

***Development Initiative Trusts:
An Audit of Legislative Compliance and
Public Accountability Practices
in the Three Statutory Trusts***

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OFFICE OF THE
Auditor General
of British Columbia

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- Reports to the Legislative Assembly, not to the government of the day
- Conducts both financial audits and performance (or “value for money”) audits

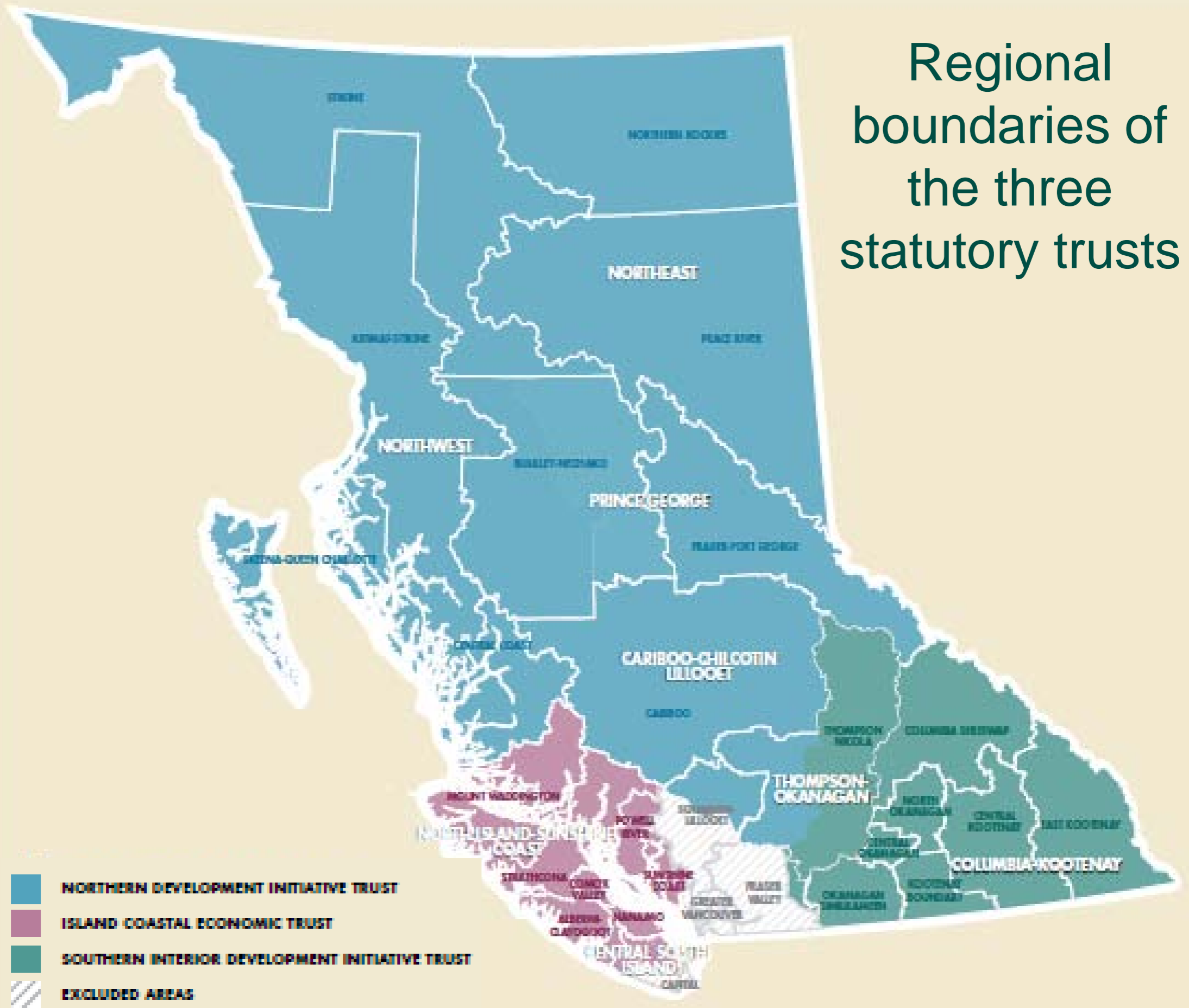


Background

- The publicly funded trusts were enacted in 2004 and 2006.
- \$285 million was provided under a new funding model.
 - \$185M – NDIT
 - \$50M – SIDIT
 - \$50M – ICET

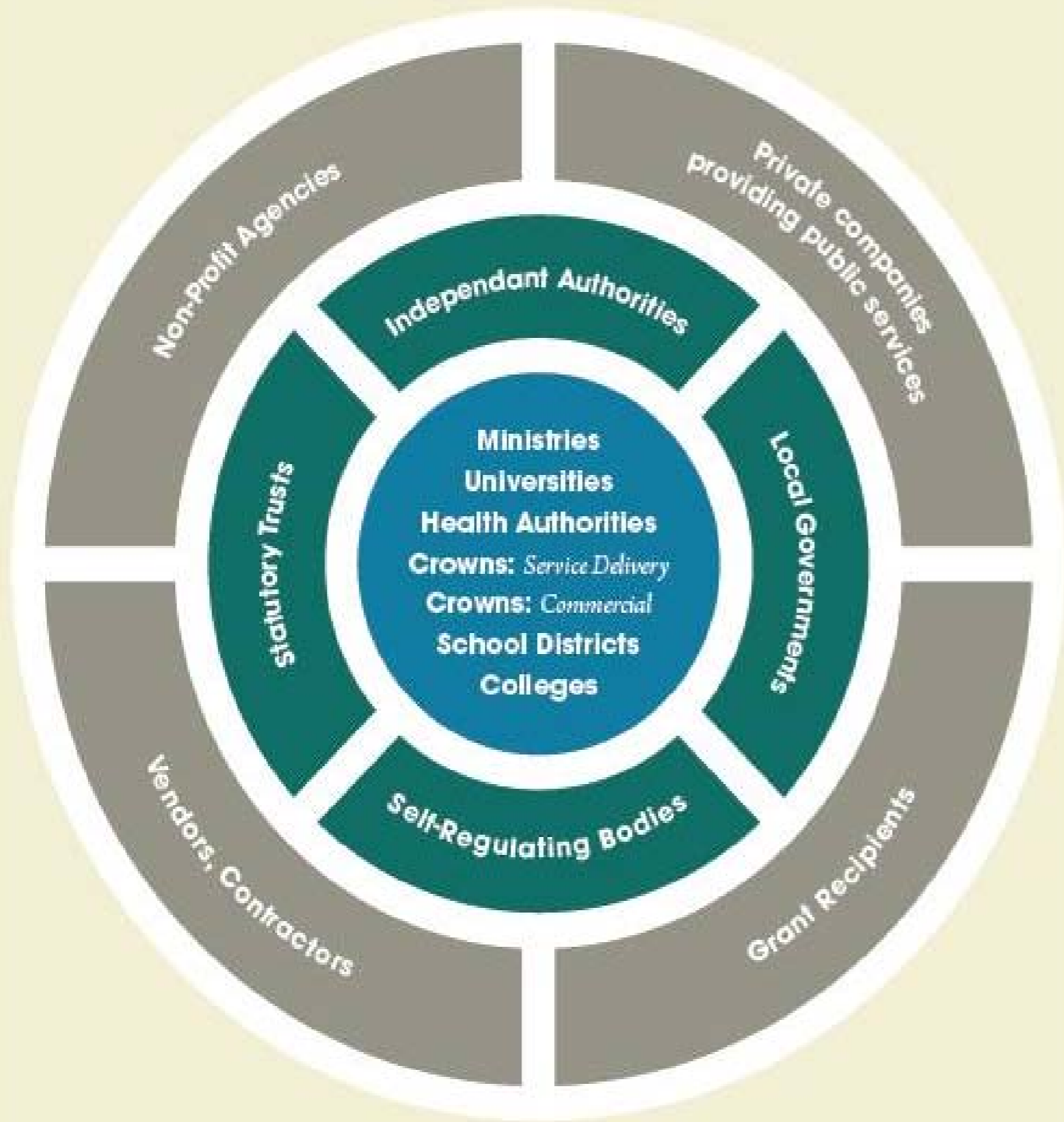


Regional boundaries of the three statutory trusts



Types of entities that receive government funding

The Statutory Trusts (shown in green on the left) sit outside government (shown in blue).



- Private
- Public Independent
- Public

Source: Office of the Auditor General of British Columbia.



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Purpose of the Audit

- Are the three statutory trusts complying with the requirements of their respective Acts, and meeting public accountability reporting standards?
- Audit criteria based on:
 - Governing legislation
 - Recognized good practices



Overall Conclusion

- All three statutory trusts substantially meeting key requirements of their legislation.
- Strategic plans and annual reports reflect some good practices for public accountability reporting.
- Opportunities for continuous improvement.



Legislative Compliance

- Assessed compliance with legislation to determine whether the statutory trusts were established and operating as government intended.
- All three statutory trusts substantially in compliance:
 - established governance structures
 - created investment accounts
 - produced strategic plans & annual reports



Public Accountability Practices

- The statutory trusts are publicly accountable.
- As per our recommendation, they are open to using the BC Reporting Principles as guidance when preparing their future annual reports.
- This will strengthen their public accountability by incorporating even more good practices.



Public Accountability Practices

- Assessed the statutory trusts against the six KPI relevancy guidelines and found:
 - all three demonstrated many good practices in their approach to annual goal-setting
 - opportunities for improvement in other areas
- Non-financial performance information not audited



We recommend that all three trusts:

1. Include discussion in their public accountability reports about how they are complying with legislated requirements.
2. Incorporate the BC Reporting Principles into their annual reports.
3. Develop and report annual goals, as well as key performance indicators that can be used to monitor progress in achieving those goals.



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