



Office of the
Auditor General
of British Columbia

June 2026

Annual Report 2025/26





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 2025/26*, as required under Section 22 of the *Auditor General Act*.

Bridget Parrish, CPA, CA
Auditor General of British Columbia
Victoria, B.C.

June 15, 2026



Accountability statement

This report reflects the performance of the Office of the Auditor General of British Columbia for the 12 months ending March 31, 2026. It was prepared in accordance with the *Auditor General Act* and the B.C. Reporting Principles. 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 is 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.

Bridget Parrish, CPA, CA
Auditor General of British Columbia
June 15, 2026



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Auditor General Bridget Parrish presents audit findings in the legislative press theatre.
Source: Office of the Auditor General of British Columbia

The Office of the Auditor General acknowledges that we are living and working with gratitude and respect on the traditional territories of the First Nations peoples of British Columbia. We specifically acknowledge that our office is located on the traditional territories of the Lekwungen people of the Songhees and Esquimalt Nations (Victoria).

A message from the auditor general



On behalf of the Office of the Auditor General, I'm pleased to present our annual report for the 2025/26 fiscal year.

This is my first annual report since becoming auditor general on Dec. 1, 2025, and I'm incredibly proud of what the report says about our engaged workplace, the values that we share as a team, and the quality of work that we do together on behalf of the Legislative Assembly and people in B.C.

It also reflects the momentum we've gained as an organization in recent years. As you read through each section, you'll see what we're building: a place where we do excellent work in a respectful and collaborative environment.

We're improving in multiple ways and across every part of the organization. You can see it in our employee engagement survey results, in the many new initiatives we've taken, and it shows where it matters most: in financial

and performance audit work conducted with efficiency, professionalism, and according to rigorous standards.

It has been a productive and impactful year. We completed our annual audit of the Province of B.C.'s Summary Financial Statements, 26 independent auditor's reports for other financial statement audits and related assurance engagements, and produced two information reports to help readers navigate government's financial statements and understand the role of our audit.

We also examined the province's role in the Village of Lytton's wildfire recovery, delivered three performance audit reports, and completed our annual follow up on past performance audit recommendations.

This report includes the office'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.

In closing, much of our progress is built on the work that we've done in recent years. I'm honoured to have been part of that growth. Now that I'm in my new role, I embrace the responsibility with gratitude and determination to keep the momentum going.

Sincerely,

A handwritten signature in blue ink that reads "B. Parrish". The signature is fluid and cursive.

Bridget Parrish, CPA, CA
Auditor General of British Columbia
Victoria, B.C.

June 15, 2026



External auditor's opinion on the annual report



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Independent Practitioner's Reasonable Assurance Report

To the 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, 2026, 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 depend on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involve 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.

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 requirements.

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.





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 as 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, 2026, conforms in all significant respects with the BC Reporting Principles.

BDO Canada LLP
Chartered Professional Accountants

Vancouver, British Columbia
June 15, 2026





Appendix to Independent Practitioner's Reasonable Assurance Report of BDO Canada LLP on the 2025/26 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

The Office of the Auditor General is non-partisan and independent of government. It audits the provincial government’s financial statements and program performance. Reports are tabled in the Legislative Assembly, released to the public, and referred to the Select Standing Committee on Public Accounts for discussion and follow up.

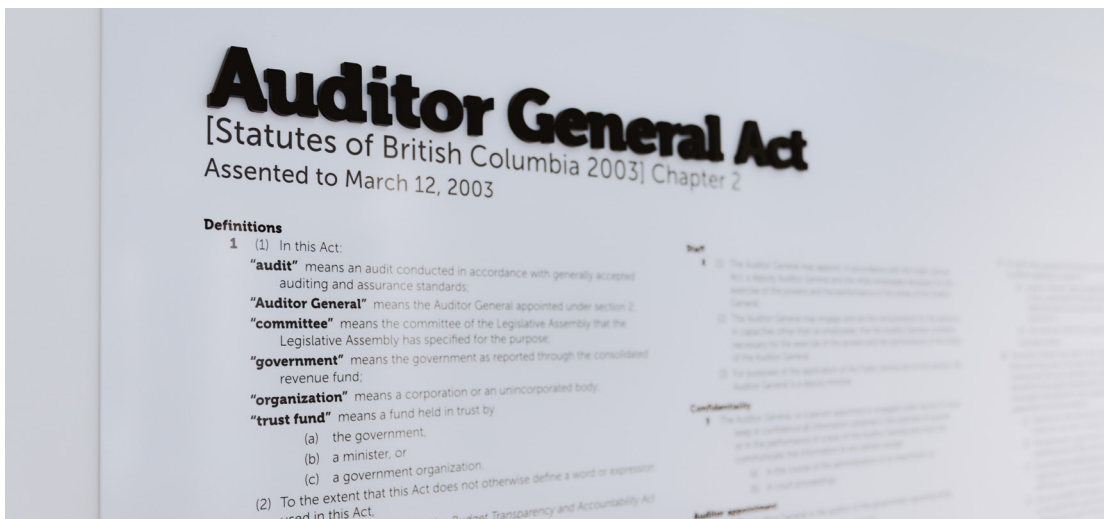
The auditor general’s financial audits, performance audits, and other work provide accurate, objective, and trusted information that supports confidence and improvements in public sector financial reporting, programs, and services.

The auditor general is required by law to audit government’s annual Summary Financial Statements, which consolidate the financial results for the government reporting entity (GRE).

The GRE includes all organizations controlled by, or accountable to, the provincial government (e.g., ministries, Crown corporations, universities, colleges, school districts, and health authorities). The auditor general has authority to audit the financial statements of any organization in the GRE. The annual financial audit coverage plan identifies the organizations in the GRE that are to be audited by the auditor general and those that will be audited by outside accounting firms.

The auditor general may also choose to conduct performance audits of the efficiency, economy, and/or effectiveness of programs or services of any organization in the GRE. However, the auditor general is required to report to the Legislative Assembly one or more times each fiscal year on the results of the work undertaken by the office. Performance audits are prioritized and selected according to areas of risk and significance. Issues and concerns brought forward by Members of the Legislative Assembly and members of the public are also considered. The [reports in progress](#) webpage lists performance audits and other work underway.

The auditor general is appointed by the Legislative Assembly to an eight-year term, mandated by the *Auditor General Act*.



Auditor General Act.

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

- Employee Engagement Survey – executive-level management driver

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

Key performance indicator

- Employee Engagement 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*

Key performance indicator

- Per cent of staff meeting performance expectations

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

Key performance indicator

- Reporting on the government's Summary Financial Statements
- Delivering on the *Financial Audit Coverage Plan*
- Delivery of planned number of audit, related assurance, and information reports to the Legislative Assembly



	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			✓



OAGBC staff enjoy celebrating Public Service Week together, June 2025.
Source: Office of the Auditor General of British Columbia



Our people

Overview

We have gained significant momentum as we strive for an engaged workplace where all employees are respected, supported, and able to do their best work within a collaborative environment.

Our strategies for 2025/26 were built on previous ones. That means our work focused on audit quality, efficiency, and developing our staff. We refined several significant initiatives to enhance workplace culture. We maintained our strong commitment to employee growth and well-being.

Our people-focused strategic efforts were reflected in the results of our 2025/26 Employee Engagement Survey. The results confirmed ongoing improvement in overall employee engagement, maintaining a high standard that enables performance excellence. Nearly 90 per cent of staff completed the survey.

This past year brought a significant leadership change at the top of our organization when, in December, Bridget Parrish was appointed from within our ranks as the seventh auditor general of B.C. The benefit of an internal promotion was significant to staff: consistency and familiarity allowed us to keep moving forward with confidence, clarity and alignment with our strategic goals. Deputy Auditor General Sheila Dodds served as acting auditor general following the retirement of Michael Pickup.

Implementation of our growth-based performance development and management process, supported by our compensation framework, has been a key addition to our workplace. We now have a system that supports employee development planning, meaningful performance feedback, and inspires personal achievement while aligning with our strategic needs.

We also focused on employee training to ensure that it supports our commitment to an equitable, diverse, inclusive, and culturally-safe workplace, as well as the strategic upskilling of staff. Starting in 2025/26, our training and development program supports competency and skill development, staff engagement, and quality audits. Improvements to corporate reporting and metrics capabilities help support staff utilization and continual improvement.

Amid ongoing competition with the private sector for professional staff, we held 25 job competitions over the past year, resulting in a good balance between hiring external candidates and promoting internal candidates to bolster our workforce.

Plus – considering staff retention and attracting future hires – the office introduced new policies to support work-life balance and performance recognition, both of which contribute to effective talent acquisition and positive workplace engagement.



Staffing summary (as of March 31, 2026)

Staff at start of 2025/26

115 regular and seven 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 at end of 2025/26

122 regular and three auxiliary staff:

- 74% of regular staff had more than one year of experience in their positions
- 26% of regular staff had less than one year of experience in their positions

Staff breakdown at end of 2025/26

Critical Audit Support Services	36
Performance Audit and Related Assurance	30
Financial Audit and Related Services	52
Executive, Legal Services and Professional Practices	7
Total	125

Staffing activities, 2025/26

25 competitions

New hires:

- 17 permanent hires (five from within the B.C. public service and 12 from outside)
- 3 auxiliary hires

Employee movement:

- Permanent internal promotions: 17
- Auxiliary to permanent status: 3
- Internal temporary appointments: 8

Departures:

- 10 permanent departures
- 6 auxiliary departures
- 5 retirements



The audit team, with acting Auditor General Sheila Dodds at the release of the office's performance audit report, *Ministry of Agriculture and Food: Reliability of Premises Identification Information*, November 2025.

Source: Office of the Auditor General of British Columbia



Performance indicators

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

The Employee Engagement Survey is a primary source of indicators. The survey is a comprehensive staff survey conducted annually to gather feedback from staff about our organization, culture, practices, and staff engagement. Ours is similar to the BC Stats survey of the public service.

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

Key performance indicator

- Employee Engagement Survey – executive-level management driver

	2021/22 Baseline	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Target ¹	2025/26 Actual
Executive-level management score	59	62	67	70	68	67

¹ In the 2024/25 service plan, projected targets were 67 for 2025/26 and 68 for 2026/27.

Secondary indicators

- Employee Engagement Survey – Mission, vision, and values; organization satisfaction; and organization commitment

	2021/22	2022/23	2023/24	2024/25	2025/26
Vision, mission, goals	72	71	77	77	76
Organization satisfaction	65	72	75	76	78
Organization commitment	67	72	74	75	79

With a score of 67, we were just shy of our 2025/26 target of 68 for executive-level management, yet the stability of our executive-level management score is a significant accomplishment given the changes in leadership during the year.

Our secondary indicator results were consistent with last year. The organization satisfaction and organization commitment scores are the highest we have achieved so far.

We are pleased to see the stability of these scores, particularly in a period of transition and change. We will continue to seek ways to build on them. We acted this year to improve the clarity and consistency of processes and information for corporate governance, planning, and reporting. They included:

- developing new time management and personal budget policies for auditors, and implementing for financial auditors;
- designing and implementing new scheduling processes for financial auditors;
- developing new corporate reporting and dashboards for time management and analysis, personal budget tracking, scheduling, leave usage, and HR metrics;
- continuing to leverage the skills of data analytics and IT teams to support new corporate priorities and reporting needs;



- introducing a new project plan template for financial statement audits to provide enhanced budget and time management data;
- completing the first annual cycle of our growth-based performance development and management framework for all staff; and
- continuing to obtain staff feedback through anonymous surveys and information sessions.

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

Key performance indicator

- Employee Engagement Survey – engagement score

	2021/22 Baseline	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual
Engagement score	66	72	75	76	76	77

Our 2025/26 engagement score of 77 surpassed both our target and last year’s results and reflects our highest score yet for this key performance indicator.

Secondary indicators

- Employee Engagement Survey – Respectful environment, organization satisfaction, teamwork, and empowerment

	2021/22	2022/23	2023/24	2024/25	2025/26
Respectful environment	76	77	80	78	79
Organization satisfaction	65	72	75	76	78
Teamwork	82	81	83	86	85
Empowerment	69	68	72	72	72

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



Acting Auditor General, Sheila Dodds (right), with OAGBC staff, at Financial Management Institute of Canada 2025 conference, May 2025.
Source: Office of the Auditor General of British Columbia



The overall results positively reflected efforts to focus on our people and foster an engaged workplace where employees are safe, supported, and respected. The positive shifts, despite significant leadership changes in our organization (including the appointment of a new auditor general), are especially encouraging.

Over the past year, our focused efforts included:

- implementing our growth-based performance development and management processes that align staff goals with the strategic needs of the office and are supported by our fair and transparent compensation framework;
- developing and delivering a three-year training plan which supports our commitment to:
 - building skills and competencies to address increasing performance audit needs; and
 - fostering an equitable, diverse, inclusive and culturally safe workplace.
- training to develop Indigenous relations and situational leadership competencies; and
- continuing to obtain regular staff feedback through anonymous surveys and information sessions.

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 Actual	2025/25 Target	2025/26 Actual
Turnover rate	21%	17%	13%	17%	12%	13%

Growth-based employee performance development and management processes, fully implemented in 2025/26, are helping us build a strong and sustainable workforce with the competencies to succeed.

The 2025/26 turnover rate of 13 per cent of permanent staff was just above our target of 12 per cent, and four percentage points lower than last year. Our targeted employee turnover rate suggests a healthy level of movement within the organization.

A focus on staff engagement, and a robust growth-based performance development model supported by a fair compensation framework, contributed to the lower turnover rate. Excluding involuntary exits and retirements, turnover for permanent staff was five per cent.



We are satisfied with these results as they reflect a healthy and stable organization.

Our growth-based employee performance development and management processes, fully implemented in 2025/26, are helping to build a strong and sustainable workforce with the competencies to succeed.

Also, the office has served as a CPA student training office for more than three decades. We supported a trio of students who successfully completed CPA Canada's Common Final Exam last year.

We are also pleased to employ post-secondary co-op students. We had six students throughout the last fiscal year and permanently hired three of them after their co-op terms. And we proudly took part in the B.C. Legislative Internship Program in January 2026 by hosting an intern for four weeks.



OAGBC staff who passed their Common Final Exam (CFE) attend the CPA BC Convocation in Vancouver, May 2025.
Source: Office of the Auditor General of British Columbia



Our product

Overview

Our office conducts and reports on financial audits and performance audits that are done in accordance with Canadian auditing and assurance standards. We also report 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 MLAs by reporting on how well government is managing its responsibilities and resources.

This past year we issued our independent auditor's report on the government's annual Summary Financial Statements and 26 independent auditor's reports for other financial statement audits and related assurance engagements.

We also delivered seven public reports to the Legislative Assembly:

- three performance audit reports;
- one examination report;
- our annual follow-up report on performance audit recommendations, consisting of 22 separate limited assurance reports; and
- two information reports that provided an overview of the Province of B.C.'s 2023/24 and 2024/25 Summary Financial Statements and highlights from our audits of those financial statements.

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 to keep our office and audits moving smoothly.



Performance indicators

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.

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 for 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, notably our compensation and growth-based performance development and management frameworks, and related systems and supports. Our new growth-based performance development and management framework has been essential for ensuring clear expectations for all positions.

Percentage of staff meeting performance expectations

We identified the percentage of staff meeting performance expectations as a key performance indicator to maintain and demonstrate the quality of our audits.

Our growth-based performance development and management framework includes steps that clarify expectations for all staff positions. This helps to fairly assess the extent to which staff meet performance expectations and identify how to further support staff growth and success.

	2025/26 Baseline	2025/26 Results	2026/27 Target
Percentage of staff meeting performance expectations	87%	92%	90%

We established a baseline for this new key performance indicator in the spring of 2025, based on actual results. Our baseline of 87 per cent was easily met during this first full year of our growth-based performance development and management approach. Our future targets will build on the baseline but also recognize that as staff are new to their roles, some may need additional time and support to fully meet expectations. We have high performance expectations to maintain and support the quality of our audits.

We will review our targets for our 2027/28 service plan, to be delivered later in the fall of 2026, as we collect more data and review the ongoing impacts of our growth-based performance management approach.



In our last service plan, we said we would also report results on the percentage of audit staff who met expectations on post-audit reviews and the percentage of our recommendations that were accepted by auditees for implementation. As the results of post-audit reviews are now reflected in our measure of the percentage of staff who meet performance expectations, we will not be reporting it separately. One hundred per cent of the recommendations from our performance audit reports tabled in 2025/26 were accepted by auditees for implementation.

Public awareness

In 2025/26, we continued to monitor and demonstrate the quality of our audit reports through the public awareness/perception indicator.

Based on an annual public opinion survey conducted for us by Angus Reid, there’s been a significant change in the number of respondents who are familiar with our office and our work, but have a neutral opinion about it. The net-negative opinion of the office fell last year, from 15 per cent to 10 per cent – a return to roughly the same level seen each year since 2022.

	2021/22 Benchmark	2022/23 Results	2023/24 Results	2024/25 Results	2025/26 Results
Public perception of our office and our work	Positive: 43%	Positive: 43%	Positive: 46%	Positive: 49%	Positive: 38%
	Neutral: 48%	Neutral: 45%	Neutral: 44%	Neutral: 36%	Neutral: 52%
<p><i>How we measure</i></p> <p><i>Positive: Percentage of respondents identifying as "somewhat familiar" or "very familiar" indicating "positive" or "very positive" opinion.</i></p> <p><i>Neutral: Percentage of respondents identifying as "somewhat familiar" or "very familiar" indicating "neutral/no opinion."</i></p> <p><i>Source: Angus Reid, March 2026.</i></p>					

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.

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

- Reporting on the government’s Summary Financial Statements
- Delivering on the Financial Audit Coverage Plan
- Delivery of planned number of audit, related assurance, and information 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 Actual	2025/26 Target	2025/26 Actual
Number of audit, related assurance, and other reports tabled with the Legislative Assembly	12	8	9	7	7-9	7

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.



OAGBC staff share insights about their work on the report, *Ensuring the Quality of Legal Aid Representation Services* during a staff event, April 2025. Source: Office of the Auditor General of British Columbia



In addition, we produced seven audit, related assurance, and information reports that were tabled with the Legislative Assembly, consistent with our 2025/26 target and our results in 2024/25. Our target of between seven to nine performance audit, assurance, and information reports was based on an assessment of our available resources and capacity.

The number of reports produced in 2025/26 reflects the staffing capacity available to us as we completed our complex examination of the Province of B.C.'s role in the Village of Lytton's recovery from its 2021 wildfire.

Reports by the numbers

Financial statement audits and related assurance engagements¹

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

Performance audit, information and related assurance reports²

- three performance audit reports
- one examination report on the province's support for the Village of Lytton's wildfire recovery
- one information report on government's 2024/25 audited Summary Financial Statements
- one information report on government's 2023/24 audited Summary Financial Statements
- one annual follow-up report consisting of 22 independent review reports of individual organizations' progress and an update on the status of 151 audit recommendations

Additional publications

- Service Plan 2026/27–2028/29
- Annual Report 2024/25
- Financial Audit Coverage Plan for fiscal years ending in 2027, 2028, and 2029

¹ Independent auditor's reports are issued to the organization responsible for the financial statements and related information.

² Performance audit, examination and information reports are tabled with the Legislative Assembly.

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 conducts the annual audit of the government's Summary Financial Statements, as required by the *Auditor General Act*. It's an important responsibility, a key performance indicator for our office, and a vital contribution to transparent financial reporting.

The audit of the 2024/25 Summary Financial Statements was signed off on Aug. 1, 2025. Our independent auditor's report was published with the Summary Financial Statements of the Government of the Province of British Columbia for the 2024-2025 Fiscal Year in the province's public accounts.

The independent auditor's report contains three qualifications, one more than in the prior year, 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 Nov. 28, 2025.

Performance audit, related assurance, and other work

The *Auditor General Act* enables us to conduct examinations of organizations or programs in the government reporting entity to see if they are meeting objectives economically, efficiently, and/or effectively.

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

- Transportation
- Health care
- Education
- Environment
- Justice
- Economic development
- Governance and information technology
- Social services

Performance audit reports provide fair and objective information to MLAs on the performance of programs and services.

The reports often include recommendations that have been accepted by government to address deficiencies found through the audit. We support MLAs by following up on recommendations and, in 2025/26, we published our third annual follow-up report on past performance audit recommendations.



Performance audit and examination reports

Our staff attended six meetings of the Select Standing Committee on Public Accounts in the last fiscal year to present overviews of our performance audit and examination reports. The committee members asked questions, engaged in thoughtful discussion with our staff, and asked government witnesses about actions they took based on our work and recommendations. This work helps MLAs in their scrutiny of government expenditures and program delivery.

Provincial Support for the Village of Lytton's Wildfire Recovery

We completed our examination of the Province of B.C.'s role in the Village of Lytton's recovery from the devastating 2021 wildfire, and delivered our report to the Legislative Assembly.

We identified challenges experienced by the province as it supported and funded the Village of Lytton's recovery; summarized provisions within the new Emergency and Disaster Management Act that apply to disaster recovery in small municipalities; and provided areas for the province to consider as it develops policies and guidance to support its implementation of its new emergency management framework.

Our examination began after members of the public and MLAs voiced concerns about the time and cost of the recovery effort.

Governance of Cybersecurity Risk Management at the BC Institute of Technology

This audit looked at BCIT's governance of cybersecurity risk management. Cyber-attacks are more frequent and more severe, making it challenging for post-secondary institutions like BCIT to protect sensitive information such as student records and research data.

We found that BCIT had a comprehensive governance framework to manage cybersecurity risks. The key elements include relevant policies, well-defined roles and responsibilities at all levels of the organization, and metrics to monitor performance.

Ministry of Agriculture and Food: Reliability of Premises Identification Information

We audited the Ministry of Agriculture and Food's implementation of the BC Premises Identification program. We concluded that the ministry had not implemented the program in a way that provided reliable information to those responsible for protecting poultry and livestock from animal disease and other emergencies (e.g., wildfires and floods).

The ministry accepted the seven recommendations we made, focusing on increasing program registration, addressing data reliability, and improving guidance to staff about sharing information.

Ensuring the Quality of Legal Aid Representation Services

The purpose of our audit was to determine whether Legal Aid BC had processes and information to help ensure eligible individuals received timely, high-quality legal representation services. We concluded that it did not have those processes and information.

Legal Aid BC accepted our seven recommendations to update its long-term forecasting and to enhance processes and information to ensure intake and eligibility reviews, as well as complaints, are addressed in a timely manner that is consistent with policy.



Information reports

Beyond the Bottom Line: Navigating the Province of B.C.'s 2024/25 Audited Financial Statements

This report was prepared to help users of the Province of B.C.'s 2024/25 Summary Financial Statements understand what the statements reveal about the province's financial health and the importance of our audit.

With our audit of the Province's Summary Financial Statements, the Office of the Auditor General plays a vital role in supporting the Legislative Assembly in holding government accountable for its management and use of public resources.

Our audit work and independent auditor's report provide users with assurance that they can rely on the information in the financial statements.

Beyond the Bottom Line: Navigating the Province of B.C.'s Audited Financial Statements

This report on the Province of B.C.'s 2023/24 Summary Financial Statements helps MLAs and members of the public navigate and understand the province's financial statements, how money is managed on behalf of taxpayers, and how actual results compare to expenditures approved by the Legislative Assembly.

The Public Accounts are a key element of the province's annual financial reporting, supporting transparency and accountability for the use of public funds. While they include a great deal of information on government's financial activities for the year, including the province's annual financial statements, they aren't the most user-friendly documents.

Related assurance reports

Annual Follow-up Report: Performance Audit Recommendations (2019-2023)

This year we tabled our third annual follow-up report that looked at the progress organizations have made in implementing 151 audit recommendations – from 29 audits published between 2019 and 2023.

Twenty-two of 29 auditees had outstanding recommendations and were asked to provide a progress report that faithfully represented their progress. We provided assurance on those progress reports and summarized the status of all 29 audits and 151 recommendations that entities accepted between 2019 and 2023.

Of note, at its Nov. 28, 2025, meeting the public accounts committee called government witnesses for detailed updates on the status of recommendations included in our annual follow-up report for:

- [Access to Emergency Health Services](#)
- [Management of Forest Service Roads](#)
- [Mental Health and Substance Use Services for Indigenous People in Correctional Centres](#)



Also at the Nov. 28, 2025, meeting the committee agreed to have the auditor general focus the follow-up report on four years of audit reports, while retaining the option to request the auditor general continue monitoring the progress of select audits that fall outside that period. As such, the next annual follow-up report will include recommendations from audits published in the four years from 2021 to 2024.

Performance audits in progress

Each new performance audit or examination is announced after it has been planned and approved by the auditor general, with details posted on our [Reports in Progress webpage](#).



Acting Auditor General, Sheila Dodds preparing for a release video with staff.
Source: Office of the Auditor General of British Columbia



Our strategies

We focused on four corporate strategies in 2025/26 to work towards our objectives.

	Objective				
	1	2	3	4	5
1. Continue to enhance the quality and efficiency of our audits and related support functions.	✓		✓	✓	✓
2. Increase capacity to examine areas of growing importance to MLAs and to people in B.C.			✓		✓
3. Implement growth-based employee performance development and management processes that align with the strategic needs of the office and are supported by our compensation framework.	✓	✓	✓		✓
4. Prioritize and implement elements of our employee training and development framework.		✓	✓	✓	✓

1. Continue to improve the quality and efficiency of our audits and related support functions

In 2025/26, our continuing focus on audit quality was extended to audit efficiency and to the quality and efficiency of related support functions. Key actions included:

- updated time management policies;
- a new scheduling process, policy, and dashboard for our financial audit practice. Performance auditors will implement the new scheduling process in 2026/27;
- enhanced corporate reporting and data to monitor audit efficiency and support continual improvements in staff and resource utilization; and
- new corporate reports and data analytic procedures to monitor key HR metrics and to inform policy directions.

Our focus on the growth and development of our staff is another important contributor to the quality of our audits and related support services. We review audit management practices and look for opportunities to accelerate audit staff development to increase audit quality and efficiency.



2. Increase capacity to examine areas of growing importance to MLAs and to people in B.C.

In 2025/26, we initiated three small performance audits to examine whether three school districts had established procurement frameworks – policies and practices – that support the principles of fair and open procurement. The audits were designed to train financial auditors on how to effectively use our performance audit methodology, increasing our capacity to take on new performance audits. The three audits were delivered to the Legislative Assembly in June 2026. We will continue to use a selection of smaller audits, along with our other performance audits, as a tool to train and build capacity more quickly. Three more procurement audits are planned for 2026/27.

During the year, our recruitment effort was designed to fill critical vacancies and increase our audit capacity in areas of growing importance. Through our hiring competitions, 41 permanent and temporary vacancies were filled, this included hiring 17 external candidates and promoting several internal candidates.

We took on six strategic projects during the year, in support of our 2025/26 strategies, and invited staff with different skills and capacity to be part of each team. This cross-portfolio engagement contributes to building capacity as an organization.

3. Implement growth-based employee performance development and management processes that align with the strategic needs of the office and are supported by our compensation framework

In 2025/26, we successfully implemented and completed the first annual cycle of our growth-based performance development and management framework.

Many of the resources and procedures developed last year have been fully implemented as part of this framework to support regular reviews of staff growth and development in their roles, including:

- auditor progression frameworks that outline the technical skills and competencies required at different levels for financial and performance auditors. These 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 that support employee goal setting, growth planning, performance discussions, and success;
- a fair and transparent mechanism for staff in Management Classification and Compensation Framework (MCCF) pay bands to determine potential performance-based pay increases after 1,827 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; and



- robust procedures and tools to monitor and record decisions, determine potential salary increases, and generate notification letters in a timely and efficient manner.

We updated our compensation framework policy to reflect the full implementation of our approach to growth-based performance development and feedback received from staff. The promotion of 17 staff is a positive indicator of the importance and effectiveness of our approach to staff development.

4. Prioritize and implement elements of our employee training and development framework

During the year, we developed a comprehensive training needs analysis that identified the required technical, interpersonal and leadership skills and competencies of all staff, and any gaps. Almost 80 per cent of staff were engaged in this process of identifying training needs and gaps through participation in 14 learning focus groups.

The data gathered from the learning focus groups was analyzed and used to create a training needs analysis, which then informed the development of a three-year learning plan. This learning plan, which was made available to all staff in September 2025, supports:

- developing skills and competencies to address increasing performance audit needs; and
- our commitment to fostering an equitable, diverse, inclusive, and culturally-safe workplace.

Additionally, we developed and implemented a learning and development policy that establishes the framework so staff have the skills and capabilities to meet current and future organizational needs. This initiative improved our strategic approach to learning by defining types of training, establishing role clarity as it pertains to learning within the organization, and creating a portfolio-specific budgeting process to empower operational leaders to understand the learning utilization of their staff.



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, 2026, 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 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 2025/26, our budget, based on an estimate of the full cost of operations, was \$26.981 million for operating expenses and \$450,000 for capital acquisitions.

In 2025/26, the actual cost of our operations was \$23.074 million, and our capital expenditures were \$158,000. The unused appropriation (\$3.907 million for operating expenses and \$292,000 for capital acquisitions) cannot be used in subsequent fiscal years. We used 85.5 per cent of our operating budget in 2025/26.

2025/26 financial summary and comparison to plan and prior year (in \$000s)

Expense type	Budget FY26	FY26 Actual	Variance from budget	FY 25 Actual	Variance Year over Year
Salaries and benefits	19,650	17,305	(2,345)	17,985	(680)
Professional fees	1,286	685	(601)	1,821	(1,136)
Rental and utilities	1,820	1,812	(8)	1,668	144
IT expenses	2,250	1,906	(344)	1,446	460
Office and other	608	464	(144)	504	(40)
Travel	550	257	(293)	376	(119)
Vehicle expenses	17	3	(14)	12	(9)
Depreciation expense	800	637	(163)	649	(12)
Accretion expense	-	5	5	5	-
Total	26,981	23,074	(3,907)	24,466	(1,392)



Operating expenses

Salaries and benefits made up 75 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.

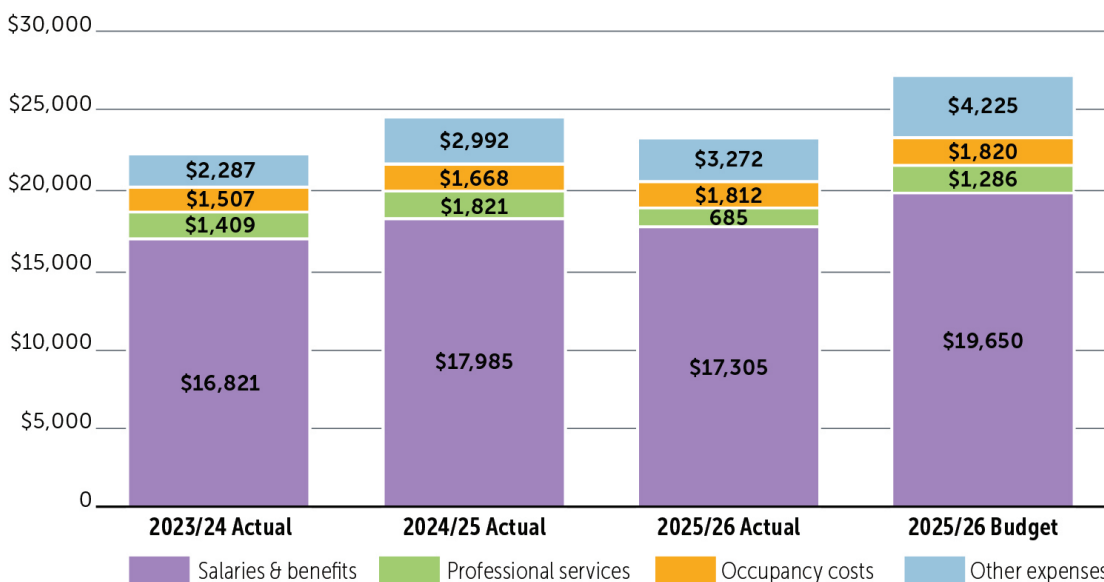
Actual spending on salaries and benefits in 2025/26 was just over \$17 million, \$2.305 million less than planned, and \$680,000 less than we spent in the prior year. The underspend was primarily due to vacant positions that we were working to fill.

Spending on professional service contracts was \$685,000, which was \$601,000 below budget. The underspend was due in part to lower-than-expected professional services as we worked to complete significant corporate initiatives that began in previous years. We have also reduced the proportion of our budget spent on external contractors as we continue to invest in training and retaining qualified professional staff. In 2026/27, we plan to invest in additional professional staff to build our in-house expertise. Overall, our professional services spending was 47 per cent less than planned.

Audit-related travel has decreased slightly, after rising during the past few years. Frequent meetings are important to build relationships with those we audit and to enhance our understanding of their organization's operations and risks. In the current environment, virtual meetings can be preferred by our auditees as an effective way to connect, which leads to lower than anticipated travel costs.

The table below summarizes the changes in key spending categories over the past three years, as well as the 2025/26 budget amounts.

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



Capital purchases

Capital expenditures this year were \$158,000, down significantly from previous years, as we have completed the projects that required investments in IT infrastructure and a flexible office work environment.

This year, we invested just over \$107,000 for on-site server removal and refreshed IT equipment (e.g., laptops and other peripherals). We spent close to \$15,000 on furniture, just over \$34,000 to add sound proofing to private spaces, and we completed some minor painting.

Looking ahead

Our fiscal 2026/27 operating budget is consistent with the three-year plan approved by the Finance and Government Services Select Standing Committee in October 2025.



Financial statements 2025/26

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, 2026.



Bridget Parrish, CPA, CA
Auditor General



Nathaniel Morbey, CPA, CA
Chief Financial Officer





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Independent Auditor's Report

To the Auditor General of British Columbia

Opinion

We have audited the accompanying financial statements of the Office of the Auditor General of British Columbia (the "Office"), which comprise the Statement of Financial Position as at March 31, 2026 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, 2026, 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.

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.





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 Office 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 15, 2026



Statement of financial position

As at March 31, 2026 (in \$000s)	Note	2026	2025
Financial assets			
Petty cash		1	2
Due from the consolidated revenue fund	3	905	1,109
Total financial assets		906	1,111
Liabilities			
Accounts payable and accrued liabilities		1,392	1,509
Asset retirement obligation	4	148	143
Total liabilities		1,540	1,652
Net debt		(634)	(541)
Non-financial assets			
Tangible capital assets	5	2,745	3,224
Prepaid expenses	6	486	398
Total non-financial assets		3,231	3,622
Accumulated surplus	7	2,597	3,081

Approved by:



Bridget Parrish, CPA, CA
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, 2026 (in \$000s)				
	Note	2026 Budget	2026 Actual	2025 Actual
Expenses				
Salaries and benefits		19,650	17,305	17,985
Professional fees		1,286	685	1,821
Occupancy costs		1,820	1,812	1,668
Information technology		2,250	1,906	1,446
Office		590	434	488
Travel		550	257	376
Depreciation		800	637	649
Accretion		-	5	5
Vehicle		17	3	12
Other		8	8	7
Advertising		10	22	9
Total cost of operations		26,981	23,074	24,466
Funding appropriations				
Operating	8	26,181	22,432	23,812
Capital	8	450	158	255
Annual deficit		(350)	(484)	(399)
Accumulated surplus beginning of year	7	3,081	3,081	3,480
Accumulated surplus end of year		2,731	2,597	3,081

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



Statement of changes in net debt

For the fiscal year ended March 31, 2026 (in \$000s)	2026 Budget	2026 Actual	2025 Actual
Net debt at beginning of year	(541)	(541)	(596)
Annual deficit	(350)	(484)	(399)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(450)	(158)	(255)
Amortization of tangible capital assets	800	637	649
	350	479	394
Changes in working capital assets			
Acquisition of prepaid expenses	-	(486)	(398)
Use of prepaid expenses	-	398	458
	-	(88)	60
Decrease (increase) in net debt	-	(93)	55
Net debt at end of year	(541)	(634)	(541)

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



Statement of cash flows

For the fiscal year ended March 31, 2026 (in \$000s)	Note	2026	2025
Due from Consolidated Revenue Fund, beginning of year	3	1,109	2,106
Operating transactions			
<i>Cash used to:</i>			
Pay employees or benefits plans		(17,124)	(17,679)
Pay suppliers		(5,512)	(7,130)
		(22,636)	(24,809)
<i>Cash received from:</i>			
Operating appropriation		22,432	23,812
Capital transactions			
<i>Cash used to:</i>			
Acquire tangible capital assets	5	(158)	(255)
Financing transactions			
<i>Cash received from:</i>			
Capital appropriation		158	255
Increase in due from consolidated revenue fund		(204)	(997)
Due from Consolidated Revenue Fund, end of year	3	905	1,109

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



Notes to our financial statements

Year ended March 31, 2026 (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 obligations

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 \$203,755. Using a discount rate of 3.60%, this liability is recorded as \$148,163 at March 31, 2026.



5. Tangible capital assets

	Computer hardware and software	Network hardware and software	Furniture and equipment	Tenant improvements	Total
Cost					
Opening, April 1, 2025	1,537	2,207	1,087	2,004	6,835
Additions	108	-	15	35	158
Disposals	(1,146)	(862)	(487)	-	(2,495)
Closing, March 31, 2026	499	1,345	615	2,039	4,498
Accumulated amortization					
Opening, April 1, 2025	(1,376)	(1,147)	(705)	(383)	(3,611)
Amortization	(99)	(268)	(98)	(172)	(637)
Disposals	1,146	862	487	-	2,495
Closing, March 31, 2026	(329)	(553)	(316)	(555)	(1,753)
Cost					
Opening April 1, 2024	1,408	2,091	1,077	2,004	6,580
Additions	129	116	10	-	255
Disposals	-	-	-	-	-
Closing March 31, 2025	1,537	2,207	1,087	2,004	6,835
Accumulated amortization					
Opening April 1, 2024	(1,267)	(884)	(607)	(204)	(2,962)
Amortization	(109)	(263)	(98)	(179)	(649)
Disposals	-	-	-	-	-
Closing March 31, 2025	(1,376)	(1,147)	(705)	(383)	(3,611)
Net book value					
March 31, 2025	161	1,060	382	1,621	3,224
March 31, 2026	170	792	299	1,484	2,745



6. Prepaid expenses

	March 31, 2026	March 31, 2025
Software and hardware maintenance	305	195
Rent	139	145
Other	42	58
	486	398

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	2026	2025
Voted appropriation, operating	26,981	26,356
Cost of operations	23,074	24,466
Depreciation	(637)	(649)
Accretion	(5)	(5)
Operating appropriation	22,432	23,812
Unused operating appropriation	4,550	2,544
Voted appropriation, capital	450	263
Capital purchases	158	255
Unused capital appropriation	292	8



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 \$1,315,178 (2025 -\$1,356,313)

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 \$17.52 million.

Future minimum payments for each of the next five years under the terms of the commitments, as of March 31, 2026, are estimated as follows:

Fiscal year	Commitment
2026/27	1,872,050
2027/28	1,872,050
2028/29	1,866,473
2029/30	1,990,340
2030/31	2,163,753
	<u>9,764,666</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 \$46,010 the current year (2025 - \$44,940).



Appendix A

Summary of work issued in 2025/26

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. 34 (Abbotsford)
4. School District No. 63 (Saanich)
5. School District No. 74 (Gold Trail)

Universities, colleges, and institutes

6. University of British Columbia
7. Okanagan College

Other post-secondary institution reports

8. Simon Fraser Foundation
9. Simon Fraser University – FTE Enrolment Report
10. Simon Fraser University – 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. Simon Fraser University – 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. Simon Fraser University – 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

13. Provincial Health Services Authority



Other health authority reports

14. British Columbia Emergency Health Services
15. Forensic Psychiatric Services Commission
16. 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
17. 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
18. 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

Crown corporations

19. BC Financial Services Authority
20. BC Transportation Financing Authority
21. Community Living British Columbia
22. InBC

Other Crown corporation reports

23. Transportation Investment Corporation

Other organizations

24. Legislative Assembly
25. Provincial Employees Community Services Fund

Federal government funding agreements

26. Canada–British Columbia New Building Canada Fund Contribution Agreement
27. Canada–British Columbia Workforce Development Agreement

Performance audit, related assurance, and other reports

1. Provincial Support for the Village of Lytton’s Wildfire Recovery
2. Governance of Cybersecurity Risk Management at the BC Institute of Technology
3. Ministry of Agriculture and Food: Reliability of Premises Identification Information
4. Beyond the Bottom Line: Navigating the Province of B.C.’s 2024/25 Audited Financial Statements
5. Beyond the Bottom Line: Navigating the Province of B.C.’s Audited Financial Statements
6. Ensuring the Quality of Legal Aid Representation Services
7. Annual Follow-up Report: performance audit recommendations (2019–2023)



Other publications

1. Annual Report and Financial Statements 2024/25
2. Service Plan 2026/27–2028/29
3. Financial Audit Coverage Plan for fiscal years ending in 2027, 2028, and 2029



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, 2026, 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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