

REPORT AT A GLANCE

REPORT ON FINANCIAL AUDIT WORK FOR THE 2019/20 FISCAL YEAR

Why we did this report

- Government financial statements are the basis for holding government accountable.
- There is more to the audit of the financial statements than the opinion.
- Through this report we highlight items of significance that are not always apparent when reviewing the financial statements.

Purpose of our report

To discuss the results of our financial audit of the summary financial statements of the Province of B.C. as of March 31, 2020, and related audit work.

Why the audit of the summary financial statements?

- The audit is required by the *Auditor General Act*.
- The summary financial statements indicate the financial health and annual results of the Province.
- The audit opinion on government's summary financial statements provides the public with assurance over the Province's financial reporting.
- Reliable financial statements with a clean audit opinion allow comparability between jurisdictions and over time.

Overall audit result

- The audit of the summary financial statements concluded with issuing an audit opinion that, except for one significant qualification (or area of concern), the statements fairly present the financial position and financial results of government at March 31, 2020.
- The qualification is because Government does not record certain revenues according to Canadian generally accepted accounting principles known as GAAP.

What we discuss

Audit opinion - 2019/20 summary financial statements

- The importance of generally accepted accounting principles
- One qualification with the deferral of revenues
- Our continued recommendation that government comply with generally accepted accounting principles without modification



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What we discuss (continued)

Scope of our audit

- Includes over 160 entities that form the government reporting entity
 - Includes over 50,000 hours of office staff and contractor time to complete
 - For the fiscal year ending March 31, 2020, we audited \$59 billion in revenue, \$59 billion in expenses, \$102 billion in assets and \$94 billion in liabilities
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Other interesting matters in our report

- Impact of COVID-19 on the audit work
 - Government purchased Fortis BC's interest in a power project for \$991 million
 - The impact of recent tax changes
 - Estimates for clean up of contaminated sites including orphan oil and gas sites (\$505 million)
 - Changes in the disclosure of contingent liabilities for First Nations loan guarantees to the Government of Canada
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Looking ahead

- New accounting standards will be implemented in the next few years