



NEWS RELEASE

**For immediate release
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Auditor General finds that BC government audit committees generally have good oversight but in some areas there are opportunities for improvement.

VICTORIA – In a report released today, the Acting Auditor General of British Columbia, Arn van Iersel, reports that audit committee practices in relation to oversight of the external audit process are generally strong. He notes, however, that while he found many examples of good practice in relation to other areas that audit committees are responsible for, there are several opportunities for improvement.

The report, titled *Province of British Columbia Audit Committees: Doing the Right Things*, was prepared under section 10(8) of the Auditor General Act, specifically written for this purpose. This section of the Act is designed to provide the Select Standing Committee on Public Accounts with “an assessment of the financial statement audit process”. Van Iersel comments that “As I report to the Committee on my audit of the government-wide financial statements, so auditors of individual government organizations report to the audit committees of those entities”. He goes on to say that “...with the increased size and complexity of government’s financial statements, it is important that the Committee knows that the independent audit of those statements remains a robust process.

This was an assessment of audit committee practices within selected organizations. It was not an audit of the effectiveness of each individual audit committee. As well as looking at practices in relation to the financial statement audit, audit committee practices were also assessed in relation to audit committee mandate and process, who is on audit committees, the review of financial systems and information, oversight of internal audit, and whistle blowing policies.

The assessment did not detect any significant weaknesses with audit committee practices in relation to oversight of the external audit process. In regard to the other areas of audit committee responsibilities assessed, both strengths and opportunities for improvement were noted. The report recommends that the current governance guidelines for government organizations in British Columbia be revised to include the latest developments in best practice for audit committees, and that all government organizations should be required to comply with these guidelines. Currently they are not mandatory and do not apply to school boards.

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2006/07 Report #4 Province of British Columbia Audit Committees: Doing the Right Things.

This report is available:

On the Internet at the Office of the Auditor

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