



Office of the
Auditor General
of British Columbia

June 2025

Annual Report 2024/25





Office of the
Auditor General
of British Columbia

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The Honourable Raj Chouhan
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
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Dear Mr. Speaker:

I have the pleasure of submitting the Office of the Auditor General's *Annual Report 2024/25*, as required under section 22 of the *Auditor General Act*.

Sheila Dodds, CPA, CA, CIA
Acting Auditor General of British Columbia
Victoria, B.C.

June 2025



Accountability statement

This report reflects the performance of the Office of the Auditor General of British Columbia for the 12 months ending March 31, 2025. It was prepared in accordance with the *Auditor General Act* and the B.C. Reporting Principles. Fiscal assumptions and policy decisions up to June 1, 2025, have been considered in the report's development.

I am accountable for the results and selection of performance indicators and for ensuring that the information is measured accurately and in a timely manner. Performance data in this report are reliable and verifiable, and any significant limitations in the quality of the data have been identified and explained.

We include estimates and interpretive statements reflecting management's best judgment. The measures are consistent with our mission, goals, and objectives, and we focus on aspects essential to the understanding of our performance.

Sheila Dodds, CPA, CA, CIA
Acting Auditor General of British Columbia



Acting Auditor General Sheila Dodds with former Auditors General George L. Morfitt (centre) and Michael A. Pickup (right).

Source: Office of the Auditor General of British Columbia



Contents

Accountability statement	3
A message from the acting auditor general	5
External auditor's opinion on the annual report	6
Our mandate	10
Our vision, mission, values, and guiding principles	11
Our goals, objectives, and key performance indicators	12
Our people	14
Our product	21
Our strategies	28
Our finances	31
Financial statements 2024/25	34
Appendix A	48
Appendix B	51



Former Auditor General Michael A. Pickup with the office's long-serving receptionist now retired, Grace Culic.

Source: Office of the Auditor General of British Columbia

A message from the acting auditor general



I'm honoured to present the Office of the Auditor General's *Annual Report 2024/25* and highlights of our work toward the goals, objectives, and performance measures in our service plan. It's been a year in which we built on the momentum of our achievements and marked the retirement of former auditor general Michael A. Pickup.

Since my appointment as acting auditor general last autumn, I've received tremendous support from our teams in financial audit, performance audit, critical audit support, and our executive leadership. I am grateful for their professionalism and each of their contributions to the accomplishments we have shared.

Our annual report demonstrates how we have met our responsibilities under the *Auditor General Act*. We completed our independent audit of the Province's Summary Financial Statements, delivered a variety of performance audit reports on government programs and services, and conducted a special examination at the request of the Legislative Assembly.

Internally, I am pleased that we have fully implemented our new compensation policy – a fair, equitable, transparent, and competitive approach to salary progression that reflects work experience and successful job performance.

This report includes the Office of the Auditor General's annual financial statements, prepared in accordance with generally accepted accounting principles. An independent auditor has audited our financial statements and conducted a reasonable assurance review of our annual report.

I am proud of the achievements summarized here and how they represent our service to the Legislative Assembly and all British Columbians.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Dodd', with a stylized flourish at the end.

Sheila Dodd, CPA, CA, CIA
Acting Auditor General of British Columbia
Victoria, B.C.

June 2025



External auditor's opinion on the annual report

Independent Practitioner's Reasonable Assurance Report

To the Acting Auditor General of British Columbia

We have undertaken a reasonable assurance engagement with respect to the preparation of the accompanying Annual Report (the "Annual Report") of the Office of the Auditor General of British Columbia (the "Office") for the year ended March 31, 2025 in accordance with the Performance Reporting Principles For the British Columbia Public Sector ("BC Reporting Principles"). Our observations in relation to this engagement are presented in the attached Appendix.

Management's Responsibility

Management is responsible for the preparation of the Annual Report in accordance with the BC Reporting Principles.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the Annual Report to conform with the BC Reporting Principles.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Annual Report based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3001, *Direct Engagements*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Annual Report conforms with the BC Reporting Principles in all significant respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant deviation when it exists. Deviations can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the preparation of the Annual Report in accordance with the BC Reporting Principles.

Our Independence and Quality Management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





Our Independence and Quality Management (continued)

Our firm applies Canadian Standard on Quality Management (CSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirement

Significant Inherent Limitations

As called for by the BC Reporting Principles, the Annual Report contains a number of representations from management concerning the appropriateness of the goals, objectives, and targets established by the Office, explanations of the adequacy of planned and actual performance, and expectations for the future. Management also represents to the extent and nature of information and key performance measures that they believe are critical and meaningful. Such representations are the opinions of management and inherently cannot be subject to independent verification. Therefore, our examination was limited to ensuring the Annual Report contains those representations called for by the BC Reporting Principles and that they are consistent, where applicable with the audited financial statements.

Opinion

In our opinion, the Annual Report of the Office for the fiscal year ended March 31, 2025 conforms in all significant respects with the BC Reporting Principles.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 20, 2025

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Appendix to Independent Practitioner's Reasonable Assurance Report of BDO Canada LLP on the 2024/25 Annual Report

Observations by the Independent Practitioner

Principle 1 - Explain the Public Purpose Served

The Annual Report explains the Office's mission and Public purpose, as outlined in enabling legislation. It reports on the organization's two core business areas and the services/products provided. The Annual Report includes a discussion of the involvement of private sector auditors and the quality assurance measures in place. The Annual Report details the Office's auditees and stakeholders, including the accountability relationship with the Legislative Assembly. Other factors related to understanding performance are identified, including independence and objectivity.

Principle 2 - Link Goals and Results

The Annual Report identifies the organization's mission, mandate, goals, objectives, and successfully explains their interrelationships. Performance indicators are reported and reflect the core substance of the objectives and focus on short-term and long-term outcomes. The Annual Report explains the variances between planned and actual results, variances from prior years' results and discusses plans to achieve targeted results in the future. The Annual Report includes a revised set of measures for future years.

Principle 3 - Focus on the Few, Critical Aspects of Performance

The Annual Report provides information to readers by focusing on key performance indicators that management feels are critical to the understanding of the operational performance of the Office. The results of performance, both financial and nonfinancial, are clearly presented. The Annual Report manages its level of detail by referring appropriately to companion documents.

Principle 4 - Relate Results to Risk and Capacity

The Annual Report examines the key risks to the Office and explains the impact of risk and the resulting critical success factors on performance results. The Annual Report addresses capacity in terms of human resources and information technology infrastructure and how these affect the ability to deliver organizational goals and objectives.

Principle 5 - Link Resources, Strategies and Results

The Annual Report highlights key financial information at an organization-wide level. Explanations are provided for variances from prior year and budgeted amounts. The Annual Report conveys efficiency through its discussions and analyses of performance indicators. Links between resources and outputs are discussed and contribute to the reader's understanding of the efficiency of operations.

Principle 6 - Provide Comparative Information

Where available the Annual Report provides comparative data in its analyses of the performance indicators.



Principle 7 - Present Credible Information, Fairly Interpreted

The Annual Report covers all key aspects of performance using measures that management feels are relevant. The report clearly identifies the data sources used to assess the performance. The Annual Report is reasonably concise, effectively uses tables and graphs to present information and avoids excessive use of specialized terminology.

Principle 8 - Disclose the Basis for Key Reporting Judgments

The Annual Report identifies the sources of information for performance indicator data. Limitations to data sources, where present, are disclosed. The Annual Report discusses the Office's confidence in the reliability of the data and reports successes and shortcomings in a fair and balanced manner.



Our mandate

Non-partisan and independent of government, the auditor general reports to the Legislative Assembly of B.C. and provides assurance about government's financial reporting and program performance. The auditor general is appointed to an eight-year term, as mandated by the *Auditor General Act*.

The auditor general's financial audits, performance audits, and other reports provide accurate, objective, and trusted information that supports confidence and improvements in public sector reporting, programs, and services.

The work of the office includes auditing the government's Summary Financial Statements, which consolidate the financial results of central government and the 138 organizations that make up the government reporting entity (GRE). Organizations in the GRE are controlled by, or accountable to, the provincial government. They include ministries, Crown corporations, universities, colleges, school districts, and health authorities. The auditor general has authority to audit the financial statements of any entity in the GRE and to conduct an audit of the efficiency, economy, and/or effectiveness of any GRE program or service.

We publish a financial audit coverage plan each year that identifies which government organizations' financial statements will be audited by the auditor general and which organizations will be audited by accounting firms, with oversight by the auditor general.

In addition to prioritizing areas of risk and significance when selecting performance audits, the auditor general considers issues and concerns identified by Members of the Legislative Assembly (MLAs) and the people of B.C. in planning audit work.

The auditor general communicates the work of the office through public reports issued to the Legislative Assembly. Audit reports are referred to the Select Standing Committee on Public Accounts for review and follow up.



Acting Auditor General Sheila Dodds being sworn into office by the Clerk of the Legislative Assembly, Kate Ryan-Lloyd.
Source: Office of the Auditor General of British Columbia



Our vision, mission, values, and guiding principles

Our vision

Engaged people making a difference for the people in B.C.

Our mission

We provide independent assurance and trusted information to assist the Legislative Assembly in holding government accountable. Our work contributes to improved financial reporting, programs, and services for the benefit of the people in B.C.

Our values and guiding principles

We believe in supporting each other to learn and develop. Therefore, we will:

- Give people a chance to try new things.
- Delegate responsibilities and support one another in achieving success.
- Be compassionate when things don't go as planned and coach for success.

We believe in supporting everyone to do their best work. Therefore, we will:

- Recognize everyone's contribution and celebrate each other's successes.
- Cultivate an energetic and positive work environment.

We believe in working together as a high performing team. Therefore, we will:

- Collaborate to achieve success.
- Respect people's position, knowledge, and experience.
- Recognize and value each other's strengths and interests.

We believe in acting with integrity. Therefore, we will:

- Do what we know is right even when it's difficult.
- Be kind, straightforward, transparent, and honest in our dealings with others.
- Uphold our high ethical standards.

We believe in being visionary. Therefore, we will:

- Question the status quo and embrace continuous improvement.
- Consult broadly to include diverse perspectives.
- Bravely support new and innovative approaches.

We are committed to creating and reinforcing diversity, inclusion, and safety. Therefore, we will:

- Build a safe environment where everyone feels they belong and is encouraged to bring their whole selves to work.
- Manage our biases and challenge our assumptions around differences.
- Address behavior that discriminates, excludes, or makes someone feel unsafe.
- Make space for all voices.



Our goals, objectives, and key performance indicators

Our goals

- Support each other to do our best work within an inclusive and engaged workplace culture.
- Live our values and work through difficult issues while treating people respectfully.
- Deliver audits and trusted information that demonstrate value from the resources that are entrusted to us.

Our objectives and key performance indicators

Objective 1: *Improve clarity and consistency of processes and information used for corporate governance, planning, and reporting*

Key performance indicator

- Work Environment Survey – executive-level management driver

Objective 2: *Foster an engaged workplace where all employees are safe, supported, and respected*

Key performance indicator

- Work Environment Survey – engagement score

Objective 3: *Implement a sustainable workforce plan to build organizational capacity and limit operational risk*

Key performance indicator

- Employee turnover rate

Objective 4: *Maintain and demonstrate the quality of our audits*

Due to low response rates with our previous key performance indicator (KPI), we are not reporting a “quality” KPI in 2024/25. As planned, we introduced a more suitable measure of audit quality in our [2025/26 – 2027/28 Service Plan](#). Going forward, the percentage of staff who meet performance expectations will be our KPI to maintain and demonstrate the quality of our audits.

Objective 5: *Deliver our audit commitments on time and on budget*

Key performance indicators

- Delivery of independent auditor’s report on government’s Summary Financial Statements
- Delivery of planned number of audit, related assurance, and other¹ reports to the Legislative Assembly

¹ In past service plans and annual reports, we did not distinguish between assurance reports and other related public reports such as examinations. We have made this change to communicate the purpose and nature of these reports more precisely.



	Goal 1 Support each other to do our best work within an inclusive and engaged workplace culture	Goal 2 Live our values and work through difficult issues while treating people respectfully	Goal 3 Deliver audits and trusted information that demonstrate value from the resources that are entrusted to us
Objective 1	✓	✓	
Objective 2	✓	✓	
Objective 3	✓		✓
Objective 4			✓
Objective 5			✓



The audit team at the release of the office's performance audit report, *Child Care Licencing Capacity*.
Source: Office of the Auditor General of British Columbia



Our people

Overview

We strive for an engaged workplace where all employees are respected and supported to do their best work within a collaborative environment. This was a transformative year as we launched several initiatives to enhance the culture of our office and demonstrate a strong commitment to employee growth and well-being.

Our 2024/25 Workplace Environment Survey (WES) results highlight the positive impact of the enhancements we have made in our work environment over the past fiscal year. Almost 90 per cent of staff completed the survey. The results showed continued improvement in employee engagement in almost every performance indicator since last year.

Our office experienced some significant leadership changes this year. Sheila Dodds became acting auditor general when Michael Pickup retired. Two senior leaders were promoted to the Executive Committee. We also completed some staff restructuring so that we can focus on our priorities more effectively.

In 2024/25, we completed 16 employment competitions to address operational, technical, and strategic needs. Internal candidates were successful on some of these competitions, supporting the career development of our staff. The external candidates hired through these competitions enhanced our team with new skills and fresh perspectives.

Our new growth-based compensation framework was one of our most significant projects this year. It supports employees as they grow in their careers while providing fair compensation that's based on experience and performance. The framework introduced performance management processes and systems that support employee growth planning, feedback, and success.

As well, a new progression framework for financial and performance auditors outlines the technical competencies expected for each role – from auditor to director – to support growth within those roles. Behavioural competencies were developed for all staff, helping to contribute to a positive, inclusive, and high-functioning work environment.

Extensive training was provided for employees and managers to create effective goals for their team members, conduct feedback conversations, and complete performance reviews. New procedures help calibrate fair, effective performance-based compensation decisions across portfolios and provide staff with performance recognition. These resulted in significant improvements in role clarity, performance standards, and expectations for development. They also supported considerable enhancements to administrative efficiency and operational effectiveness.



An analysis of the training needs of our staff has also been done to identify training requirements and skills gaps within the office. Other career development initiatives, along with our focus on equity, diversity, and inclusion (EDI), also contributed to employee engagement, retention, and career progression.

This year we saw the full benefits of the leading workplace strategies office renovations that began in the previous fiscal year. Our modernized workplace in downtown Victoria also uses less office space (reduced from three floors to two). The project transformed our work environment and embodies our EDI and accessibility principles (e.g., ergonomic furniture, adjustable lighting, noise sensitive workspaces, wheelchair accommodation, sit/stand desks, gender neutral washrooms, and private wellness spaces). New collaboration spaces offer improved technology for an effective hybrid work environment.

Our IT infrastructure and services underwent extensive updates and improvements this year. We successfully moved to an off-site, professionally managed service environment. The more stable, secure network helps to improve the quality of our work. We also completed a partial review and optimization of business tools that streamlined operations and improved IT support.



OAGBC staff during a walk-through to review the office's leading workplace strategies renovations.

Source: Office of the Auditor General of British Columbia



Staffing summary (as of March 31, 2025)

Staff at start of 2024/25

133 regular and five auxiliary staff:

- 55% of regular staff had more than one year of experience in their positions
- 45% of regular staff had less than one year of experience in their positions

Staff at end of 2024/25

115 regular and 8 auxiliary staff:

- 82% of regular staff had more than one year of experience in their positions
- 18% of regular staff had less than one year of experience in their positions

Staff breakdown at end of 2024/25

Critical Audit Support Services	32
Performance Audit and Related Assurance	27
Financial Audit and Related Services	53
Executive, Legal Services and Professional Practices	11
Total	123

Staffing activities, 2024/25

16 competitions

New hires:

- 10 permanent hires (two from within the B.C. public service and eight from outside)
- Six auxiliary hires

Employee movement:

- Permanent internal promotions: 10
- Auxiliary to permanent status: three
- Internal lateral moves: none
- Internal temporary appointments: eight
- Temporary appointments outgoing to core government: one
- Temporary appointments incoming from core government: one

Departures:

- 18 permanent departures
 - Three moved to positions in core government
- Three retirements



Auditor General Michael A. Pickup (right) at the retirement of Assistant Auditor General Malcolm Gaston.
Source: Office of the Auditor General of British Columbia



Performance indicators

We have many performance indicators designed to support our people and organization.

The Work Environment Survey (WES) is a primary source of indicators. WES is a comprehensive staff survey conducted every two years across the B.C. public service. We choose to conduct this survey annually to gather regular feedback from staff about our organization, culture, practices, and staff engagement.

We use WES data to monitor our performance on two objectives related to our people.

Objective 1: Improve clarity and consistency of processes and information used for corporate governance, planning, and reporting

Key performance indicator

- Work Environment Survey – executive-level management driver

	2021/22 Baseline	2022/23 Actual	2023/24 Actual	2024/25 Target ²	2024/25 Actual
Executive-level management score	59	62	67	66	70

² In the 2024/25 service plan, projected targets were 67 for 2025/26 and 68 for 2026/27.

Secondary indicators

- Work Environment Survey – Mission, vision, and values; organization satisfaction; and organization commitment

	2021/22	2022/23	2023/24	2024/25
Vision, mission, goals	72	71	77	77
Organization satisfaction	65	72	75	76
Organization commitment	67	72	74	75

With a score of 70, we exceeded our 2024/2025 target for executive-level management, attaining our highest score ever.

All secondary indicator results improved from or were consistent with last year. They also reflect the highest scores we have achieved to date.

We are pleased to see these high and improving scores, particularly in a period of transition and change, and will continue to seek ways to build upon them.



Actions taken this year to improve the clarity and consistency of processes and information used for corporate governance, planning, and reporting include:

- a new governance structure to better leverage the strengths of portfolio leaders to support corporate needs and priorities;
- focused touch-base meetings for Executive and Leadership Committees, where priorities and issues are discussed and addressed in a timely and collaborative manner, and effectively shared across portfolios;
- a new strategic plan for 2024 to 2026 to outline our corporate priorities and guide our work;
- a new senior leadership position focused on strategic priorities, performance, and policy;
- new procedures to support effective goal setting and growth planning for all OAG employees;
- processes that enable all staff to directly link their personal goals to the strategic priorities of the office;
- clear role-based expectations and career paths for OAG auditors through financial and performance auditor progression frameworks;
- utilizing the skills of our data analytics and IT teams to support new corporate priorities and reporting needs;
- leveraging IT systems and business intelligence tools for more automated administrative procedures and dynamic, on-demand reporting;
- modernizing our IT infrastructure, supports, and services;
- enhanced communication strategies, including messages from the desk of the acting auditor general;
- piloting corporate governance policies and reporting tools prior to full implementation, and refining based on staff experiences and feedback; and
- obtaining staff feedback through anonymous surveys and staff information sessions.



Members of OAGBC staff attend a combined in-house and virtual all-staff meeting.
Source: Office of the Auditor General of British Columbia



Objective 2: Foster an engaged workplace where all employees are safe, supported and respected

Key performance indicator

- Work Environment Survey – engagement score

	2021/22 Baseline	2022/23 Actual	2023/24 Actual	2024/25 Target ³	2024/25 Actual
Engagement score	66	72	75	72	76

³ In the 2024/25 service plan, projected targets were 73 for both 2025/26 and 2026/27.

Our 2024/2025 engagement score of 76 surpassed both our target and last year's results and reflects our highest score yet for this key performance indicator.

Secondary indicators

- Work Environment Survey – Respectful environment, organization satisfaction, teamwork, and empowerment

	2021/22	2022/23	2023/24	2024/25
Respectful environment	76	77	80	78
Organization satisfaction	65	72	75	76
Teamwork	82	81	83	86
Empowerment	69	68	72	72

We obtained higher scores in organization satisfaction and teamwork, a consistent score in empowerment, and a lower but still relatively high score in respectful environment.

The overall results are a positive reflection of our efforts to focus on our people and foster an engaged workplace where employees are safe, supported, and respected. Over the past year, these efforts included:

- increased clarity in role and behavioural expectations;
- a clear focus on supporting and recognizing employee growth and success;
- a more modernized physical work environment;
- enhanced technology, networking, and IT supports; and
- a continued focus on accessibility, equity, diversity, and inclusion.



Objective 3: Implement a sustainable workforce plan to build organizational capacity and limit risk

Key performance indicator

- Employee turnover rate

	2021/22 Baseline	2022/23 Actual	2023/24 Actual	2024/25 Target ⁴	2024/25 Actual
Turnover rate	21%	17%	13%	14%	17%

⁴ In the 2024/25 service plan, projected targets were 12 per cent for both 2025/26 and 2026/27.

We also leverage internal human resource statistics to review staffing trends and use those data for a third people-focused key performance indicator on implementing a sustainable workforce plan.

Our 2024/25 turnover rate was 17 per cent for permanent staff, which was above our target of 14 per cent and was four per cent higher than last year. A key factor in this increase was strategic restructuring that resulted in the departure of some staff. Excluding involuntary exits and retirements, turnover for permanent staff was 10 per cent. We are comfortable with these results and going forward our target is a 12 per cent turnover rate.

Three (17 per cent) of the staff who left our office last year took new positions in core government. As an independent office of the legislature, we are pleased to support employee growth and knowledge and skill transfer across the public service.

We have been a CPA student training office for more than 30 years. Last year we supported six students in their efforts to successfully complete CPA Canada's Common Final Exam. In 2024, CPA BC conducted a review of our compliance with the CPA pre-approved audit training program and confirmed our ability to train audit-path students. On average, we have 12 students at various stages of the program at any time.

We are also pleased to employ post-secondary co-op students in our office, with three students joining the OAG team in 2025.



OAGBC staff and friends participating in Victoria's annual Pride Parade.

Source: Office of the Auditor General of British Columbia



Our product

Overview

Our office performs financial audits and performance audits and issues reports on these audits. We also issue reports on other related work, including our annual follow-up report on past performance audit recommendations.

Audits and reports serve the people of British Columbia and their elected representatives by reporting on how well government is managing its responsibilities and resources.

Our audits are conducted in accordance with Canadian auditing and assurance standards.

This year, we issued four performance audit reports, two examination reports, and our annual follow-up report on performance audit recommendations, consisting of 24 separate limited assurance reports. We issued our annual independent auditor's report on the government's Summary Financial Statements and 33 independent auditor's reports for other financial statement audits and assurance engagements.

The quantity and quality of the products we deliver is a credit to the dedication, hard work, and expertise of everyone in our office: from those who work directly on financial and performance audits to the many staff who provide valuable support services that keep our office and audits moving smoothly.



Members of the office's financial audit team at work.
Source: Office of the Auditor General of British Columbia



Performance indicators

Objectives 4 and 5 concern our audit work: maintaining and demonstrating the quality of our audits; and delivering audits on time and on budget.

Objective 4: Maintain and demonstrate the quality of our audits

For past service plans and annual reports, we looked to a range of external groups – the Legislative Assembly and the Select Standing Committee on Public Accounts, as well as the public and the government entities we audit – to measure the relevance of our work and how well we deliver it.

As noted in our Service Plan, our former key performance indicator for audit quality relied on an MLA survey but it was not a reliable measure due to low response rates.

After careful consideration, this year we are using the percentage of staff who meet performance expectations as our key performance indicator for maintaining and demonstrating the quality of our audits.

High-performing staff are critical to conducting and delivering high quality audits, and we recognize the important role that all staff play in this regard. The staff performance indicator leverages other strategic priorities and actions in our office, most notably our compensation and growth-based performance management framework and related systems and supports. We will begin to report on this key performance indicator in next year's annual report.

Public awareness

In 2024/25, we continued to monitor and demonstrate the quality of our audit reports through the indicator of public awareness/perception.

Based on an annual public opinion poll conducted by Angus Reid, we are pleased to see an increase in responses that show positive perceptions of our office. We do note changes in neutral and negative perceptions and will use this information to inform our communication strategies.

	2021/22 Benchmark	2022/23 Results	2023/24 Results	2023/24 Results
Public perception of our office and our work	Positive: 43% Neutral: 48%	Positive: 43% Neutral: 45%	Positive: 46% Neutral: 44%	Positive: 46% Neutral: 44%
How we measure Positive: Percentage of respondents identifying as "somewhat familiar" or "very familiar" indicating "positive" or "very positive" opinion. Neutral: Percentage of respondents identifying as "somewhat familiar" or "very familiar" indicating "neutral/no opinion." Source: Angus Reid, March 2025.				

We also recognize some negative public perceptions are to be expected given the mandate of the office, the nature of our work, and the standards we follow. We are careful about how we act on this information.

Additionally, we continue to get positive feedback from the Select Standing Committee on Public Accounts, and from auditees, on their level of confidence in our work.



Objective 5: Deliver our audit commitments on time and on budget

Key performance indicators

- Delivery of independent auditor's report on the government's Summary Financial Statements
- Delivery of planned number of audit, related assurance, and other reports to the Legislative Assembly

Audit, related assurance, and other reports delivered to the Legislative Assembly

	2021/22 Baseline	2022/23 Actual	2023/24 Actual	2024/25 Target ⁵	2024/25 Actual
Number of audit, related assurance, and other reports tabled with the Legislative Assembly	12	8	9	9-11	7

⁵ In the 2024/25 Service Plan, projected targets were between nine and 11 reports for 2025/26 and 2026/27.

We continue to meet a key audit commitment for our office: the successful delivery of an independent auditor's report on government's Summary Financial Statements.

In addition, we produced seven audit, related assurance, and other reports that were tabled with the Legislative Assembly, below our 2024/25 target and 2023/24's nine reports. A few factors contributed to these results. As noted as a possibility in our Service Plan, the October 2024 general election delayed delivery of some reports. Audit work was also affected as we pivoted to successfully conduct an examination in response to a resolution from the Legislative Assembly, requiring more senior staff time than a typical performance audit. Finally, due to senior staff retirements, leaves, and the need to prioritize attention on complex financial statement audits, reports on government's audited Summary Financial Statements planned for tabling in March 2025 will be tabled in 2025/26.



Reports by the numbers ⁶

Financial Audit and Related Work

- one annual independent auditor's report on government's Summary Financial Statements
- 18 independent auditor's reports for financial statement audits
- 15 independent auditor's reports for other assurance engagements

Performance Audit and Related Work

- four performance audit reports (two of these audits were published in one public report) ⁷
- two examination reports ⁷
- one annual follow-up report ⁷ consisting of 24 independent review reports of government's progress towards completing 130 audit recommendations

Additional publications

- Service Plan 2025/26–2027/28
- Annual Report 2023/24
- Financial Audit Coverage Plan

⁶ For a full list, see Appendix A.

⁷ Included in the seven audit, related assurance, and other reports reported in our KPI.



Framed covers of the office's recently released performance audit reports.

Source: Office of the Auditor General of British Columbia



Financial audits and related assurance work

Financial statement audits involve an examination of an organization's financial reporting and accounting and conclude on whether an organization's financial statements are fairly presented and free of material misstatements (significant errors).

We audit financial statements and provide an independent auditor's report which provides our conclusion on the accuracy and presentation of the financial statements. The report is at the front of the organization's financial statements to show whether the statements meet generally accepted accounting principles and that they have been scrutinized by an independent auditor.

We also audit other financial information, such as compliance with federal agreements.

Audit of the province's summary financial statements

Our office leads the annual audit of the government's Summary Financial Statements, as required by the *Auditor General Act*. It's an important responsibility and a key performance indicator for us.

The audit of the 2023/24 Summary Financial Statements was signed-off on August 15, 2024. Our independent auditor's report was published with the [Summary Financial Statements of the Government of the Province of British Columbia for the 2023-2024 Fiscal Year](#) in the province's public accounts.

The independent auditor's report contains two qualifications that highlight that parts of government's financial statements are not accurate. Qualifications identify errors or omissions the auditor considers so significant that, if uncorrected, might mislead someone who is relying on the accuracy of the information contained in the financial statements.

Our [Financial Audit Coverage Plan](#) looks ahead to the next three fiscal years, identifying our level of involvement in the audits of the 138 government organizations, including Crown corporations, universities, colleges, school districts, health authorities, and similar organizations controlled by or accountable to the provincial government. The plan is updated annually, and the current plan was approved by the Select Standing Committee on Public Accounts on March 12, 2025.



Performance audit, related assurance, and other work

Performance audits look at organizations or programs in the government reporting entity to see if they are meeting objectives effectively, economically, and efficiently.

Our work covers a range of different sectors and subjects including:

- Transportation
- Environment
- Governance
- Health care
- Justice
- Information technology
- Education
- Economic development

Performance audit reports provide fair and objective information to MLAs on the performance of programs and services. These reports often include recommendations that have been accepted by government that address deficiencies found through the audit.

In addition to the performance audit and related reports we produced this year, we also support MLAs by following up on past recommendations made by our office. In 2024/25 we published our second annual follow-up report.

Performance audit and examination reports

Examination of MNP's Administration of the Advanced Research and Commercialization Grant Program (2 reports)

On April 8, 2024, the Legislative Assembly directed, by resolution, the auditor general to "undertake an examination of the administration of grants by MNP LLP under the Advanced Research and Commercialization Program and the Commercial Vehicle Innovation Challenge." The resolution directed the auditor general to make public an interim report within 90 days and a final report by Sept. 1, 2024.

Our interim report included information on:

- the auditor general's approach to the examination;
- information about the Advanced Research and Commercialization grant program;
- roles and responsibilities of MNP and the Ministry of Energy, Mines and Low Carbon Innovation in administering the program; and
- examination work completed up to June 2024, and next steps.

Our final examination report was tabled on June 26, 2024, and provided an independent report on the administration of grants by MNP LLP under the Advanced Research and Commercialization Program and the Commercial Vehicle Innovation Challenge.

B.C. Public Sector Boards: Oversight of the Appointment Process

Government oversees the process to appoint members to the boards of about 230 public sector organizations. Each organization has a board to ensure the appropriate use of resources, and that the organization serves the public interest. There are about 2,000 public sector board members who are appointed by government.



Our audit examined whether the Crown Agencies and Board Resourcing Office provided effective oversight of government's public sector board appointment process to support boards in fulfilling their responsibilities.

Child Care Licensing Capacity (2 audit reports)

ChildCareBC is the provincial plan introduced in 2018 to increase child care access, affordability, and quality. The provincial and federal governments have since funded 39,000 new child care spaces, with about 31,000 more expected by 2028.

We completed two audits focused on the commitment in ChildCareBC to "increase capacity in health authorities to license new spaces, conduct investigations, and monitor compliance."

Our first audit looked at whether the Ministry of Education and Child Care had worked with health partners to implement the commitment.

Our second audit looked at whether Vancouver Coastal Health assessed if it had the capacity to license new spaces, investigate complaints and monitor child care facilities.

Ministry of Forests: Calculating Carbon Projections

Forest management practices can support climate change mitigation by increasing carbon captured and stored by forests and by reducing forestry emissions. Carbon modelling is used to understand how decisions may change the forest carbon balance.

Our audit examined whether the Ministry of Forests used defined methodologies to calculate consistent and transparent forest carbon projections to inform forest management decisions.

Related assurance reports

Annual Follow-up Report: Performance Audit Recommendations (2019–2022)

Our performance audits of government programs and services often include recommendations for improvement. Organizations respond to these recommendations by outlining whether they accept them and how they'll implement them.

This was our second annual follow-up report that looked at the progress organizations made in implementing 130 audit recommendations – from 24 audits of ministries, Crown corporations and school districts – published between 2019 and 2022. Preparing this report on an annual basis allows Members of the Legislative Assembly to track the progress organizations make over time.

Performance audits in progress

Our [Work in Progress](#) webpage shows performance audits and examinations underway and summarizes their purpose and scope.



Our strategies

We focused on four corporate strategies in 2024/25 to work towards our objectives.

	Objective				
	1	2	3	4	5
1. Continue to improve the quality of our audits	✓			✓	✓
2. Create a comprehensive training strategy	✓	✓	✓	✓	
3. Implement a new compensation framework	✓	✓	✓		
4. Modernize our IT infrastructure	✓	✓			✓

Continue to improve the quality of our audits

In 2024/25, we made several improvements that enhanced the quality of our audits. Most notably, we updated our automated financial statement audit methodology to comply with the new group audit standards in the CPA Canada Handbook. Our audit of government's annual Summary Financial Statements is an example of a large and complex group audit, so these new standards have had a significant impact on how we plan and conduct our audits. As such, this update was a priority for us, as we need to provide our auditors with the tools to support them in this work.

In addition, we automated the forms associated with the initiation and acceptance of an audit or other engagement throughout all our project templates. We have also updated the tools, policies, and procedures we use for initiating and tracking the completion of projects. Under the Canadian Standards on Quality Management, we are required to perform certain procedures prior to committing to carry out any professional activity, like an audit. We take preliminary steps to identify the risks and complexity of the proposed work, and we carry out procedures to ensure we are independent and have sufficient resources to do the work. Our new automated forms provide consistency of process and will automatically flag issues for resolution, which reduces risk and increases our efficiency.

While we have not completed the automation of the performance audit methodology, the automation of the acceptance process was the first step toward this goal. We continue to make progress and plan for further automation of our performance audit methodology, which we will balance with our responsibilities for maintaining our tools in alignment with auditing and assurance standards.

Create a comprehensive training strategy

In April 2024, the terms of reference for our training sub-committee was created. Its four goals will help us maintain an engaged and skilled workforce, through: a competency framework, a needs analysis, learning management system configuration and governance, and roles and responsibilities.



First, we hired a manager of learning and organizational development in August. Next, we created our auditor progression frameworks, which also support our new performance management processes and the analysis of our training needs.

In early 2025, 79 per cent of all staff participated in a comprehensive training needs analysis that identified training requirements and skills gaps. This information will lead to a rolling three-year training and development plan for delivering the right training to the right people at the right time.

Implement a new compensation framework

In 2024/25, considerable achievements were made with respect to developing and implementing a new compensation framework for our office.

In May 2024, we brought in our compensation framework policy to:

- establish a compensation program that is fair, equitable, and competitive;
- support and recognize the contributions and professional growth of our employees;
- promote a healthy performance-based culture;
- support our mandate, strategic goals, and objectives; and
- demonstrate responsible use of public funds.

Last year, we developed many resources, procedures, and systems to support policy implementation, including:

- auditor progression frameworks that outline the technical skills and competencies required at different levels for financial and performance auditors. These will help auditors understand their roles and responsibilities at their current level and at other levels of their careers.
- a behavioural competency framework that outlines desired competencies for all staff with respect to leadership, achieving business results, personal effectiveness, and interpersonal relationships.
- improved performance development and management systems and procedures to support employee goal setting, growth planning, performance discussions, and success.
- a fair and transparent mechanism for staff in management pay bands (MCCF) to determine potential performance-based pay increases after 1827 hours (equivalent to one year of full-time work) in a position. (Salary progression for non-MCCF staff is informed by other agreements or frameworks.)
- data analytic and reporting procedures and tools to effectively and efficiently calculate and report hours in a position since the last performance-based reviews.
- robust procedures and tools to monitor and record decisions, determine potential salary increases, and generate notification letters in a timely and efficient manner.

From December 2024 to March 2025, we piloted and provided staff training on the new resources, procedures, and systems, and made – and will continue to make – refinements based on employee experiences and feedback.



Modernize our IT infrastructure

In the 2022/2023 fiscal year, a comprehensive IT security assessment revealed several critical risks stemming from aging infrastructure and insufficient support for existing systems and applications. In response, the IT Rationalization and Migration Project (RAMP) was launched in January 2024 to address infrastructure vulnerabilities, improve operational resilience, and modernize IT services.

In 2024, the RAMP project successfully moved the in-house data centre to an off-site, professionally managed service environment.

The project also involved a review and optimization of business tools, aiming to streamline operations and improve effectiveness. Software licenses were reviewed and rationalized. New security solutions were deployed. Staff positions were realigned to reflect updated responsibilities and workflows.

Key outcomes included the implementation of a modern intranet site, setting the standard for future development projects while immediately improving content quality for staff. We established business and technical documentation libraries. And we added a new help desk tool to enable the IT team to clarify processes and deliver a consistent service experience for staff.

By January 2025, the full migration of information systems and data was completed, culminating with the formal decommissioning of the old on-site data centre in March 2025. Under budget, the RAMP project delivered substantial cost savings, minimized risk exposure, and introduced significant operational efficiencies. This comprehensive transformation has positioned the organization for improved performance, scalability, and the long-term sustainability of its IT operations while establishing a new level of cybersecurity maturity.



The office's empty in-house data centre server racks after the centre moved off-site in 2024.
Source: Office of the Auditor General of British Columbia



Our finances

Management's discussion and analysis

In this section, we discuss and analyze our business operations and financial results for the year ending March 31, 2025, as compared to our budget and prior year results. The analysis of our financial performance should be read in conjunction with our audited financial statements and the accompanying notes. Our financial statements have been prepared in accordance with Canadian public sector accounting standards.

Financial and business highlights

The Office of the Auditor General is funded by the Legislative Assembly through a voted appropriation. The vote provides separately for operating expenses and capital purchases. For 2024/25, our budget, based on an estimate of the full cost of operations, was \$26.356 million for operating expenses and \$263,000 for capital acquisitions.

In 2024/25, the actual cost of our operations was \$24.463 million, and our capital expenditures were \$255,000. The unused appropriation (\$1.89 million for operating expenses and \$8,000 for capital acquisitions) cannot be used in subsequent fiscal years. We used 92.8 per cent of our operating budget in 2024/25.

2024/25 financial summary and comparison to plan and prior year

Expense type	Budget FY25	FY25 Actual	Variance from budget	FY 24 Actual	Variance Year over Year
Salaries and benefits	18,275	17,985	(290)	16,821	1,164
Professional fees	2,840	1,821	(1,019)	1,409	412
Rental and utilities	1,700	1,668	(32)	1,507	161
IT expenses	1,896	1,446	(450)	881	565
Office and other	583	504	(79)	856	(352)
Travel	380	376	(4)	233	143
Vehicle expenses	17	12	(5)	16	(4)
Depreciation expense	665	649	(16)	228	421
Accretion expense	-	5	5	3	2
Research grants	-	-	-	70	(70)
Total	26,356	24,466	(1,890)	22,024	2,442



The office remains committed to providing the Legislative Assembly and those we audit with timely, independent, and high-value reports. We issued 34 independent auditor's reports on financial statements and related information, including our audit report on the province's Summary Financial Statements. We also issued four performance audit reports, two examination reports, and a follow-up report on past performance audit recommendations. We successfully responded to a resolution by the Legislative Assembly to conduct an examination and report back within months. We realized significant progress on all four strategic priorities, improving the tools and processes supporting the delivery of our audit commitments with an engaged and inclusive workforce. We achieved these results and maintained our workplans with a transition to an acting auditor general.

Operating expenses

Salaries and benefits made up 74 per cent of our total operating expenses. This means that changes or fluctuations in staffing can shift our financial performance significantly from what was planned.

Actual spending on salaries and benefits in 2024/25 was just under \$18 million, \$290,000 less than planned but \$1.2 million more than we spent in the prior year. Our average staffing throughout the fiscal year was 128 full-time equivalents. Turnover this year was 17 per cent for permanent staff, four percentage points higher than the previous year.

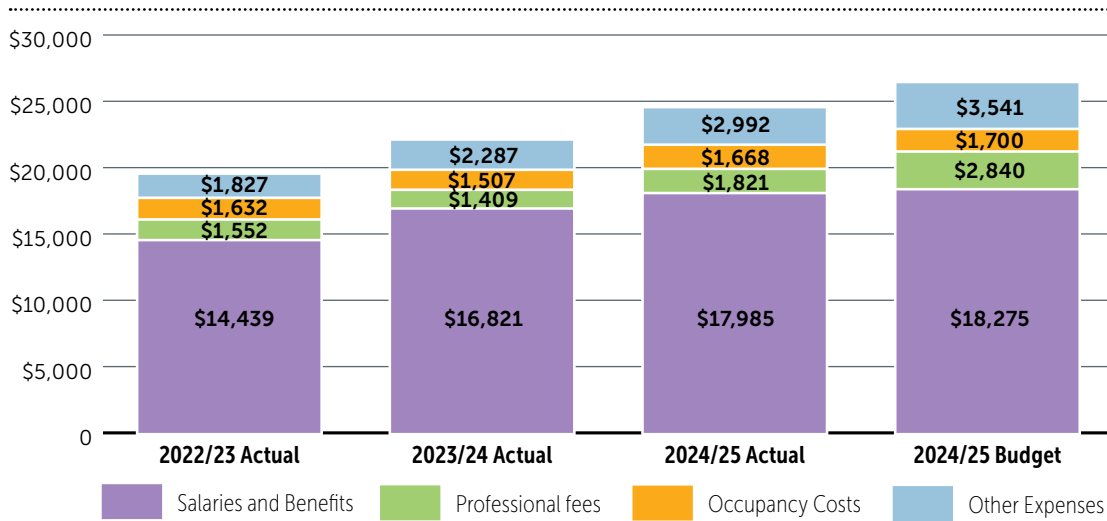
Spending on professional service contracts was \$1.8 million – \$1 million below budget. The underspend was due in part to lower professional services required than expected as we worked to complete significant corporate initiatives that began in the previous year. We have also reduced the proportion of our budget spent on external contractors as we continue to invest in training and retaining our qualified professional staff. In 2025/26 we plan to invest in additional professional staff to build our in-house expertise. Overall, our professional services spending was 36 per cent less than planned.

Audit-related travel continued to increase over the previous few years, indicating a return to pre-pandemic levels. In-person meetings are important to build relationships with those we audit and to enhance our understanding of their organization's operations and risks. In addition to more travel hours, travel costs have increased because of inflation. These costs came in just under budget but the growth trend means that our travel costs were up about 61 per cent over last year.

The table below summarizes the changes in key spending categories over the past three years, as well as the 2024/25 budget amounts.



Operating expenses, actual versus planned (\$000s)



Capital purchases

Capital expenditures this year were \$255,000, down significantly from the year before, as most of our investments in IT infrastructure and a flexible office work environment were completed in 2023/24.

This year, we invested just over \$180,000 to complete our new Data Centre setup, approximately \$70,000 to refresh staff IT equipment such as laptops and other peripherals and close to \$5,000 to purchase some final pieces of furniture to complete spaces that were renovated last year.

Looking ahead

Looking ahead, we will continue to build on our successes and improvement efforts.

Strategies will include an enhanced focus on the quality and efficiency of our audits and related support functions and increasing capacity to examine areas of growing importance to MLAs and to people in B.C.

Building on considerable work to date, we will fully implement growth-based employee performance development and management processes that align with the strategic needs of the office. To further support employee growth and success, we will also continue to prioritize and implement elements of our employee training and development framework.

Our fiscal 2025/26 operating budget is consistent with the three-year plan approved by the Finance and Government Services Select Standing Committee in October 2023.



Financial statements 2024/25

Statement of management responsibility

The accompanying financial statements of the Office of the Auditor General (the office) are the responsibility of management.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it considers most appropriate in the circumstances to ensure that the financial statements are presented fairly in all material respects.

We have developed and maintain systems of internal control that give reasonable assurance that the office has:

- operated within its authorized limits,
- safeguarded assets, and
- kept complete and accurate financial records.

The Select Standing Committee on Finance and Government Services of the Legislative Assembly appointed BDO Canada LLP, Chartered Professional Accountants to audit the accounts of the office for the year ended March 31, 2025.



Sheila Dodds, CPA, CA CIA
Acting Auditor General



Nathaniel Morbey, CPA, CA
Chief Financial Officer



External auditor's opinion on the financial statements



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Independent Auditor's Report

To the Acting Auditor General of British Columbia

Opinion

We have audited the accompanying financial statements of the Office of the Auditor General (the "Office"), which comprise the Statement of Financial Position as at March 31, 2025 and the Statements of Operations, Changes in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office as at March 31, 2025 and the results of its operations, changes in net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.





Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 20, 2025



Statement of financial position

As at March 31, 2025 (in \$000s)	Note	2025	2024
Financial assets			
Petty cash		2	2
Due from the consolidated revenue fund	3	1,109	2,106
Total financial assets		1,111	2,108
Liabilities			
Accounts payable and accrued liabilities		1,509	2,566
Asset retirement obligation	4	143	138
Total liabilities		1,652	2,704
Net debt		(541)	(596)
Non-financial assets			
Tangible capital assets	5	3,224	3,618
Prepaid expenses	6	398	458
Total non-financial assets		3,622	4,076
Accumulated surplus	7	3,081	3,480

Approved by:



Sheila Dodds, CPA, CA CIA
Acting Auditor General



Nathaniel Morbey, CPA, CA
Chief Financial Officer

The accompanying notes are an integral part of these financial statements.



Statement of operations

For the fiscal year ended March 31, 2025 (in \$000s)	Note	2025 Budget	2025 Actual	2024 Actual
Expenses				
Salaries and benefits		18,275	17,985	16,821
Professional fees		2,840	1,821	1,409
Occupancy costs		1,700	1,668	1,507
Information technology		1,896	1,446	881
Office		570	488	836
Travel		380	376	233
Depreciation		665	649	228
Accretion		-	5	3
Research grants		-	-	70
Vehicle		17	12	16
Other		8	7	7
Advertising		5	9	13
Total cost of operations		26,356	24,466	22,024
Funding appropriations				
Operating	8	25,691	23,812	21,793
Capital	8	263	255	3,118
Annual surplus (deficit)		(402)	(399)	2,887
Accumulated surplus beginning of year	7	3,480	3,480	593
Accumulated surplus end of year		3,078	3,081	3,480

The accompanying notes are an integral part of these financial statements.



Statement of changes in net debt

For the fiscal year ended March 31, 2025 (in \$000s)	Note	2025 Budget	2025 Actual	2024 Actual
Net debt at beginning of year		(596)	(596)	(543)
Annual surplus (deficit)		(402)	(399)	2,887
Changes in tangible capital assets				
Acquisition of tangible capital assets		(263)	(255)	(3,118)
Amortization of tangible capital assets		665	649	231
Asset retirement obligation change of estimate		-	-	(67)
		402	394	(2,954)
Changes in working capital assets				
Acquisition of prepaid expenses		-	(398)	(458)
Use of prepaid expenses		-	458	472
		-	60	14
Decrease (increase) in net debt		-	55	(53)
Net debt at end of year		(596)	(541)	(596)

The accompanying notes are an integral part of these financial statements.



Statement of cash flows

For the fiscal year ended March 31, 2025 (in \$000s)	Note	2025	2024
Due from Consolidated Revenue Fund, beginning of year	3	2,106	696
Operating transactions			
<i>Cash used to:</i>			
Pay employees or benefits plans		(17,679)	(16,975)
Pay suppliers		(7,130)	(3,408)
		<u>(24,809)</u>	<u>(20,383)</u>
<i>Cash received from:</i>			
Operating appropriation		23,812	21,793
Capital transactions			
<i>Cash used to:</i>			
Acquire tangible capital assets	5	(255)	(3,118)
Financing transactions			
<i>Cash received from:</i>			
Capital appropriation		255	3,118
Increase in due from consolidated revenue fund		<u>(997)</u>	<u>1,410</u>
Due from Consolidated Revenue Fund, end of year	3	<u>1,109</u>	<u>2,106</u>

The accompanying notes are an integral part of these financial statements.



Notes to our financial statements

Year ended March 31, 2025 (tabular amounts in \$000s)

1. Nature of operations

The Auditor General is an Officer of the Legislature of British Columbia appointed under the *Auditor General Act* (the act). The act, as amended March 13, 2013, allows for the appointment of an auditor general for a single, eight-year term by the Legislative Assembly. Non-partisan, objective and independent of the government of the day, the auditor general reports impartial assessments of government accountability and performance to the assembly.

The auditor general's mandate is established by the act. The act requires the auditor general to audit the government's annual Summary Financial Statements and allows the auditor general to be appointed as the financial statement auditor of any government organization or trust fund. The act also allows the auditor general to carry out examinations focusing, among other things, on whether government or a government organization is operating economically, efficiently, and effectively; and whether the accountability information provided to the Legislative Assembly by the government or a government organization with respect to the results of its programs is adequate.

Funding for the Office of the Auditor General comes from a voted appropriation (the vote) of the Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS).

a. Voted appropriation

The office receives approval from the Legislative Assembly to spend funds through an appropriation vote. The vote provides for both operating expenses and capital acquisitions. Non-cash transactions, such as amortization, are covered by the vote but not recognized as revenue from the appropriation of funds. An annual excess or deficiency of revenues over expenses arises from the difference between revenue recognition of capital appropriations and expense recognized for the amortization of tangible capital assets.

Any unused vote amounts cannot be carried forward for use in subsequent years.

b. Financial instruments

It is management's opinion that the office is not exposed to significant interest, currency or credit risk arising from its financial instruments.

A statement of remeasurement gains and losses has not been prepared as there are no such gains or losses.



c. Asset retirement obligation

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. This includes post-retirement operation, maintenance, and monitoring that are an integral part of the retirement.

Liabilities for asset retirement obligations are recorded when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, and a reasonable estimate of the amount can be made.

The costs of asset retirement obligations are recognized over the estimated useful lives of the underlying tangible capital assets.

d. Tangible capital assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Amortization begins when the assets are put into use and is recorded using the straight-line method over the estimated useful lives of the assets as follows:

Computer hardware and software	3 years
System hardware and software	5 years
Furniture and equipment	5 years
Tenant improvements	Term of lease (ends October 2034)

e. Presentation of expenses

The office provides audit services for the Legislative Assembly. Audit services include both financial statement audits and performance audits. Since audit services are the office's sole service line, expenses are presented by object in the statement of operations.

f. Employee future benefits

i. Pension benefits

All eligible employees participate in a multi-employer, defined benefit pension plan. Defined contribution plan accounting has been applied to the plan as the office has insufficient information to apply defined benefit plan accounting. Accordingly, the office's contributions are expensed in the year in which the employees' services are rendered and are included as a component of salaries and benefits on the statement of operations. These contributions represent the office's total obligation for pension benefits.



ii. Other future benefits

Eligible employees are entitled to post-employment health care and other benefits as provided under terms of employment agreements. The cost of these benefits is recorded as employees render the services necessary to earn them. The liability for the other future benefits is managed and recorded by the BC Public Service Agency.

iii. Leave liability

Eligible employees are entitled to accumulate earned, unused vacation, and other eligible leave entitlements as provided under terms of employment or collective agreements. The liability for the leave is managed and recorded by the BC Public Service Agency and not presented in these financial statements.

g. Measurement uncertainty

These financial statements are prepared in accordance with PSAS, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used to determine asset retirement obligations. The estimated useful lives of tangible capital assets are the most significant item for which estimates are used. Actual results could differ from those estimates. These estimates are reviewed annually, and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

3. Due from the Consolidated Revenue Fund

The office does not have its own bank account or hold cash or cash equivalents. All monetary transactions of the office are processed through the Consolidated Revenue Fund (CRF) of the Province of British Columbia. This balance is reflective of differences in the timing of events that obligate the office, and therefore the CRF, to distribute funds, and the receipt of the benefit from disbursing those funds. The statement of cash flows presents the continuity of this balance and all component flows.

4. Asset retirement obligation

The office has installed tenant improvements in the building that it leases and may be required, by the landlord, to remove them when the lease ends. A liability for the estimated cost of removal has been accrued. The estimated cost to remove tenant improvements when the lease ends in October 2034 is \$206,725. Using a discount rate of 3.75%, this liability is recorded as \$143,058 at March 31, 2025.



5. Tangible capital assets

	Computer hardware and software	Network hardware and software	Furniture and equipment	Tenant improvements	Total
Year ended March 31, 2024					
Opening net book value	246	75	14	329	664
Additions	47	1,181	461	1,493	3,182
Disposals	-	-	-	-	-
Amortization	(152)	(49)	(5)	(22)	(228)
Closing net book value	141	1,207	470	1,800	3,618
At March 31, 2024					
Cost	1,408	2,091	1,077	2,004	6,580
Accumulated amortization	(1,267)	(884)	(607)	(204)	(2,962)
Net book value	141	1,207	470	1,800	3,618
Year ended March 31, 2025					
Opening net book value	141	1,207	470	1,800	3,618
Additions	129	116	10	-	255
Disposals	-	-	-	-	-
Amortization	(109)	(263)	(98)	(179)	(649)
Closing net book value	161	1,060	382	1,621	3,224
At March 31, 2025					
Cost	1,537	2,207	1,087	2,004	6,835
Accumulated amortization	(1,376)	(1,147)	(705)	(383)	(3,611)
Net book value	161	1,060	382	1,621	3,224



6. Prepaid expenses

	March 31, 2025	March 31, 2024
Software and hardware maintenance	195	313
Rent	145	102
Other	58	43
	398	458

7. Accumulated surplus

The accumulated surplus balance represents the portion of the net book value of tangible capital assets that have been funded through appropriations.

8. Funding appropriations

The office receives approval from the Legislative Assembly to spend funds through an appropriation that includes two components—operating and capital. Any unused appropriations lapse at the fiscal year-end.

The budget for expenses shown on the statement of operations includes depreciation of tangible capital assets and is based on the budgeted expenses approved by the Select Standing Committee on Finance and Government Services.

The following table reconciles the operating appropriation and provides a comparison of current and prior year voted capital and operating appropriations. There are no reconciling items for the capital appropriation.

Year ended March 31	2025	2024
Voted appropriation, operating	26,356	23,415
Cost of operations	24,466	22,023
Depreciation	(649)	(228)
Accretion	(5)	(3)
Operating appropriation	23,812	21,793
Unused operating appropriation	2,544	1,622
Voted appropriation, capital	263	3,200
Capital purchases	255	3,118
Unused capital appropriation	8	82



9. Employee future benefits

The office and all eligible employees contribute to the Public Service Pension Plan, a multi-employer, defined benefit, and joint trusteeship plan, established for certain British Columbia public service employees. The British Columbia Pension Corporation administers the plan, including payments of pension benefits to eligible employees. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of assets and administration of benefits.

The plan is contributory, and its basic benefits are based on years of service and average earnings at retirement. Under joint trusteeship, the risks and rewards associated with the plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions.

Every three years an actuarial valuation is performed to assess the financial position of the pension plan and the adequacy of the funding. The latest actuarial valuation, performed as of March 31, 2023, reported the fund was 113% funded with assets of \$37,994 million and liabilities of \$33,503 million.

Expenses related to employee future benefits incurred during the year were \$1,356,313 (2024 - \$1,300,355)

10. Contractual obligations

The office leases two multifunction devices and two photocopiers under agreements that terminate in February 2028.

The office occupies a single office building under a 20-year lease agreement which terminates Oct. 31, 2034. The total future minimum lease payments for the duration of the lease are estimated to be \$19.37 million.

Future minimum payments for each of the next five years under the terms of the commitments, as of March 31, 2025, are estimated as follows:

Fiscal year	Commitment
2025/26	1,872
2026/27	1,872
2027/28	1,872
2028/29	1,866
2029/30	1,990
	<u>9,472</u>



11. Related party transactions

a. Business transactions

While our work is independent of government, the office is financially related, because of common control, to all Province of B.C. ministries, agencies, Crown corporations, and all other public sector entities that make up the government reporting entity of the Province of B.C. Transactions with such entities are in the normal course of business, are recorded on an accrual basis, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

b. Services provided and received without charge

The Province of B.C. has centralized some of its administrative activities for efficiency and cost-effectiveness. The purpose of this shared services model is that one area of government performs the service for other areas without charge.

Services provided:

The office receives external auditing services under a contract managed by the Legislative Assembly. The audit firm is appointed by a committee of the Legislative Assembly. The estimated value of these services is \$44,940 the current year (2024 - \$37,637).



Appendix A

Summary of work issued in 2024/25

Independent auditor's reports for financial statement audits and other assurance engagements

Public Accounts

1. Summary Financial Statements, Province of British Columbia
2. Summary of Public Debt, Key Indicators of Provincial Debt and Summary of Performance Measures

School districts

3. School District No. 63 (Saanich)
4. School District No. 74 (Gold Trail)

Universities, colleges, and institutes

5. University of British Columbia
6. Okanagan College

Other post-secondary institution reports

7. University of British Columbia Foundation – Independent Auditor's Report on the Consolidated Financial Statements
8. University of British Columbia – FTE Enrolment Report
9. University of British Columbia – Independent Auditor's Report on the Consolidated Financial Statements Accompanied by Financial Responsibility Supplemental Schedule
10. University of British Columbia – Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
11. University of British Columbia – Independent Auditor's Report on Compliance for the Direct Loan Program Required by the Guide for Financial Statement Audits and Compliance Attestation Engagements of Foreign Schools
12. University of British Columbia – Independent Auditor's Report on the Consolidated Financial Statements presented in accordance with Canadian generally accepted accounting principles
13. University of British Columbia – Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
14. University of British Columbia – Independent Auditor's Report on Compliance for the Research and Development Cluster of Expenditures; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance



Health authorities

15. Provincial Health Services Authority

Other health authority reports

16. British Columbia Emergency Health Services
17. British Columbia Mental Health Foundation
18. Forensic Psychiatric Services Commission
19. BC Cancer, part of Provincial Health Services Authority – Independent Auditor’s Report on the Consolidated Financial Statements presented in accordance with Canadian generally accepted accounting principles
20. BC Cancer, part of Provincial Health Services Authority – Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
21. BC Cancer, part of Provincial Health Services Authority – Independent Auditor’s Report on Compliance for the Research and Development Cluster of Expenditures; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
22. BC Centre for Disease Control, part of Provincial Health Services Authority – Independent Auditor’s Report on the Statement of Eligible Expenditures

Crown corporations

23. BC Transportation Financing Authority
24. InBC
25. British Columbia Energy Regulator
26. Royal BC Museum Corporation

Other Crown corporation reports

27. Transportation Investment Corporation

Other organizations

28. Legislative Assembly
29. Provincial Employees Community Services Fund

Federal government funding agreements

30. Canada–British Columbia Building Canada Fund Contribution Agreement
31. Canada–British Columbia New Building Canada Fund Contribution Agreement
32. Canada–British Columbia Workforce Development Agreement
33. British Columbia’s Disaster Financial Assistance Arrangement – 2017 Wildfires Claim
34. British Columbia’s Disaster Financial Assistance Arrangement – 2018 Wildfires Claim



Performance audit, related assurance, and other reports

1. Annual Follow-up Report: Performance Audit Recommendations (2019 – 2022)
 - 24 independent reviews of government's progress in completing 130 audit recommendations
2. Examination of MNP's Administration of the Advanced Research and Commercialization Grant Program
 - Interim Report
 - Final Report
3. B.C. Public Sector Boards: Oversight of the Appointment Process
4. Child Care Licensing Capacity
 - Audit of Ministry of Education and Child Care on whether it had worked with health partners to implement the commitment to add capacity in regional health authorities to license, monitor, and investigate child care facilities
 - Audit of Vancouver Coastal Health on whether it assessed if it had the capacity to license new spaces, investigate complaints and monitor child care facilities.
5. Ministry of Forests: Calculating Carbon Projections

Other publications

1. Annual Report and Financial Statements 2023/24
2. Service Plan 2025/26–2027/28
3. Financial Audit Coverage Plan for fiscal years ending in 2026, 2027, and 2028



Appendix B

Public Interest Disclosure Act

The *Public Interest Disclosure Act* (PIDA) is legislation that creates a way for B.C. government employees to report specific kinds of serious wrongdoing without fear of reprisal. The act applies to B.C. government ministry employees, employees of independent offices and the Legislative Assembly, and former public servants. PIDA came into force on Dec. 1, 2019.

- Current and former staff of the Office of the Auditor General can make a disclosure to the office's designated officer or to the Office of the Ombudsperson.
- Current and former staff of the Office of the Ombudsperson can make a disclosure about the Office of the Ombudsperson to the Office of the Auditor General.
- The Office of the Ombudsperson can refer a matter to the Office of the Auditor General if the latter is in a better position to investigate it.

Under PIDA, we must annually report the number of disclosures of wrongdoing made by our staff or disclosures referred to our office by the Office of the Ombudsperson. We must also report on whether those disclosures were investigated, as well as the results of those investigations.

As of March 31, 2025, our designated officer for the Office of the Auditor General did not receive any notification of any disclosures made to the Office of the Ombudsperson, nor did we receive any PIDA disclosures from current or former employees of the Office of the Ombudsperson.





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This report and others are available on our website, which also contains further information about the office.

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