



Financial Statement Audit Coverage Plan

for financial statement fiscal years ending in 2024, 2025, and 2026



Contents

Auditor general's comments	3
Plan at a glance	4
Background	5
Plan foundation and preparation	7
Audit of the consolidation of the GRE	7
Audit of the accounts of central government	8
Audit of the financial statements of government entities and trust funds	8
The financial statement audit process	9
Audits of economy, efficiency, effectiveness, accountability and statutory, regulatory and contractual compliance	9
How we prepare the audit coverage plan	10
The plan for 2024, 2025, and 2026	12
Additional reporting requirements under the act	15
Auditor general appointments exceeding five years	15
Summary of consultations	16
Implications for the office's budget	17
Request for approval to audit entities outside the GRE	17
Approvals requested	18
Appendix A: Detailed coverage plan for financial statement fiscal years ending in 2024, 2025, and 2026	19
Appendix B: Changes to prior year approved plan	25
Appendix C: Subsidiaries, partnerships and joint ventures of government entities, and our office's expected audit involvement in fiscal 2023	26

Auditor general's comments



The *Financial Statement Audit Coverage Plan* outlines how the Office of the Auditor General determines which government reporting entities' financial statements will be audited by the office directly and which entities will be audited by private accounting firms.

As required by the *Auditor General Act*, the coverage plan includes the next three fiscal years and is prepared for the Select Standing Committee on Public Accounts for their review and approval.

My office's annual audit of government's *Summary Financial Statements* is the largest financial audit in the province. It encompasses central government and 139 other government organizations, including Crown corporations, universities, colleges, school districts, health authorities and similar entities controlled by or accountable to the provincial government.

For the year ended March 31, 2022, revenue was about \$72 billion, and expenses were about \$71 billion. Assets and liabilities were about \$124 billion and \$120 billion, respectively.

Given the magnitude of the *Summary Financial Statements*, we work with private sector auditing firms to complete the necessary work.

One of the goals of this plan is to ensure that we have the right depth and breadth of knowledge about the business of government to focus our efforts on risk areas while also fulfilling the role of the independent audit office of the legislature.

Our audit of government's *Summary Financial Statements* is conducted in accordance with Canadian generally accepted auditing standards (GAAS) as prescribed by the Chartered Professional Accountants of Canada. These standards require that we have an appropriate understanding of the business processes of the government reporting entity to ensure that the information contained within the *Summary Financial Statements* is complete and has been fairly presented.

The work that goes into this plan allows us to meet the professional requirements under GAAS and will allow me to sign the independent auditor's report on government's *Summary Financial Statements*.

In the fall of 2023, we will provide the legislative assembly with a report on fiscal 2022/23 financial audit results.

I am pleased to present this plan, with all the information required by the *Auditor General Act*, to the Select Standing Committee on Public Accounts for review and approval.

A handwritten signature in black ink, appearing to read 'Michael A. Pickup'. The signature is fluid and cursive, written over a white background.

Michael A. Pickup, FCPA, FCA
Auditor General of British Columbia
Victoria, B.C. February 2023



Plan at a glance

Why we do this plan

- This *Financial Statement Audit Coverage Plan* outlines how we determine which government entities' financial statements we will audit directly, and which will be audited by private sector auditing firms.
- As required by the *Auditor General Act*, our plan covers the next three fiscal years and is prepared for the consideration and approval of the Select Standing Committee on Public Accounts.

About the plan

The plan allows us the right depth and breadth of knowledge about the government to focus on risk areas.

Our audit will meet Canadian generally accepted auditing standards (GAAS) of Chartered Professional Accountants of Canada.

Standards require an appropriate understanding of the financial information to ensure that the *Summary Financial Statements* are fairly presented.

Audit coverage

- For the approximately 139 government entities (external to central government), the Office of the Auditor General has one of three levels of involvement:
 1. Auditing an entity directly, using office staff or contracting with an audit firm.
 2. Performing oversight procedures, including attending meetings with the entity's auditor and the entity, and reviewing the auditor's work.
 3. Limited involvement, mainly through written communications with the entity's auditor.
- Appendix A outlines our level of audit involvement with each of the approximately 139 government entities.

Highlighted changes from the plan presented in 2022

- No longer direct auditor for the University of British Columbia, Royal BC Museum, and Oil and Gas Commission starting in fiscal 2025 (moving to oversight involvement for UBC and OGC, and limited involvement for RBCM).
- Direct auditor of Simon Fraser University beginning with fiscal 2025.
- Ending oversight involvement of BC Transit beginning with fiscal 2024.
- Oversight involvement for School District 36 (Surrey) beginning with fiscal 2023 and continuing beyond two years.
- Oversight involvement for School District 39 (Vancouver) no longer ending with fiscal 2025, continuing beyond two years.
- Appendix B outlines detailed changes from the approved plan presented in 2022.

Approvals requested

The Select Standing Committee on Public Accounts is requested to consider and approve:

1. *Financial Statement Audit Coverage Plan* for financial statement fiscal years ending in 2024, 2025 and 2026. ([Appendix A](#))
2. Auditor General to continue as the appointed auditor for five government entities where the engagement term exceeds five consecutive fiscal years. ([Exhibit 5](#))
3. Auditor General is appointed auditor for one entity outside the government reporting entity: the [Provincial Employees Community Services Fund](#).

Background

According to section 10(1) of the *Auditor General Act*, the auditor general is the auditor of the government reporting entity (GRE). The GRE includes central government (e.g., ministries) and 139 other government entities, such as Crown corporations, universities, colleges, school districts, health authorities and similar entities that are controlled by or accountable to the provincial government.

The auditor general must report annually to the legislative assembly, in accordance with Canadian generally accepted auditing standards (GAAS), on the financial statements of the GRE. These are known as government's *Summary Financial Statements*.

The annual audit of the *Summary Financial Statements* is the largest audit performed in the province. It provides assurance to legislators, credit rating agencies, and the people of British Columbia as to whether the *Summary Financial Statements* present fairly the financial position and operating results of government.

The independent auditor's report is the way an auditor communicates whether the financial statements of an entity are presented fairly. An audit is not designed to examine every transaction and to catch every error that might be included in a set of accounts, nor is it designed to ensure that the notes to the financial statements describe every detail related to the entity. Audits should ensure there are no material, or significant, errors. An audit is performed using professional judgment, which includes focusing the audit work on areas that are significant and are more likely to be in error. When the audit is complete, the independent auditor's report explains any concerns auditors have with the quality and accuracy of financial reporting.

The independent auditor's report on the *Summary Financial Statements* is the auditor general's alone, but in B.C. the audit of the GRE is accomplished through the combined work of our office and private sector auditing firms. The auditor general audits government ministries while private sector auditing firms audit most of the other entities and trust funds in the GRE. The auditor general is responsible for overseeing this process and determining the level of involvement our office will have with each entity.

The *Financial Statement Audit Coverage Plan* for financial statement fiscal years ending in 2024, 2025 and 2026 is provided to the Select Standing Committee on Public Accounts under section 10(6) of the *Auditor General Act*.

Section 10(7) of the act states the plan is to include:

- a) a list of the government entities and trust funds for which the Auditor General proposes that the Auditor General be appointed
- b) a list of the government entities and trust funds for which the Auditor General proposes that other auditors be appointed
- c) the implications of the plan on the Auditor General's budget
- d) a request for exemption from the prohibition against being appointed the auditor of a government entity or a trust fund for a period of more than five consecutive fiscal years



- e) the criteria and selection process for the appointment of the auditors of government entities and trust funds
- f) the involvement of the Auditor General in the audit process for government entities and trust funds for which auditors other than the Auditor General are the auditors
- g) a summary of consultations on the plan with officials of those government entities and trust funds referred to in paragraph (b)

The selection process for determining the auditor general's level of involvement with each entity is risk-based and aligns with GAAS for the audit of group financial statements. GAAS require us to be involved in the audit of all significant entities (components) of the *Summary Financial Statements*.

The plan details the levels of involvement we use to gain knowledge of entities and sectors during the overall audit of the *Summary Financial Statements*.

The plan has been prepared in accordance with the requirements of the act to inform the Select Standing Committee on Public Accounts as the committee fulfills its responsibility (under section 10(9)) to review and approve the plan.



Plan foundation and preparation

The audit of government's *Summary Financial Statements* is a group audit under Canadian auditing standards. The Office of the Auditor General, as group auditor, is responsible for the overall audit, which includes the audit work done by the component auditors. The *Financial Statement Audit Coverage Plan* identifies our level of involvement with each entity in the government reporting entity (GRE) so that the auditor general will have the knowledge necessary to sign the independent auditor's report on the audit of government's *Summary Financial Statements*. The plan also shows the process we use to determine which entities we will audit directly, and which will be audited by private sector auditors.

The B.C. government's *Summary Financial Statements* are a consolidation of two distinct components of the GRE:

- 1. Core government operations, which form the Consolidated Revenue Fund (CRF):**
Under section 10(2) of the act, the auditor general is the auditor of all ministries of government, officers of the legislature and other funds or appropriations that form part of the CRF.
- 2. Government entities that are included in the GRE:** Canadian public sector accounting standards have criteria to determine which entities should be included in the GRE. Currently there are 139 entities in the GRE, not including the trusts, ministries and a few other entities that form the CRF (see Appendix A). Sections 10(3), 10(4), 10(5) and 10(11) of the act establish the auditor appointment process for these entities. Each entity prepares its own annual audited financial statements, and their financial statements are consolidated into government's *Summary Financial Statements*.

Assurance standards require that we develop an appropriate understanding of the GRE to assess potential risks related to our audit of the *Summary Financial Statements*. We acquire this understanding through:

1. An audit of the consolidation of the GRE.
2. An audit of the accounts of central government (the ministries in the CRF).
3. An audit of the financial statements of government entities.
4. Oversight of audits performed by private sector auditing firms for the financial statements of government entities and trust funds.
5. Audits of economy, efficiency, effectiveness, accountability and statutory, regulatory and contractual compliance, undertaken under sections 11(8), 12 and 13 of the act.

Audit of the consolidation of the GRE

Section 10(1) of the act appoints the auditor general as the auditor of the GRE. We audit government's consolidation of entities' financial statements, along with the CRF. Together, this is known as our audit of government's *Summary Financial Statements*.



Audit of the accounts of central government

Section 10(2) of the act requires the auditor general to audit government ministries, officers of the legislature and other funds or appropriations that form part of the CRF. Ministries and most of the officers do not currently produce their own financial statements, although they share a common financial reporting system. We conduct this work directly.

To support our audit of the accounts of central government, we invest significantly in gaining knowledge of government's business – for example, its operating and financial processes, systems, and controls that form the basis for assessments of risk that are required under GAAS.

Our own financial accounts are part of central government, and our financial statements are audited by an independent auditor appointed by the legislative assembly.

Audit of the financial statements of government entities and trust funds

The independent auditor's report on the *Summary Financial Statements* is the auditor general's alone. However, the audit of the GRE is a combined effort of our office and private sector auditing firms.

We contact each entity's auditor to communicate our expectations, the information required and deadlines. In addition to obtaining information about audit planning, audit completion and the audited financial statements, we also review any management letters that the private sector auditors issue to each entity. Our goal is to assess whether there are any systemic weaknesses or breakdowns in controls that government should address.

There are three levels of involvement of the auditor general in the financial statement audits of government entities:

- 1. High (direct) involvement:** The audit is conducted either by us or by a private sector audit firm under contract. In either case, our office is responsible for the audit and signs the independent auditor's report. For the year ending March 31, 2023, we have one audit (of the BC Liquor Distribution Branch) that is performed under contract to a private sector audit firm. Direct audit involvement gives us the best understanding of an auditee's business.
- 2. Moderate (oversight) involvement:** The audit is conducted by a private sector firm. We conduct extended procedures to better understand the business, issues, and audit risk of the particular entity. Extended procedures include attending audit (or equivalent) committee meetings and reviewing the appointed auditor's audit plans and year-end audit files. These procedures give us information about the audited entity and allow us to assess whether the audit work is sufficient for the auditor general to form an opinion on government's *Summary Financial Statements*.
- 3. Low (limited) involvement:** The audit is conducted by a private sector audit firm. To meet professional requirements, the auditor general informs the appointed auditor that our office will be relying on their work and may direct or review the audit work as required. We also work with the auditor if there is a specific issue in the entity or sector that needs to be addressed, as we may be able to provide information or request additional audit work to be performed if required. We might also review a sample of the auditor's files.



The financial statement audit process

Regardless of whether the auditor general or a private sector audit firm is the auditor, a financial statement audit has five steps:

1. **Pre-engagement procedures:** Before the audit begins, the auditor performs procedures, such as an independence assessment and a pre-engagement audit risk assessment. The auditor confirms their independence from the client and issues an engagement letter that sets out the objectives, scope and limitations of the audit engagement, the responsibilities of management and the auditor, and other matters.
2. **Risk assessment:** While planning for the audit, the auditor gathers information about the client and its operating environment, including information about the client's internal controls and business processes.
3. **Risk response:** After assessing the audit risks (the areas where errors are more likely to occur), the auditor performs audit procedures to verify the accuracy of the figures in the financial statements.
4. **Reporting:** The auditor issues an independent auditor's report on the financial statements, and a report on the audit findings to management and the audit committee.
5. **Follow-up:** Issues identified during the audit are followed-up on in the next year's audit to see if recommendations were implemented.

For more information about this process, see [What to Expect from a Financial Audit](#) on our website.

Audits of economy, efficiency, effectiveness, accountability and statutory, regulatory and contractual compliance

Each year, our office also conducts performance audit work and other work that can, where relevant, provide support for our independent auditor's report on the *Summary Financial Statements*.

The information from these reports – in areas such as financial management, IT security and planning, governance, risk management, public-private partnerships and others – is key to our understanding of the GRE and assessing financial risk. This information also helps us meet GAAS requirements when we audit the *Summary Financial Statements*.



How we prepare the audit coverage plan

In designing the plan, we make audit coverage decisions in three stages.

First, for each entity we perform a risk assessment to determine if the entity should be considered a significant component of the *Summary Financial Statements*. We make this assessment based on the financial size of the entity and on other relevant risks, such as whether the entity:

- delivers a core service
- has a high level of public interest
- possesses a high inherent risk to government (related to programs delivered or roles fulfilled)
- is complex
- will likely have issues that could materially affect the *Summary Financial Statements*
- has other risk factors

For entities that are determined to be significant components of the *Summary Financial Statements*, assurance standards require us to have more than a low level of involvement. As well, based on the risk assessments, we have in some cases determined that our involvement must extend beyond five years.

Second, for entities assessed as not being a significant component of the *Summary Financial Statements*, we determine, for each type, the sufficient level of direct audit or oversight involvement.

The plan rotates involvement through these entities on a two- to five-year cycle. This allows us to keep up with risks and issues in and across each of these groups.

Finally, we assess all new or planned government entities and trust funds for significance and risk to decide if we should audit them directly for the first three years, consistent with section 10(4) of the act.

The requirement to appoint an auditor is usually specified in the enabling legislation, constitution or bylaws of each entity. Once the Select Standing Committee on Public Accounts approves our audit coverage plan, with or without amendments, we contact the entities affected.

Due to the evolving risks involved with such a large audit, we sometimes change the audit coverage plan approved by the committee in the prior year.

For our current coverage plan we are reverting to our original coverage planned for the University of British Columbia (UBC) and Simon Fraser University (SFU). Last year we proposed staying as direct auditor of UBC for one additional year beyond our usual five-year rotation. However, based on an updated risk assessment, our continued direct involvement for an extra year is no longer warranted. This change results in a shift from oversight to direct involvement in SFU beginning in 2025, as originally planned.



Another change is to school districts oversight: involvement in School District 36 (Surrey) begins in fiscal 2023 and involvement in School District 39 (Vancouver) no longer ends in 2025. Because of their size and our ongoing assessments, we have determined these two school districts to be significant to the *Summary Financial Statements*. Both these school districts were in the previous plan for two-year oversight rotations, this has now been updated in this plan.

We will also discontinue three direct audits. British Columbia Enterprise Corporation has been dissolved in the current year therefore 2023 will be the final audit. Direct audit of the Oil and Gas Commission and the Royal BC Museum will end after 2024. We have been the direct auditor of the Oil and Gas Commission since its inception, and the museum for over five years. Based on our current risk assessment, this level of involvement is no longer required. We will continue as direct auditor of these entities for fiscal 2024 which will allow us to monitor for any significant changes to these two organizations. Provided there are no changes to our risk assessment, we will discontinue our direct audit involvement with these entities.

These changes, along with other minor changes, are all detailed in [Appendix B](#).

We normally perform the audit of new entities for at least the first three years of their existence, as allowed by section 10(4) of the act. For this audit plan, there are no new entities.

In [Appendix C](#) we list subsidiaries, partnerships and joint ventures of government entities included in the *Summary Financial Statements* for the fiscal year ending March 31, 2022. We used the fiscal 2022 list as a basis on which to note whether we are the auditor of the subsidiaries for fiscal 2023.

Subsidiaries are stand-alone organizations. Most of them receive a separate independent auditor's report, but they are consolidated into the financial statements of their parent entity. Appendix C lists the parent entity (from [Appendix A](#)) and its subsidiaries. It also notes whether the subsidiaries are audited by our office. Some subsidiaries are small and may not require an audit. There are over 100 subsidiaries listed.

We would be happy to discuss any aspect of our plan with the committee.

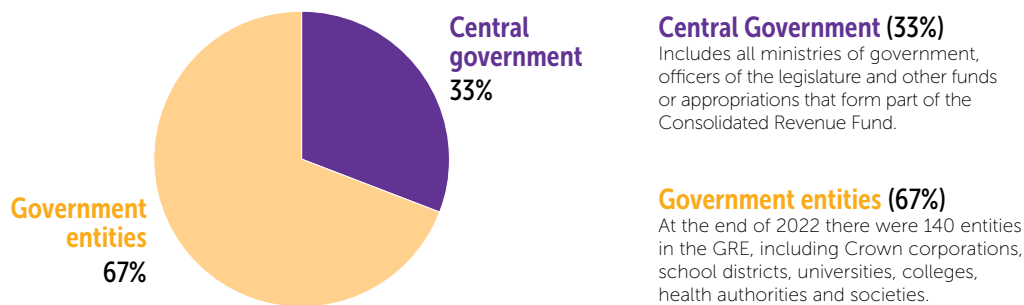


The plan for 2024, 2025, and 2026

The *Financial Statement Audit Coverage Plan* addresses the audit of entities in the government reporting entity (GRE) that are not reported through the Consolidated Revenue Fund (CRF).

As Exhibit 1 shows, 67 per cent of government expenses flow through these entities. The CRF accounts for 33 per cent of government expenses, after excluding transfers from the CRF to fund government entities.

Exhibit 1: Total government expenses for fiscal year ending March 31, 2022



Source: Office of the Auditor General of B.C.

The proposed audit coverage plan for fiscal years ending in 2024, 2025 and 2026 (for entities included in the GRE) is summarized in Exhibit 2. Our involvement with these and other entities is presented in detail in [Appendix A](#).

There are over 100 subsidiaries of government entities, listed in [Appendix C](#), and their financial results are consolidated into the financial statements of their parent entity. Often, but not always, the auditor of the parent entity is also the auditor of all subsidiary entities. Appendix B notes the subsidiary audits we plan to perform during fiscal 2023.

In addition to the audits of the CRF, the entities in [Appendix A](#), and the subsidiaries in [Appendix C](#), we perform additional audit work (beyond the audit of the financial statements) related to ministries and government entities. Each year we dedicate about 5,000 hours to audit information, such as: statements of compliance related to Canadian federal grant agreements; United States grant revenue; the number of full-time equivalent students at a university; and other information requiring audit assurance.



Exhibit 2: Summary of proposed audit coverage

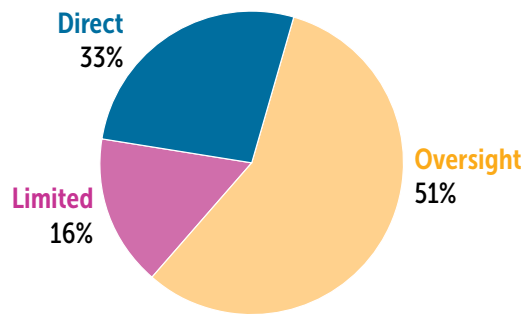
Entity Type	Expected # of entities	Financial statement fiscal year ending in								
		2024 Level of involvement			2025 Level of involvement			2026 Level of involvement		
		Limited	Oversight	Direct	Limited	Oversight	Direct	Limited	Oversight	Direct
School districts	60	53	5	2	53	4	3	54	3	3
Universities, colleges and institutes	25	16	7	2	18	5	2	18	5	2
Health authorities	7	1	5	1	1	5	1	1	5	1
Hospital societies	5	4	1	0	4	1	0	4	1	0
Crown corporations	42	27	11	4	27	11	4	28	10	4
Total	139	101	29	9	103	26	10	105	24	10

Source: Office of the Auditor General of B.C.

Because many government entities are selected based on the magnitude of risk to the GRE as a whole, they also tend to be more significant in terms of their expenses.

As Exhibit 3 shows, the auditor general had either a direct or oversight level of involvement for 84 per cent of government entities expenses (as reported in the financial statements of individual government entities) for the 2021/22 fiscal year. Note that Exhibit 3 and Exhibit 4 exclude the expenses of core government operations, which we audit directly.

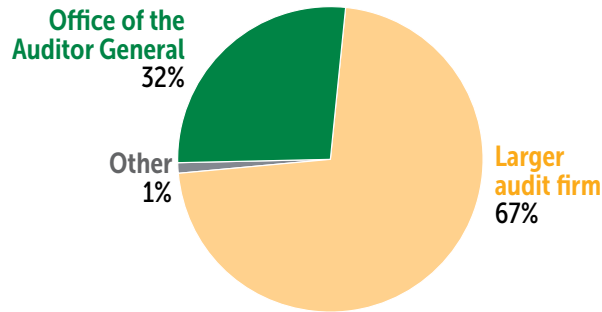
Exhibit 3: Government entity expenses by level of audit involvement, fiscal year ending March 31, 2022



Source: Office of the Auditor General of B.C.



Exhibit 4: Proportion of government entities expenses audited by the Office of the Auditor General of B.C. compared to other auditors, fiscal year ending March 31, 2022



Source: Office of the Auditor General of B.C.

As Exhibit 4 shows, of the government entities for which the auditor general is not the appointed auditor, almost all are audited by the larger auditing firms (BDO Canada LLP, Deloitte LLP, Grant Thornton LLP, KPMG LLP and PricewaterhouseCoopers LLP). We work closely with these firms during their audit of government entities.

[Appendix A](#) presents the auditor general's proposed audit coverage by level of involvement for each government entity and trust fund, by each year of the plan. It also includes, for comparison, the implemented coverage levels for fiscal years 2022 and 2023.



Additional reporting requirements under the act

Auditor general appointments exceeding five years

Section 10(7)(d) of the *Auditor General Act* requires the Select Standing Committee on Public Accounts' approval for the auditor general to be appointed as auditor of a government entity or trust fund for a period of more than five consecutive fiscal years. This provision recognizes the need to manage inherent audit risk by providing a mechanism to extend the auditor general's involvement beyond five years where necessary.

When the act was revised in 2003, firms were limited to auditing entities for five years because of the standards being considered for the accounting and auditing profession at the time. The intent was to minimize the risk associated with a potential lack of independence between the auditors and those they were auditing. Since then, the profession has continued to discuss the merits and risks of firm and partner rotation. In B.C., the lead engagement partner on the audit of a financial statement of an entity listed on a stock exchange must rotate off the engagement after a period not normally longer than seven years. Our office has a similar policy.

The plan requires that our audit coverage be sufficient to enable us to maintain the knowledge required to assess potential risks and appropriately plan our audit of the *Summary Financial Statements*. The plan balances the benefits of auditor rotation with professional standards that require us to maintain appropriate knowledge and experience to be able to complete our audits. Assurance standards specific to the audit of group financial statements require that we maintain involvement, either directly or in an oversight capacity, with any entity determined to be significant to the *Summary Financial Statements*. By definition, this means some audit engagements may exceed five years.

The same logic applies to government ministries, for which the act requires the auditor general to be the auditor in perpetuity.

When preparing the plan, we review each of our appointments exceeding five years and consider whether our continued appointment is warranted. This year, we are requesting the Select Standing Committee on Public Accounts approve our continuing as the auditor for three government entities and two subsidiaries where the terms will exceed five years. Exhibit 5 explains the rationale for extending each one.

Exhibit 5 excludes the legislative assembly, which we have audited for many years, because we are the appointed auditor under section 10(2) of the *Auditor General Act*.



Exhibit 5: Auditor General appointments exceeding five years

Entity	Rationale for exceeding five years
British Columbia Liquor Distribution Branch (LDB)	The LDB is not technically a separate legal entity, but rather a branch (subsidiary) of a ministry. We are the legislated auditor of all ministries. While the branch is not identified as a separate entity in Appendix A, we are the auditor of record and for fiscal year 2023 and 2024 we will continue to contract the audit work to a private sector audit firm before taking on the direct audit ourselves in fiscal year 2025.
BC Transportation Financing Authority (BCTFA)	<p>Our continued direct involvement with BCTFA is warranted because it holds a significant portion of the province’s capital assets and is responsible for the financing and construction of highway and other transportation infrastructure projects. in addition</p> <ul style="list-style-type: none"> ▪ there is a high degree of administrative integration with the ministry of transportation and infrastructure, which we must audit. ▪ BCTFA is a party to a number of federal-provincial cost-sharing agreements, which we audit. ▪ Our independent auditor’s report on BCTFA’s financial statements has been qualified since 2011, which increases our assessment of risk. <p>BCTFA has two subsidiary organizations – the Transportation Investment Corporation, which we audit directly, and the British Columbia Railway Company (BCRC), which, until fiscal 2020, we audited under contract with a private sector audit firm. Beginning in fiscal 2021, BCRC is being audited directly by a private sector audit firm.</p>
Oil and Gas Commission (OGC)	The oil and gas industry is significant to the province and involves several high-profile issues, including potential pipeline projects, liquefied natural gas (LNG) facilities and increasing numbers of orphaned sites. Historically our continued direct involvement in the commission has been warranted. However, based on our current year risk assessment, we feel that oversight involvement will allow us to be positioned to address financial reporting risks and stay informed about industry activities that may have a significant public impact. We will continue to direct audit for 2024 to monitor current legislation amendments before we transition to oversight.
Royal British Columbia Museum (RBCM)	Due to changes at the museum and because of our continuing reassessment of our overall audit coverage, we have determined that our continued direct involvement is warranted beyond five years. However, based on our current year assessment we plan to transition to a lower-level involvement starting in 2025 if there are no further changes at the organization requiring our continued direct involvement.
Transportation Investment Corporation (TIC)	As noted above, TIC is a subsidiary of the BCTFA. We plan to continue being the auditor of TIC because it carries out significant transportation construction projects in the province. The scope and significance of the projects warrant our continued involvement as its auditor.

Summary of consultations

Section 10(7)(g) of the act requires a summary of consultations made with respect to the plan.

Our annual consultation process starts with a discussion of proposed changes with the governing boards and senior management of entities that will be impacted by the fiscal 2026 plan and by any changes to the plan approved in 2022. This consultation continues while we draft the plan. It may include discussions with senior management and audit committee chairs (or equivalent) and attendance at audit committee meetings.



After the plan has been reviewed and approved by the Select Standing Committee on Public Accounts, we will communicate, in writing, with those entities affected by the plan. We will also continue to communicate, as needed, with all government entities to keep them informed about our process for creating the plan.

Implications for the office's budget

Section 10(7)(c) of the act requires that the plan describe what effect it will have on our office's budget.

Our budget was approved by the Committee on December 5, 2022. We did not request any changes to the budget for the 2023/24 year based on any of the above-mentioned changes and believe we will be able to carry our audit plan.

Request for approval to audit entities outside the GRE

Section 14 of the act allows the Auditor General, with the consent of the Select Standing Committee on Public Accounts, to be appointed auditor of an entity or trust fund that is not part of the *Summary Financial Statements*.

We request approval to continue being the appointed auditor for the following entity outside the GRE:

- The Provincial Employees Community Services Fund

This is a small charitable employee trust that collects donations from provincial employees and distributes them to B.C. charities. We conduct a review of their annual financial statements and, to support the charity, charging no fee.



Approvals requested

We request that the Select Standing Committee on Public Accounts approve the following:

1. *Financial Statement Audit Coverage Plan* for financial statement fiscal years ending in 2024, 2025 and 2026 ([Appendix A](#)).
2. Auditor general to continue as the appointed auditor for five government entities where the engagement term exceeds five consecutive fiscal years ([Exhibit 5](#), page 16).
3. Auditor general is appointed auditor for one entity outside the government reporting entity: the [Provincial Employees Community Services Fund](#) (Page 17).



Appendix A: Detailed coverage plan for financial statement fiscal years ending in 2024, 2025, and 2026

Plan legend	
OAG-direct	High Involvement – Audit performed by the Office of the Auditor General using existing staff.
OAG-contract	High Involvement – Audit performed by the auditor general using private sector auditing firms under contract. We do not anticipate contracting out any of the audits listed in this appendix during the period of the plan. however, there is one “subsidiary” organization that is currently contracted to a private sector audit firm: BC Liquor Distribution Branch.
Oversight	Moderate Involvement – auditors other than the auditor general are the appointed auditors. however, the auditor general conducts oversight procedures.
Blank	Low involvement – auditors other than the auditor general are the appointed auditors. The auditor general has limited involvement, but may conduct work as required

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2022	2023	2024	2025	2026
School districts					
School District No. 5 (Southeast Kootenay)					
School District No. 6 (Rocky Mountain)					
School District No. 8 (Kootenay Lake)					
School District No. 10 (Arrow Lakes)					
School District No. 19 (Revelstoke)					
School District No. 20 (Kootenay-Columbia)					
School District No. 22 (Vernon)					
School District No. 23 (Central Okanagan)					
School District No. 27 (Cariboo-Chilcotin)					
School District No. 28 (Quesnel)				Oversight	Oversight
School District No. 33 (Chilliwack)					
School District No. 34 (Abbotsford)			Oversight	OAG-direct	OAG-direct
School District No. 35 (Langley)					
School District No. 36 (Surrey)		Oversight	Oversight	Oversight	Oversight
School District No. 37 (Delta)					



	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2022	2023	2024	2025	2026
School District No. 38 (Richmond)					
School District No. 39 (Vancouver)		Oversight	Oversight	Oversight	Oversight
School District No. 40 (New Westminster)					
School District No. 41 (Burnaby)	Oversight				
School District No. 42 (Maple Ridge-Pitt Meadows)					
School District No. 43 (Coquitlam)			Oversight	Oversight	
School District No. 44 (North Vancouver)					
School District No. 45 (West Vancouver)					
School District No. 46 (Sunshine Coast)					
School District No. 47 (Powell River)					
School District No. 48 (Sea to Sky)					
School District No. 49 (Central Coast)					
School District No. 50 (Haida Gwaii)					
School District No. 51 (Boundary)					
School District No. 52 (Prince Rupert)					
School District No. 53 (Okanagan Similkameen)					
School District No. 54 (Bulkley Valley)					
School District No. 57 (Prince George)					
School District No. 58 (Nicola-Similkameen)					
School District No. 59 (Peace River South)					
School District No. 60 (Peace River North)					
School District No. 61 (Greater Victoria)		Oversight	Oversight		
School District No. 62 (Sooke)					
School District No. 63 (Saanich)	OAG-direct	OAG-direct	OAG-direct	OAG-direct	OAG-direct
School District No. 64 (Gulf Islands)					
School District No. 67 (Okanagan Skaha)					
School District No. 68 (Nanaimo-Ladysmith)					
School District No. 69 (Qualicum)					
School District No. 70 (Pacific Rim)					
School District No. 71 (Comox Valley)					
School District No. 72 (Campbell River)					
School District No. 73 (Kamloops-Thompson)					
School District No. 74 (Gold Trail)		Oversight	OAG-direct	OAG-direct	OAG-direct



	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2022	2023	2024	2025	2026
School District No. 75 (Mission)					
School District No. 78 (Fraser-Cascade)					
School District No. 79 (Cowichan Valley)					
School District No. 81 (Fort Nelson)					
School District No. 82 (Coast Mountains)					
School District No. 83 (North Okanagan-Shuswap)					
School District No. 84 (Vancouver Island West)					
School District No. 85 (Vancouver Island North)					
School District No. 87 (Stikine)					
School District No. 91 (Nechako Lakes)					
School District No. 92 (Nisga'a)					
School District No. 93 (Francophone Education Authority)					
Universities, colleges, and institutes					
British Columbia Institute of Technology	Oversight	Oversight	Oversight	Oversight	Oversight
Camosun College					
Capilano University					
Coast Mountain College					
College of New Caledonia					
College of the Rockies			Oversight	Oversight	
Douglas College					
Emily Carr University of Art and Design		Oversight	Oversight		
Justice Institute of British Columbia		Oversight	Oversight		
Kwantlen Polytechnic University					Oversight
Langara College					
Nicola Valley Institute of Technology					
North Island College					
Northern Lights College				Oversight	Oversight
Okanagan College	Oversight	Oversight	OAG-direct	OAG-direct	OAG-direct
Royal Roads University					
Selkirk College					
Simon Fraser University	Oversight	Oversight	Oversight	OAG-direct	OAG-direct
Thompson Rivers University					



	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2022	2023	2024	2025	2026
University of British Columbia	OAG-direct	OAG-direct	OAG-direct	Oversight	Oversight
University of Northern British Columbia	Oversight	Oversight			
University of the Fraser Valley		Oversight	Oversight		
University of Victoria	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Community College					
Vancouver Island University					
Health authorities					
Fraser Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Interior Health Authority	OAG-direct	Oversight	Oversight	Oversight	Oversight
Nisga'a Valley Health Authority					
Northern Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Provincial Health Services Authority	Oversight	OAG-direct	OAG-direct	OAG-direct	OAG-direct
Vancouver Coastal Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Island Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Hospital societies & other health organizations					
Louis Brier Home and Hospital					
Menno Hospital					
Mount St. Mary Hospital					
Providence Health Care	Oversight	Oversight	Oversight	Oversight	Oversight
St. Michael's Centre					
Crown corporations					
BC Family Maintenance Agency Ltd.					
BC Financial Services Authority			Oversight	OAG-direct	OAG-direct
BC Games Society					
BC Health Care Occupational Health and Safety Society					
BC Pavilion Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
BC Transportation Financing Authority	OAG-direct	OAG-direct	OAG-direct	OAG-direct	OAG-direct
BCNET					
British Columbia Assessment Authority	OAG-direct	OAG-direct			
British Columbia Enterprise Corporation ¹	OAG-direct	OAG-direct			
British Columbia Housing Management Commission	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Hydro and Power Authority	OAG-direct	OAG-direct	Oversight	Oversight	Oversight



	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2022	2023	2024	2025	2026
British Columbia Infrastructure Benefits Inc.	Oversight	Oversight	Oversight	Oversight	
British Columbia Lottery Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Public School Employers' Association					
British Columbia Securities Commission					
British Columbia Transit	Oversight	Oversight			
Canadian Blood Services					
Columbia Basin Trust	OAG-direct	Oversight	Oversight	Oversight	Oversight
Columbia Power Corporation	OAG-direct	Oversight	Oversight	Oversight	Oversight
Community Living British Columbia	Oversight	Oversight	Oversight	OAG-direct	OAG-direct
Community Social Services Employers' Association of BC					
Creston Valley Wildlife Management Authority Trust Fund					
Crown Corporation Employers Association					
Destination BC Corp.					
First Peoples' Heritage, Language and Culture Council					
Forest Enhancement Society of BC					
Forestry Innovation Investment Ltd.					
Health Employers Association of British Columbia					
InBC Investment Corp.	Oversight	OAG-direct	OAG-direct	OAG-direct	OAG-direct
Infrastructure BC Inc.					
Innovate BC					
Insurance Corporation of British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight
Knowledge Network Corporation					
Legal Services Society				Oversight	Oversight
Nechako-Kitimaat Development Fund Society					
Oil and Gas Commission	OAG-direct	OAG-direct	OAG-direct	Oversight	Oversight
Organized Crime Agency of BC Society					
Post-Secondary Employers' Association					
Provincial Rental Housing Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
Real Estate Foundation of British Columbia					
Royal British Columbia Museum Corporation	OAG-direct	OAG-direct	OAG-direct		
SkilledTradesBC					
The BC Council for International Education					



	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2022	2023	2024	2025	2026
Trust Funds²					
Credit Union Deposit Insurance Corporation of BC					
Public Guardian and Trustee of BC (estates and trusts)					
Supreme and Provincial Court (suitsors' funds) ³					
Other organizations – CRF					
Legislative Assembly	OAG-direct	OAG-direct	OAG-direct	OAG-direct	OAG-direct
Other organizations – non GRE					
Provincial Employees Community Services Fund	OAG-direct	OAG-direct	OAG-direct	OAG-direct	OAG-direct

1 British Columbia Enterprise Corporation was dissolved in the year.

2 Only those government trust funds that are significant to the Summary Financial Statements are included in this plan. Trust Funds are not consolidated into the Summary Financial Statements and are included in note disclosure only.

3 The Supreme and Provincial Court (suitsors' funds) are not audited.



Appendix B: Changes to prior year approved plan

Entity	Changes	Rationale
School District No. 36 (Surrey)	We changed oversight to begin in 2023 rather than 2025. We will perform oversight each year going forward.	Based on our assessment in the current year, School District 36 - Surrey is considered a significant component of the Summary Financial Statements and therefore assurance standards require us to have more than a low level of involvement.
School District No. 39 (Vancouver)	Our oversight involvement will no longer end in 2025. We will perform oversight each year going forward.	Based on our assessment in the current year, School District 39 - Vancouver is considered a significant component of the Summary Financial Statements and therefore assurance standards require us to have more than a low level of involvement.
British Columbia Enterprise Corporation (BCEC)	2023 will be the final year of direct audit.	BCEC was dissolved in 2023.
British Columbia Transit (BC Transit)	We will end our oversight involvement in 2024.	Based on our assessment in the current year we are comfortable ending our oversight involvement at BC Transit at this time.
Oil and Gas Commission (OGC)	We will move to oversight level of involvement in 2025.	We have been the direct auditor for more than 20 years and although the energy sector continues to evolve, we believe an oversight level of involvement is now warranted after a transition year of 2024.
Royal British Columbia Museum (RBCM)	2024 will be the final year of direct audit rather than 2025.	As the planned changes at the museum are now being re-evaluated, we believe we can rotate off of direct involvement after a transition year of 2024.
Simon Fraser University (SFU)	We have returned to our original planned rotation and will therefore move from oversight to direct involvement in 2025.	Due to finishing the direct audit at UBC we are shifting to direct involvement at SFU.
University of British Columbia (UBC)	We have returned to our original five-year rotation and will therefore move from direct to oversight involvement in 2025.	We are comfortable returning to our original five-year direct audit plan and with maintaining our knowledge through a lower level of audit involvement starting in the fiscal year 2025.



Appendix C: Subsidiaries, partnerships and joint ventures of government entities, and our office's expected audit involvement in fiscal 2023

This listing of subsidiaries, partnerships and joint ventures has been created based on the financial statements of government entities included in the March 31, 2022 *Summary Financial Statements*.

OAG involvement in the audit of these subsidiaries, partnerships and joint ventures has been assessed based on our involvement with the audit of the government entities during the 2023 fiscal year.

Legend



Identifies who will perform the fiscal 2023 audit of the subsidiary, partnership or joint venture (note that some subsidiaries, partnerships and joint ventures are not audited).

Government entity by sector	Subsidiary/Partnership/Joint Venture	OAG	Other
Health sector			
Canadian Blood Services	1. Canadian Blood Services Captive Insurance Company		✓
	2. CBS Insurance Company Ltd.		
Fraser Health Authority	3. Abbotsford Regional Hospital and Cancer Centre Inc.		✓
Louis Brier Home and Hospital	4. Louis Brier Jewish Residence Society		✓
Providence Health Care	5. Providence Health Care Business Corporation		✓
Provincial Health Services Authority	6. Abbotsford Regional Hospital and Cancer Centre Inc.		
	7. BC Emergency Health Services	✓	
	8. Forensic Psychiatric Services Commission		
St. Michael's Centre	9. St. Michael's Centre Hospital Society		✓
	10. St. Michael's Centre Intermediate Care Society		
Education sector			
British Columbia Institute of Technology	11. BCIT Foundation		
	12. Great Northern Way Campus Trust		✓
	13. PanGlobal Training Systems Ltd.		
	14. TTA Technology Training Associated Ltd.		



Government entity by sector	Subsidiary/Partnership/Joint Venture	OAG	Other
Capilano University	15. Capilano University Foundation		✓
Emily Carr University of Art and Design	16. Emily Carr Foundation		✓
	17. Great Northern Way Campus Trust		
Justice Institute of British Columbia	18. JI Ventures Inc.		✓
Knowledge Network Corporation	19. Knowledge-West Communications Corporation		✓
Royal Roads University	20. American Friends of Royal Roads University		
	21. Cascade Institute		✓
	22. Royal Roads University Foundation		
School District No. 22 (Vernon)	23. 554210 BC Ltd.		✓
School District No. 44 (North Vancouver)	24. Cheakamus Foundation for Environmental Learning		✓
School District No. 53 (Okanagan Similkameen)	25. Osoyoos Secondary School Transportation Society		
	26. Similkameen Elementary Secondary School Extra-Curricular Support Group		✓
	27. South Okanagan Secondary School Transportation Society		
School District No. 73 (Kamloops-Thompson)	28. School District No. 73 Business Company		✓
Selkirk College	29. Selkirk College Foundation		✓
Simon Fraser University	30. Great Northern Way Campus Trust		
	31. I-INC Foundation		
	32. Innovation Boulevard Corporation		
	33. SFU Community Corporation		✓
	34. SFU Community Trust		
	35. SFU Foundation		
	36. SFU Univentures Corporation		
37. Western Canadian Universities Marine Sciences Society (WCUMSS)			
Thompson Rivers University	38. Thompson Rivers University Community Trust		
	39. TRU Community Corporation		✓
	40. TRU Legal Clinic Society		



Government entity by sector	Subsidiary/Partnership/Joint Venture	OAG	Other
University of British Columbia	41. American Foundation for UBC		
	42. CDRD Ventures Inc.		
	43. Entrepreneurship@UBC Management Inc.		
	44. Great Northern Way Campus Trust		
	45. Hong Kong Foundation for UBC		
	46. UBC Asia Pacific Regional Office Ltd.	✓ ¹	✓
	47. UBC Foundation		
	48. UBC Investment Management Trust		
	49. UBC Properties Investments Ltd.		
	50. UK Foundation for the University of British Columbia		
	51. Western Canadian Universities Marine Sciences Society (WCUMSS)		
University of Northern British Columbia	52. UNBC Investment Trust		✓
University of the Fraser Valley	53. UFV India Global Education		✓
	54. UFV Properties Development Corporation		✓
University of Victoria	55. Byron Price & Associates Ltd.		
	56. Foundation for the University of Victoria		
	57. Gustavson School of Business Executive Education Inc.		
	58. Heritage Realty Properties Ltd.		
	59. Ocean Networks Canada Society		
	60. Pacific Climate Impacts Consortium		✓
	61. University of Victoria Properties Investments Inc.		
	62. U.S. Foundation for the University of Victoria		
	63. UVic Foundation		
	64. UVic Industry Partnerships		
	65. Vancouver Island Technology Park Trust		
66. Western Canadian Universities Marine Sciences Society (WCUMSS)			
Vancouver Island University	67. High School at VIU Association		
	68. International High School at VIU Association		✓
	69. Vancouver Island University Initiatives Corporation		
	70. Vancouver Island University Initiatives Trust		



Government entity by sector	Subsidiary/Partnership/Joint Venture	OAG	Other	
Natural resources and economic development sector				
British Columbia Hydro and Power Authority	71. Powerex Corp.			
	72. Powertech Labs Inc.		✓	
Columbia Basin Trust	73. Arrow Lakes Power Corporation			
	74. Brilliant Expansion Power Corporation			
	75. Brilliant Power Corporation			
	76. Castle Wood Village			
	77. CBT Arrow Lakes Power Development Corp.			
	78. CBT Brilliant Expansion Power Corp.			
	79. CBT Commercial Finance Corp.			
	80. CBT Power Corp.			
	81. CBT Property Corp.			
	82. CBT Real Estate Investment Corp.			
	83. CBT Waneta Expansion Power Corp.			
	84. Columbia Basin Broadband Corporation			✓
	85. Columbia Basin Development Corporation			
	86. Columbia Village			
	87. Crest View Village			
	88. Garden View Village			
	89. Joseph Creek Village			
90. Kootenay Street Village				
91. Lake View Village				
92. Mountain Side Village				
93. Rocky Mountain Village				
94. Red Mountain Hostel				
95. Waneta Expansion Power Corporation				
Columbia Power Corporation	96. Arrow Lakes Power Corporation			
	97. Brilliant Expansion Power Corporation		✓	
	98. Brilliant Power Corporation			
	99. Waneta Expansion Power Corporation			
Forestry Innovation Investment Ltd.	100. 0939031 BC Ltd.			
	101. FII Consulting (Shanghai) Company Ltd.		✓	
	102. Forestry Innovation Consulting India Pvt. Ltd.			
	103. Forestry Innovation Consulting (Vietnam) Ltd			
InBC Investment Corp.	104. B.C. Renaissance Capital Fund Ltd.	✓		



Government entity by sector	Subsidiary/Partnership/Joint Venture	OAG	Other
Transportation sector			
BC Transportation Financing Authority	105. British Columbia Railway Company	✓ ²	✓
	106. Transportation Investment Corporation		
British Columbia Transit	107. 0915866 BC Ltd.		
	108. 0922667 BC Ltd.		✓
	109. 0925406 BC Ltd.		
	110. 0928624 BC Ltd.		
Protection of persons and property sector			
Insurance Corporation of British Columbia	111. ICBC consolidates a number of investment-related subsidiary companies		✓
Other sector			
Royal British Columbia Museum Corporation	112. The RBCM Foundation		✓
General government sector			
British Columbia Lottery Corporation	113. BC Lottotech International Inc.		✓

1 OAG is the auditor of the UBC Foundation.

2 OAG is the auditor of the Transportation Investment Corporation.





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