



**NEWS RELEASE**

**For Immediate Release**

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**Public sector organization don't appear to be using all fraud risk management tools available**

VICTORIA—Questionnaire responses offer insight on how 23 public sector organizations—including Crown corporations, post-secondary institutions, and health authorities—deal with fraud. The organizations manage 86 per cent of public sector assets, not including ministries.

The responses—which provide a key planning tool for auditors of the government's summary financial statements—are contained in a new information report from the Office of the Auditor General.

“This shows us how organizations perceive fraud and its impact,” Auditor General Michael Pickup said. “All organizations are vulnerable to fraud, but many in the public sector don't appear to be using all available tools to manage the risk. The management at these organizations are responsible for preventing and detecting fraud.”

The responses show that:

- More than half of the public sector organizations reported that they had experienced fraud in the past year.
- Only 18 per cent reported being highly vulnerable to fraud.
- 39 per cent said they did not have an ongoing process to identify and assess fraud risks.
- 43 per cent said they had not established a schedule to evaluate their fraud risk management practices.

B.C. has a standardized framework for fraud risk management for ministries, but not for the rest of the public sector, so organizations often take different approaches.

The questionnaire is one of several factors in an auditor's assessment of an organization's fraud risk. The results will help auditors plan their approach during their annual summary financial statement audits.

Today's report is focused on Crown organizations, post-secondary institutions, school districts, health authorities and associations. A second report, to be issued later this year, will look at fraud risk and B.C. government ministries.



Office of the  
**Auditor General**  
of British Columbia

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[Fraud Risk and Financial Statements: B.C. Public Sector, Part 1](#)

[Report at a Glance](#)

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**For general questions and interview requests:**

Nicholas Johnson

Manager, Communications

[njohnson@bcauditor.com](mailto:njohnson@bcauditor.com)

250-419-6117

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