate, with the auditees for additional information and clarification
- Correspond, as appropriate, with the Deputy Commissioner and the CTC Legal Advisor
- Discuss any remediation actions to be undertaken by the auditee in advance of delivering the final audit report
- If appropriate, escalate findings to the Deputy Commissioner which may result in specific investigations
- Produce the audit report for the Commissioner

3 Audit Process

3.1 Section 31 Audit

In Section 31 of the *Container Trucking Act*, a CTC audit is discussed in detail. A CTC audit requires the licensee to participate directly with the CTC to provide requested company records dependent on the scope of the audit. This scope is determined and is at the sole discretion of the Deputy Commissioner.

The process is as follows:

Activity	Completed by	Timeline
Scope of the Section 31 audit is determined	Deputy Commissioner	
Audit Letter is sent to Licensee	Registrar	
Provide all details, company records as requested by the Auditor	Licensee	Throughout audit
Interactive research	The CTC Auditor / Licensee	As required
Final audit report and Decision on compliance	The CTC	

3.2 Audit Non-Compliance

Should the finding of the audit indicate non-compliance, the CTC and the Licensee engage in activities to address the areas of non-compliance. The Commissioner can take actions inclusive of either or both of:

- Section 9 of the Act – Orders to the Licensee to comply with specified actions. These are mandatory compliance orders.
- Section 34 of the Act – Suspend or Cancel the license and/or impose penalties. There is an appeal process as defined in the Act.

The final audit decision is made by the Commissioner through this process.

The process is as follows:

Activity	Completed by	Timeline
Licensee is informed of the auditor’s findings. If the licensee disputes the auditor’s findings, the licensee may provide a submission to the Commissioner for consideration.	Licensee	
Licensee is informed of the Commissioner’s decision and the office’s orders of compliance and/or the intention to pursue license action or penalties	Commissioner	Section 34 action must occur within 6 months of Auditor Report
(Section 34 only) The Licensee has 7 days to provide a written response to the Commissioner; if provided, the response is considered by the Commissioner	Licensee	Within 7 days of the Intention Notice
(Section 34 only) Licensee is informed of the Commissioner’s official Decision	Commissioner	After 7 days from intention notice
(Section 34 only) The Licensee has 30 days to provide a Notice of Reconsideration to the Commissioner; if provided, the response is considered by the Commissioner	Licensee	Within 30 days of the Decision Notice
(Section 34 only) Commissioner Confirms or Rescinds the Decision	Commissioner	After 30 days from Decision Notice
Licensee takes actions to address compliance orders and pay determined penalties	Licensee	
If non-compliance following Decision Notice remains, new order(s) and/or other action will be taken at the discretion of the Commissioner	Commissioner	

4 Investigations

Whereas an audit is conducted to verify compliance to the regulations set by the CTC, an investigation is performed when detailed understanding of a particular situation is required.

In cases where the auditor discovers such a situation, such as something that may be criminal in nature, the auditor shall bring the concern to the Deputy Commissioner.

Division 2 of the *Container Trucking Act* outlines the ability for the Commissioner to pursue an investigation. An investigation can involve a justice (for the issuance of warrants) and/or law enforcement agencies, as appropriate.

The *Container Trucking Act* discusses the Licensee's responsibilities and rights throughout an investigation.