

NEWS RELEASE

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Auditor General Releases 2008/09 Summary Financial Statements Report

VICTORIA – Auditor General John Doyle today released the report *Observations on Financial Reporting: Audit Findings Report on the 2008/09 Summary Financial Statements*, in which he comments on the B.C. government’s financial accounting and reporting practices.

Mr. Doyle’s overall conclusion is that government’s Summary Financial Statements are presented fairly according to Canadian accounting standards. However, there are three areas where the financial statements are significantly not in compliance with these standards, resulting in three audit opinion reservations. Had these three reservations been corrected, the surplus for 2008/09 would have been \$8 million, not the \$78 million reported by government.

Two of these reservations, those relating to the recording of oil and gas producer credits and deep-well credits, were also included in last year’s audit opinion. The third relates to the improper consolidation of the Transportation Investment Corporation.

“Although these reservations are of significant concern to me, it is still an improvement over the six audit reservations and one scope limitation in my audit opinion last year,” said Mr. Doyle.

The report also provides ten recommendations to improve the quality of future Summary Financial Statements and government’s accountability to legislators and the public. These recommendations touch on such areas as accounting for First Nations settlement costs and inherited Crown land, and the disclosure of debt and contractual obligations. Other sections include a summary of the comments provided to government as a result of the audit and a look at the future of accounting and auditing standards in Canada.

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2009/10 Report #3 – Observations on Financial Reporting: *Audit Findings Report on the 2008/09 Summary Financial Statements*

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A copy of the full report is available on our website at: www.bcauditor.com