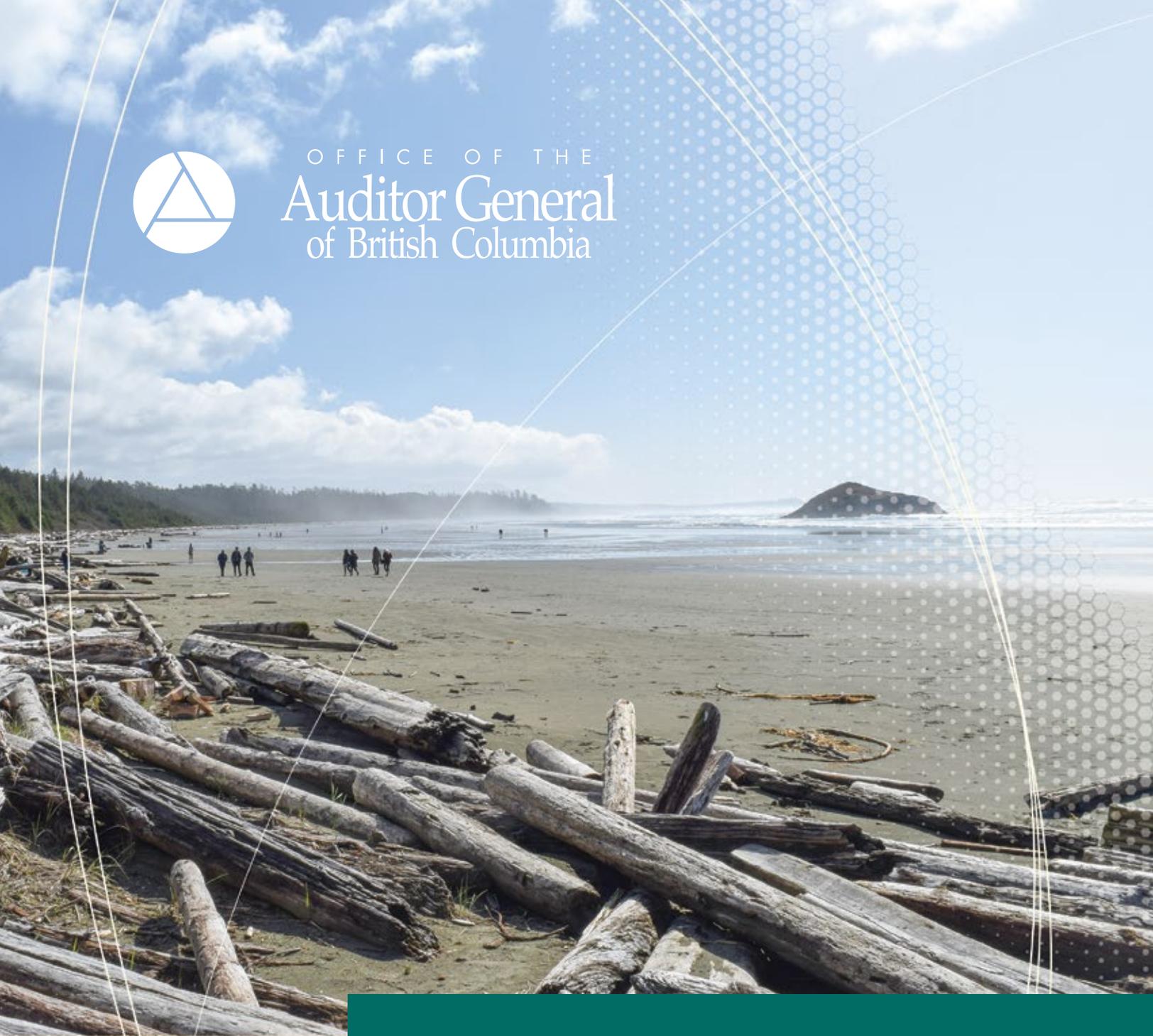




OFFICE OF THE
Auditor General
of British Columbia



ANNUAL REPORT 2016/17

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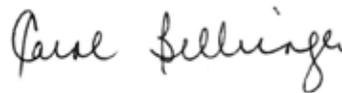
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ACCOUNTABILITY STATEMENT

This report reflects on the performance of the Office of the Auditor General of British Columbia for the 12 months ending March 31, 2017, and was prepared in accordance with the *Auditor General Act* and the B.C. Reporting Principles. Fiscal assumptions and policy decisions up to June 1, 2017 have been considered in the development of this report.

I am accountable for our results, our selection of performance indicators and ensuring that the information is measured accurately and in a timely manner. We have identified and explained any significant limitations in the reliability of the data.

Our annual report includes estimates and interpretive statements of management's best judgement. The measures we use are consistent with our mission, goals and objectives, and we focus on aspects critical to a general audience for understanding our performance. If you require more detailed information, please contact us.



Carol Bellringer, FCPA, FCA
Auditor General
June 2017



OFFICE OF THE
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of British Columbia

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The Office of the Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8V 1X4

I have the pleasure of submitting my 2016 /17 Annual Report in fulfilment of the requirement as described in section 22 of the *Auditor General Act*.

Carol Bellringer, FCPA, FCA
Auditor General
Victoria, British Columbia
June 2017

cc: Craig James, Clerk of the Legislative Assembly

Cover photo credit: Chris Bordeleau,
Office of the Auditor General of British Columbia

REFLECTIONS OF THE AUDITOR GENERAL

I'm proud to report that 2016/17 was a banner year for us. One of our biggest achievements was issuing 44 financial audit reports and publishing 22 performance audit and other reports – 8 more than we set out in our [Service Plan](#). The sheer volume speaks to our staff's dedication to producing and releasing our reports.

Over the last fiscal year, some of the topics we looked at included:

- ◆ compliance and enforcement of the mining sector
- ◆ how government can get more value from IT investments
- ◆ follow-up on the Missing Women Commission of Inquiry
- ◆ an explanation of health funding in B.C.

We also published our annual [Financial Statement Audit Coverage Plan](#) and our second [Performance Audit Coverage Plan](#) – both of which summarize the performance audits and financial statement audits we plan to undertake over the next three years. Sharing our audit and operational intentions through these two plans supports our commitment to transparency and stakeholder engagement. We also published our annual [Service Plan](#), which sets out our overall performance expectations for the year.

Through conversations with the general public, government employees and Members of the Legislative Assembly (MLAs) from all sides of the house, we select performance audit topics that will carry the greatest relevance and value to the people of B.C. This year's [Performance Audit Coverage Plan](#) includes 56 performance audit topics. In March, we invited MLA Bruce Ralston and MLA Laurie Throness of the Legislative Assembly's Select Standing Committee on Public Accounts (PAC) to our office for a fireside chat with our staff. We wanted to find out how the members engage with our public reports, and what we can do to improve them.

This was the second year of the new follow-up process with the PAC. We will continue to work with PAC to determine which of our reports and recommendations we will follow up on with progress audits.

This past year, we consulted with external experts to look at how we measure our success and to find new ways to be more efficient and effective. We developed a new suite of key performance indicators (KPIs) with a more robust range of performance measures that have us really focussing on outcomes. For example, we decided that it's more meaningful to track our results and not just our adherence to our internal processes. Next year in our annual report, we will measure our success against these new KPIs. See [Appendix D](#) for the full listing.

At the end of March 2017, we hadn't quite hit our target to have a full complement of staff. We've changed our approach to more accurately anticipate retirements and expected turnover, and we hire as soon as we think a position will be open. We are actively working to fill the remaining spots.

I'm pleased to say that our Workplace Engagement Scores were up in every single category, and our overall score was up by four points. Of note, our executive-level management and staff recognition scores were each up by eight points, and our staff empowerment score was up by five points. Our overall score of 70 is higher than the average for workplaces in the public service, but we're aiming for even higher next year.

In all that we do, we can link our results to our vision: "A Legislative Assembly, government and public service that work effectively for the people of British Columbia." I'm fortunate to work with a highly educated and very dedicated staff, and am proud of their accomplishments over the past year.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
June 2017



Carol Bellringer, FCPA, FCA

EXTERNAL AUDITOR'S OPINION ON THE ANNUAL REPORT



Independent Auditors' Report

To the Speaker
The Legislative Assembly, Province of British Columbia

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We have been engaged to report whether the Annual Report of the Office of the Auditor General of British Columbia (the "Office") for the year ended March 31, 2017 fulfills the requirements of the BC Reporting Principles. The eight BC Reporting Principles outline the characteristics of good performance reporting, and have been endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts for use by public sector organizations in British Columbia. The principles are detailed in the appendix to this report. This Annual Report is the responsibility of the Office.

Auditors' responsibility

Our responsibility is to assess whether the Annual Report has met the requirements of the BC Reporting Principles. We conducted our audit in accordance with Canadian standards for assurance engagements and accordingly included such tests and procedures as we considered necessary in the circumstances. The conclusion in our report is based on procedures that we determined to be necessary for the collection of sufficient, appropriate evidence in order to obtain a high, though not absolute, level of assurance that the Annual Report fulfills the requirements of the BC Reporting Principles.

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. Such representations are the opinions of management and inherently cannot be subject to independent verification. Therefore, our examination was limited to ensuring the Annual Report contains those representations called for by the BC Reporting Principles and that they are consistent with the audited performance information and audited financial statements.

Opinion

In our opinion, this Annual Report fairly presents, in all significant respects, the performance of the Office for the year ended March 31, 2017, in accordance with the BC Reporting Principles. The following appendix contains details supporting our conclusion for each of the BC Reporting Principles, and is an integral part of our opinion.

Victoria, Canada
June 28, 2017

Grant Thornton LLP
Chartered professional accountants

Audit • Tax • Advisory
Grant Thornton LLP, A Canadian Member of Grant Thornton International Ltd



Appendix to Auditors' Report of Grant Thornton LLP on the 2016/17 Annual Report

Detailed observations

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 clients and stakeholders, including the accountability relationship with the Legislative Assembly. Other factors that are critical to understanding performance are identified, including independence and objectivity.

Principle 2 – Link Goals and Results

The Annual Report clearly identifies the organization's mission, mandate, goals, objectives, and successfully explains their interrelationships. Performance indicators are clearly 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 meaningful information to readers by focusing on key performance indicators that 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, in both a short-term and long-term context. The Annual Report addresses capacity in terms of human resources and funding 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

The Annual Report provides comparative data in its analyses of the performance indicators. Multi-year trends are used and referenced to actual results and planned performance.

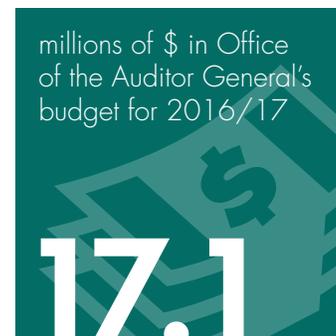
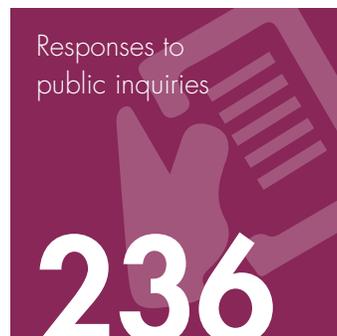
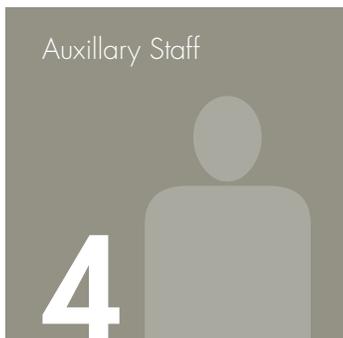
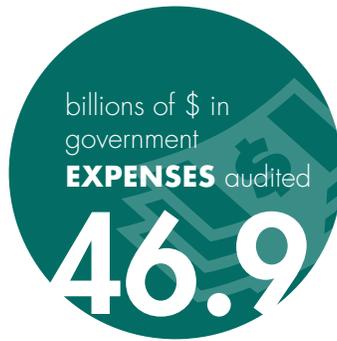
Principle 7 – Present Credible Information, Fairly Interpreted

The Annual Report covers all key aspects of performance and the measures used 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 YEAR BY THE NUMBERS



YEAR IN REVIEW



We raised \$21,680 for the B.C. [Public Service Agency's Provincial Employees Community Services Fund](#) via payroll donations, bake sales and other office events. One of our assistant auditors general, Cornell Dover, agreed to be pied if we met our fundraising goal.

These four reports were the first we released under the Legislative Assembly's Select Standing Committee on Public Account's (PAC) new follow-up process to provide greater accountability for the progress that audited organizations make on our recommendations. These reports provide PAC with a great deal of insight on how organizations have responded to our work. Members of PAC were receptive to our four progress audits and recommended that we do more:

1. [Progress Audit Report: Effectiveness of B.C. Community Corrections](#)
2. [Progress Audit: Credit Union Supervision in B.C.](#)
3. [Progress Audit: Evergreen Line Rapid Transit Project](#)
4. [Progress Audit: Integrated Case Management System](#)

Many of our audit staff both attended and presented at the Pacific Northwest Intergovernmental Auditing Forum (PNIAF) in Anchorage, Alaska in September 2016 and the PNIAF in Seattle, Washington in March 2017. Our staff presented on topics such as data analysis in performance audits and our audit report, [Management of Mobile Devices: Assessing the moving target in B.C.](#)



The audit team (pictured at the Gwa'sala-'Nakwaxda'xw School on the Tsulquate reserve near Port Hardy, B.C.) responsible for [An Audit of the Education of Aboriginal Students in the B.C. Public School System](#) was invited to present their findings at the Pathways to Health Equity conference in Winnipeg last summer.



As part of their work on the audit of management of capital assets, the audit team visited the John Hart excavation site in Campbell River, B.C.

YEAR IN REVIEW



AG Carol Bellringer, made her first appearance on [Voice of B.C.](#) in October. She talked about her role, office initiatives, some of our recent reports, upcoming audits and the nature of auditing.



We hosted a fireside chat and invited MLA Bruce Ralston and MLA Laurie Throness to talk with the Auditor General and staff about our public reports and how we can make them even better. We heard that plain language, useful graphics and putting the most important information first help our readers grasp some of the more technical topics we report on.



In March, a group of our staff volunteered their time and served hundreds of slices of French toast at Our Place, in Victoria. Everyone said it was an amazing and eye-opening experience, and they were honoured to help in this small way in our community. (Pictured: OAG staff with Our Place chef David Picard on left).

The Legislative Assembly's Select Standing Committee on Public Accounts (PAC) met with us on five different occasions. Over the 19 hours accumulated together, we discussed 10 of our reports.

One of our assistant auditors general presented at the Privacy and Security Conference in Victoria in February 2017, on the topic: Are Your Systems Vulnerable to Hacker Attacks? Achieving Success through Shared Experience.

Approximately 50,600 visitors came to our website. [An Audit of Compliance and Enforcement of the Mining Sector](#) was the most downloaded report, with 2,910 downloads, and the YouTube video was viewed 1,023 times.

The audit team responsible for the report [An Audit of Compliance and Enforcement of the Mining Sector](#) presented their findings at the Risk and Resilience Conference in Vancouver and to a visiting delegation from Mongolia.

Our office participated in the [Canadian Council of Legislative Auditors](#) (CCOLA) Education Study Group to develop a cross-jurisdictional framework for auditing curriculum. Some of our staff presented at the CCOLA conference on the topics of barriers to professional skepticism in audits and how our office completes the audit of the B.C. government's Summary Financial Statements in a short period.

YEAR IN REVIEW



As part of our audit of grizzly bear management, some of our auditors met with the Nuxalk, Owikeeno, and the Kitasoo/Xaixais First Nations.



In October, a group of staff and the Auditor General (the *Kat's Cradle* team) raised funds for and participated in the Run for the Cure.



In September, we enjoyed our first Learn @ Work Week, a national initiative that promotes the importance of workplace learning. We have incredible expertise among our staff, so we taught each other on topics such as ethics, IT privacy & writing.

We increased the number of training classes we offered to our staff from 22 in 2015/16 to 53 in 2016/17

Last June, one of our audit teams presented findings from their report [An Audit of the Panorama Public Health IT System](#) at major health conferences in Toronto and Vancouver.



Auditor General Carol Bellringer is a member of the [B20 Task Force on Responsible Business Conduct and Anti-Corruption](#) (representing the International Federation of Accountants), and attended the meeting in Berlin, Germany. A perennial event, the B20 promotes dialogue among policymakers, civil society and business at the international level to support the G20.



Every year, the office hires students who want to become accountants. Last year, we welcomed three more students into our two-year training program and were pleased that six others completed the educational requirements and passed the rigorous final exam!

ABOUT THE AUDITOR GENERAL

CAROL BELLRINGER

Auditor General of British Columbia, September 2014 – present (term ends September 2022)

Carol Bellringer was sworn in as British Columbia's Auditor General on September 15, 2014. She was previously the Auditor General for the Province of Manitoba, a position she held from 1992 to 1996 (when it was known as the Office of the Provincial Auditor) and again from 2006 to 2014.

Ms. Bellringer has an extensive background in conducting financial statement audits, performance audits and investigations. She holds a Masters of Business Administration from the Warsaw School of Economics/ University of Quebec at Montréal. She previously served as the City Auditor for the City of Winnipeg and has held management positions with KPMG in Montréal, Toronto and Winnipeg; and, with Media One International in Warsaw, Poland.

She is a former Director of Private Funding at the University of Manitoba.

In recognition of her contributions to the community and her profession, she has been named a Fellow of the Chartered Accountants of Manitoba (2006), and the Chartered Professional Accountants of British Columbia (2015).

She has held several board positions for business, charitable, and arts organizations. She currently serves on the board of the International Federation of Accountants and the Auditing and Assurance Standards Oversight Council, and is a past board member of the Manitoba chapter of the Institute of Corporate Directors, the Winnipeg Symphony Orchestra, Manitoba Hydro and the Canadian Audit and Accountability Foundation.

SERVING THE PUBLIC INTEREST

WHO WE ARE

We are non-partisan, independent of government, and we report directly to the Legislative Assembly of British Columbia. We provide assurance and advice about government's overall operations.

Our **vision** is a Legislative Assembly, government and public service that work effectively for the people of British Columbia.

Our **mission** is to provide independent assurance and advice to the Legislative Assembly, government and the public service for the well-being of the people of British Columbia.

WHAT WE DO

We conduct audits, reviews and examinations, report on how well government is managing its responsibilities and resources, and issue recommendations for improvement.

Our **financial audits** provide independent opinions on organizations' financial statements to see if they are presented fairly and free of material errors, misstatements and omissions. Our largest audit is of government's Summary Financial Statements, encompassing over 150 government entities.

Our **performance audits** are *value-for-money* audits that assess the efficiency, economy or effectiveness of provincial programs, services and resources. Topics include health, education, transportation, information technology, the environment and more.

We also produce a variety of other public and non-public products: management letters, informational reports, guides and brochures.

WHO WE SERVE

First and foremost, we serve the Legislative Assembly of British Columbia. Through the Legislative Assembly, we serve the people of British Columbia. We also serve senior government officials and governing boards of ministries, Crown corporations, and organizations accountable to the provincial government such as universities, colleges, school districts and health authorities.

SERVING THE PUBLIC INTEREST

PLANNING AND REPORTING CYCLE

All of our activities support the vision and mission in our Strategic Plan. Our annual planning and reporting cycle guides the development of our work plans and operations, and includes, among other accountability documents, our *Annual Report*, [Service Plan](#), [Financial Statement Audit Coverage Plan](#) (FSACP), and [Performance Audit Coverage Plan](#) (PACP).

Our planning cycle accelerates when we submit our FSACP to the Select Standing Committee on Public Accounts (PAC), as required under section 10(6) of the [Auditor General Act](#). This plan summarizes the financial audit work we aim to undertake over the next three years. Once approved by PAC, we estimate the cost of doing the work outlined in both our FSACP and PACP and then submit our Estimate of Resources to the Select Standing Committee on Finance and Government Services for approval; it is then included in the main Estimates for the Government of British Columbia.

Delivering on the commitments we have made in our FSACP and PACP, as well as our budget, means maintaining enough staff to complete the work, and providing them with clear direction to guide their everyday activities. Our Workforce Plan sets our strategy for maintaining optimal staffing and creating organizational health. The Operational Plan guides staff on how to implement our goals, objectives and commitments over the coming year. Both documents are updated annually.

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS (PAC)

[PAC](#) is an all-party committee of the Legislative Assembly, chaired by a member of the official opposition. The Auditor General's reports are tabled through the Speaker of the Legislative Assembly (Speaker) (See Exhibit 1). PAC decides which reports to examine in order to assess the effectiveness of senior levels of government and hold them to account for their results.

When reviewing a report, PAC:

- ♦ invites the Auditor General to present the report
- ♦ contacts the Office of the Comptroller General to coordinate attendance by the audited organization

PAC also submits its own report to the Speaker annually, including which of our recommendations it endorses.

Additional information is available on the [PAC web page](#).

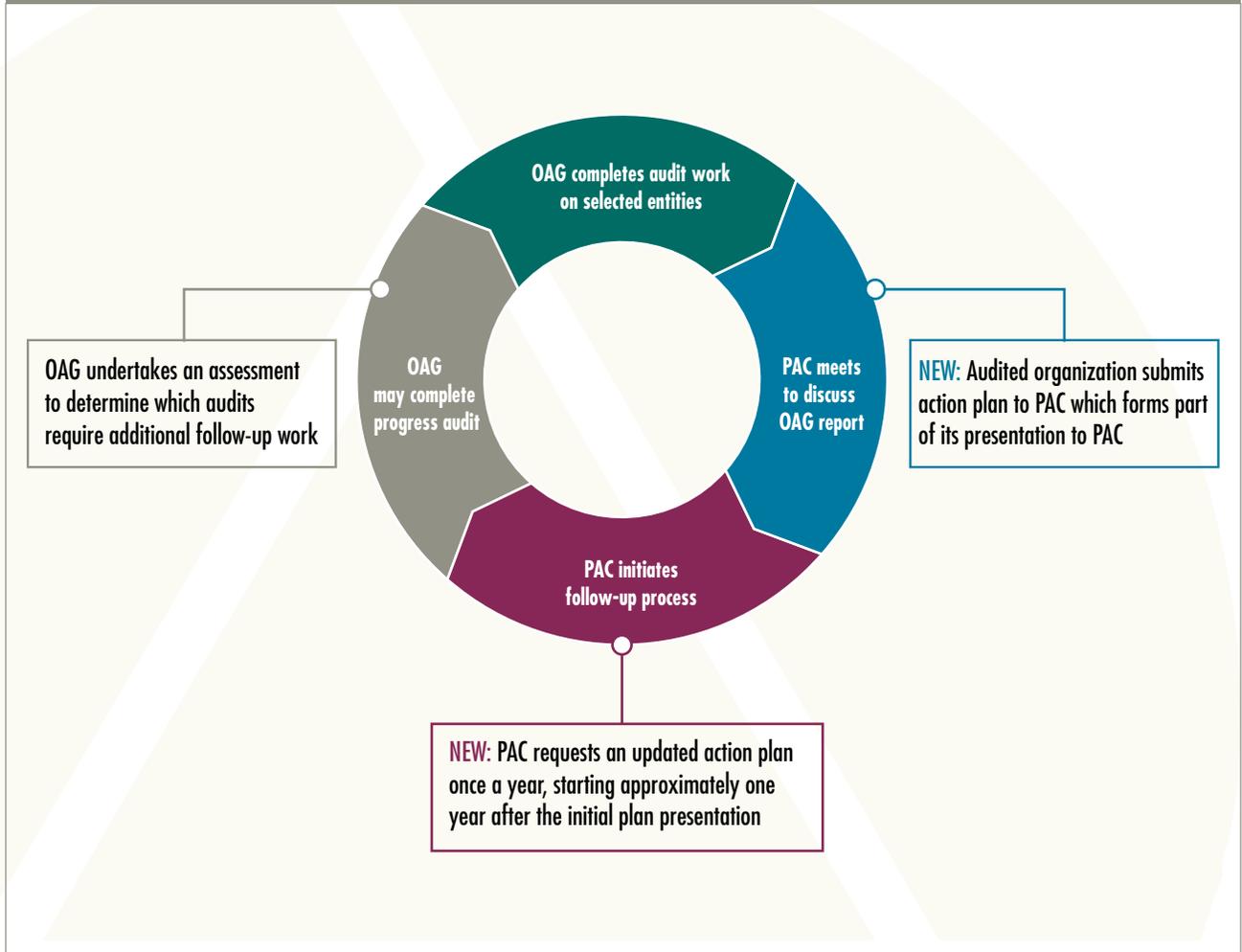
In June 2015, PAC confirmed a new follow-up process for our reports. The changes help PAC monitor auditees' progress in addressing our recommendations, and provide greater transparency and accountability for actions taken in response to our reports. Auditees now submit action plans directly to PAC. We may undertake follow-up audits to ensure auditees report their progress fairly and accurately. See [Exhibit 2](#).

Exhibit 1: The life cycle of an audit report



SERVING THE PUBLIC INTEREST

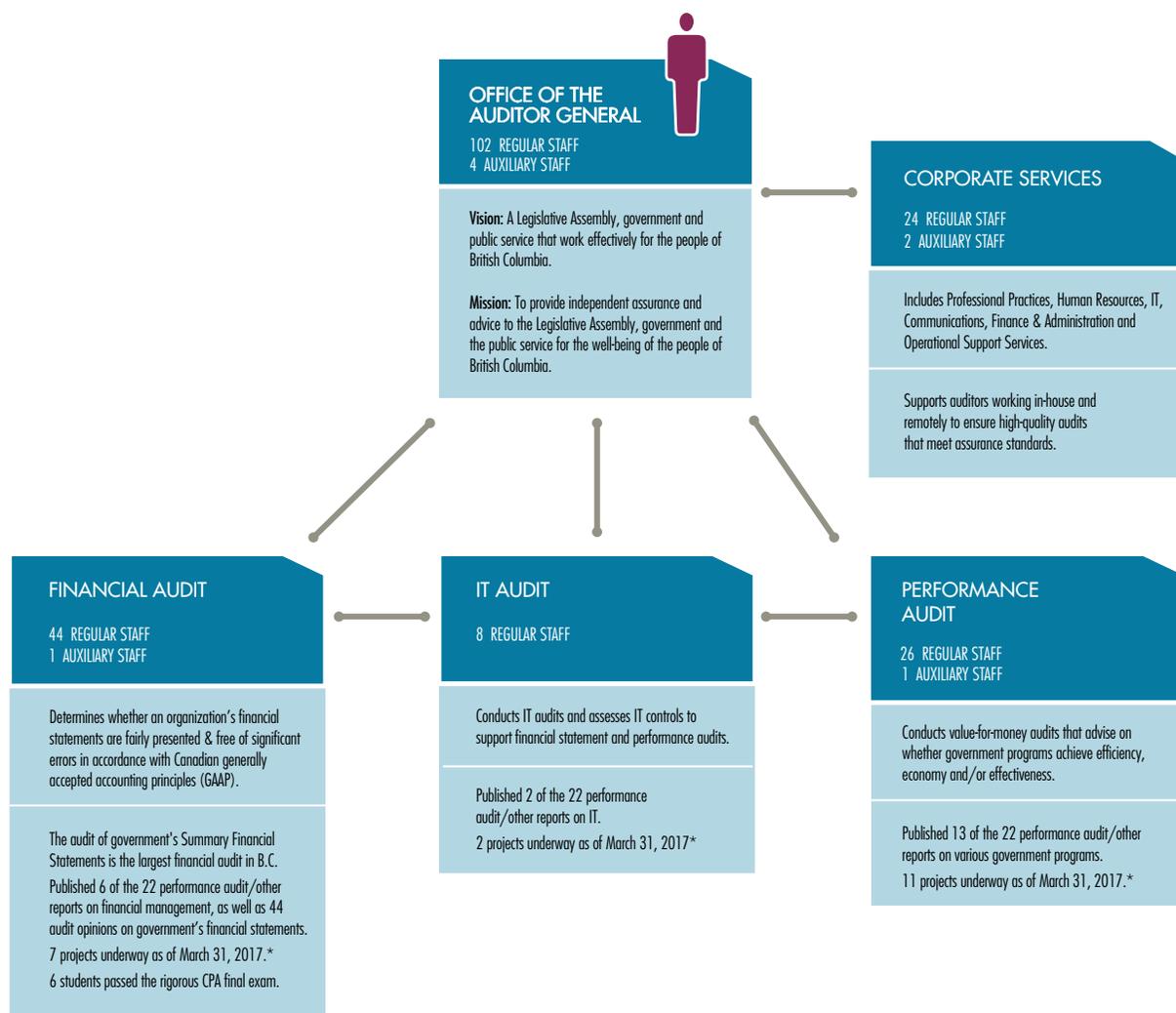
Exhibit 2: The new follow-up process



OUR PEOPLE

As of March 31, 2017, we employed 102 regular staff and 4 auxiliary staff. Exhibit 3 shows the breakdown of staff in each area.

Exhibit 3: The organization of the Office of the Auditor General as of March 31, 2017



*For information about projects currently underway, please see [Work in Progress](#) on our website, and our [Performance Audit Coverage Plan](#).

OUR OPERATING FRAMEWORK

Our operating framework (see Exhibit 4) is guided by our:

- **strategic direction** – our vision, mission, goals and values
- **critical success factors** – independence, credibility and capacity are essential to our success and guide our work
- **immediate outcomes** – relevance, value, efficiency and excellence contribute to our mission and vision, and demonstrate value to our primary client, the Legislative Assembly of British Columbia
- **key performance indicators (KPIs)** – measure our success in achieving our planned outcomes and allow us to analyze our performance with targets that help us continually improve our operations; our KPIs are grounded in risk assessment, past performance and benchmark comparisons where possible

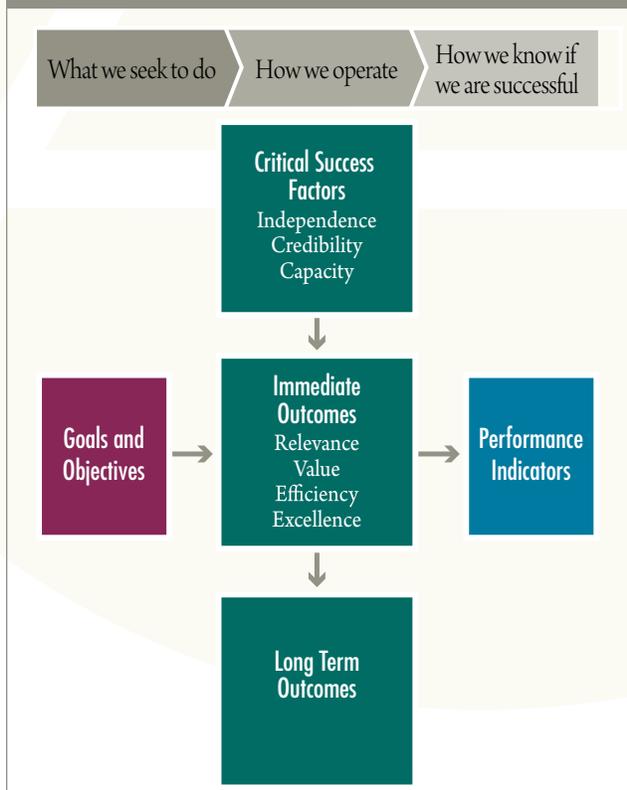
RELIABLE PERFORMANCE DATA

We collected the performance data for this report from our internal management information systems, our publicly available audit reports and third-party data. We describe data sources and quality for each key performance indicator.

Our staff compiles internally-generated data. Professional, third-party survey providers supply externally generated data and produce statistics on our behalf. We disclose any significant limitations in the quality of the information presented.

Performance data in this annual report is reliable, verifiable and independently assessed by external auditors (see [page 4](#)).

Exhibit 4: The Office’s operating framework



CRITICAL SUCCESS FACTORS

Independence, credibility and capacity are three factors critical to our success.

INDEPENDENCE

We maintain our independence, and the appearance of our independence, in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. Our office is:

- ◆ independent of government and government organizations
- ◆ accountable directly to the Legislative Assembly, not to the government of the day
- ◆ free of influence, conflict of interest and bias
- ◆ free of associations that could potentially impair our independence
- ◆ not influenced by political or other external pressures that may deter us from conducting certain audits

CREDIBILITY

We achieve our credibility by:

- ◆ producing accurate and objective reports
- ◆ issuing reports publicly
- ◆ including government's responses in our reports
- ◆ engaging in internal quality control measures, such as internal file inspections and executive-level reviews and challenges
- ◆ applying the Canadian Standard on Quality Control 1 (CSQC) and, accordingly, maintaining a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements
- ◆ undergoing a periodic review by CPABC to confirm we are meeting professional standards
- ◆ making timely recommendations to improve government's performance

CAPACITY

We build capacity from the experience and professional judgment of our staff, including on-the-job training. Capacity also comes from having a sufficient quantity and quality of resources at our disposal.

strategic direction – The Auditor General annually provides the Select Standing Committee on Finance and Government Services with an estimate of the resources we require over the next three years, and aims to use these resource allocations efficiently.

strategic direction – Most of our audit staff have professional accounting designations and additional credentials, such as Project Management Professional (PMP) and Masters in Public Administration (MPA), which enhance their broad experience base (see Exhibit 5). Several performance auditors are trained specifically in business, public administration, law, education, social and environmental sciences, human resources and health care.

strategic direction – We strive to be an excellent employer that attracts and retains high-quality employees.

Exhibit 5: Certifications and designations held by office staff, as of March 31, 2017



IMMEDIATE OUTCOMES

We measure our performance through four immediate outcomes: relevance, value, efficiency and excellence. These outcomes contribute to our vision of a Legislative Assembly, government, and public service that work effectively for the people of B.C.

We measure how well we are doing by comparing the planned to actual results in our key performance indicators (KPIs).

IMMEDIATE OUTCOMES

SETTING TARGETS

We comprehensively reviewed our vision, values, goals and KPIs to establish a strong foundation at the outset of the Auditor General’s eight-year term. This year, we expanded on that process and sought external advice. As a result, we developed a new, more robust suite of KPIs. We released our Service Plan on April 4, 2017, which has our performance targets for the next three years and our new KPIs.

With the completion of our comprehensive review, our vision, mission, goals and objectives will guide the development of our future budget submissions. We were pleased that the Select Standing Committee on Finance and Government Services approved our 2017/18 budget submission on December 8, 2016.

We will continue to publicly report on our audit priorities through our financial and performance audit coverage plans. These plans guide our work and keep us accountable to the Legislative Assembly and the people of B.C.

Exhibit 6 summarizes our 2016/17 KPI results and their relationship to our immediate outcomes. An explanation for each immediate outcome follows.

Next year, we’ll be reporting on a new suite of KPIs – an even more robust range of performance measures. In consultation with external experts, we decided it would be more meaningful to track our results, and not just our adherence to our internal processes. These new KPIs also clarify the way we measure our effectiveness, as reported by those we audit. See [Appendix D](#).

Exhibit 6: Summary of 2016/17 performance results

Immediate outcome	Key performance indicator	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual
Relevance	Follow our process to consider all requests received	100%	100%	100%	100%
Value	Percentage of our public report recommendations adopted by auditees	95%	95%	90%	87%
Efficiency	Number of reports and opinions completed	52	47	58	66*
Excellence	Percentage of post-audit survey respondents agreeing that the team was effective	90.5%	87%	90%	90%
	Staff work environment survey (“WES”) results	71	66	79	70

*This number includes our Annual Report, and Performance Audit and Financial Statement Audit Coverage Plans. In previous years, these publications were excluded from the final tally.

IMMEDIATE OUTCOMES

RELEVANCE

Relevance means our audit work:

- addresses areas of concern to the people of B.C. and Members of the Legislative Assembly
- enhances the credibility of the provincial government’s financial reporting through our audit of government’s Summary Financial Statements, and through management letters and financial audit reports
- summarizes issues so they are readily understood by MLAs and members of the public
- contributes to better government by providing useful recommendations in our public reports, in our communications with the management of audited organizations, and through our involvement with governing boards

KEY PERFORMANCE INDICATOR 1: Follow our process to consider all requests received

	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual
Consider all requests received	100%	100%	100%	100%
Number of requests received	362	433	*	719

*The number and nature of project suggestions we receive is outside our control; we don’t set a target for the number of requests we receive.

We use a comprehensive and systematic process to select performance audit topics that will provide the greatest value to government’s operations. Feedback from our stakeholders helps us determine if the audit topics we’ve chosen are relevant to the people of B.C., and if our reports are having the intended positive impacts on government.

Topics are brought to our attention through a variety of means, such as changes in government sectors and programs, discussions with stakeholders, and inquiries and correspondence from the public and Members of the Legislative Assembly (MLAs). We track these submissions carefully, document all the actions we take in response, and then record the outcome. We also follow news reports and Hansard proceedings, and our staff and executive team frequently receive audit suggestions when they are out in the field and meeting with MLAs.

We then filter these topics using rigorous and objective criteria (see sidebar).

Our online presence increased significantly over the past year, providing a clear indication of the relevance of our work.

Our most downloaded report of 2016/17 was [An Audit of Compliance and Enforcement of the Mining Sector](#) with 2,910 downloads. This is 1,100 more downloads than the most downloaded report last year (2015/16). Overall, our publications were downloaded nearly 2,600 more times this year – or 79 downloads a day. We will continue to invest in our online presence and report publicly on the results.

WE SELECT PERFORMANCE AUDIT TOPICS BASED ON CRITERIA SUCH AS:

- ♦ significance (financial magnitude, impacts on the people of B.C., public interest)
- ♦ risk (likelihood or impact of an organization’s failure to achieve its objectives)
- ♦ relevance (likelihood of influencing positive change)
- ♦ timeliness
- ♦ relationships to our past, current, and future work

IMMEDIATE OUTCOMES

<i>To measure relevance, we also tracked:</i>	<i>How did we do?</i>
New visitors to our website	42,694
Facebook, LinkedIn and Twitter followers	1,277 Facebook followers, 301 LinkedIn followers (almost 100 more), 439 Twitter followers (up from 279)
Report and other publication downloads	29,091 (26,497 in 2015/16)

LOOKING AHEAD

Suggestions and inquiries from the public and MLAs are an important way of bringing relevant, timely topics to our attention. We review and compare them against our planned projects each year when we refresh our Performance Audit Coverage Plan.

As always, our goal will be to consider and respond to 100% of requests we receive (via phone, mail and fax, but most come through email or our online submission form). We treat all comments and requests with respect and privacy.

Next year, this will no longer be a KPI, as we're moving to a more robust range of performance measures. See [Appendix D](#) for a list of the new 2017/18 KPIs.

IMMEDIATE OUTCOMES

VALUE

Value means our audit work:

- is considered by MLAs and the organizations we audit to be valuable, accessible and useful
- meets professional audit and accounting standards
- promotes efficient and accountable government

KEY PERFORMANCE INDICATOR 2: Percentage of our public report recommendations adopted by auditees

	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual
Percentage of recommendations adopted between two and three years after publication	95%	95%	90%*	95%
Number of recommendations we made in our original reports	91	61	**	43

*We expect auditees to implement our recommendations, but recognize there will be times when they disagree, so choose not to. This is why we set targets at 90%.

**We don't set a target for the number of recommendations we make.

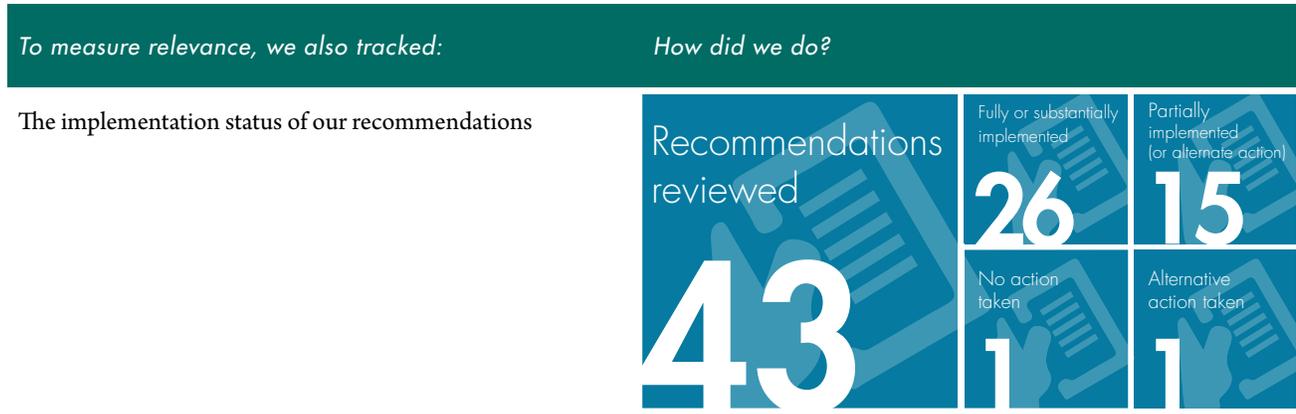
Tracking the percentage of our recommendations that government adopts gives us an indication of the extent that we're influencing positive change in government. Generally, we hope that auditees will implement our recommendations within two to three years. However, depending on the recommendation, the rate at which government addresses it will vary. Some recommendations are quite involved and can take years to implement, whereas others can be adopted quite quickly. We'll continue to monitor this target in coming years.

Ensuring that our work is valued also means building and maintaining strong relationships with our stakeholders. To do

this, we conduct our work in a balanced manner, communicate effectively with our auditees throughout the audit process, and provide our staff with training on communication strategies and techniques. We also solicit feedback to understand important issues and determine how we're doing.

To further stretch the value of our work, the Auditor General and staff presented at local, national and international forums. Examples include the Canadian Council of Legislative Auditors (CCOLA) and the Pacific Northwest Intergovernmental Audit Forum (PNIAF), as well as many of the others mentioned earlier in the Year in Review section of this report.

IMMEDIATE OUTCOMES



LOOKING AHEAD

We will continue to seek input and feedback from our stakeholders, including MLAs and senior government officials, on the value of our work. We will also continue to track auditees' implementation of our recommendations, to ensure that we provide maximum value to the Legislative Assembly and government.

The percentage of our recommendations adopted within two to three years from publication will continue to be a KPI, even as we move to report on a new suite of performance measures in 2017/18.

IMMEDIATE OUTCOMES

EFFICIENCY

Efficiency means we strive to be a well-managed, cost-effective organization by:

- using our resources to produce valued outputs
- using effective portfolio and project management techniques
- continuously improving the efficiency of our operations
- meeting our work plan commitments

KEY PERFORMANCE INDICATOR 3: Number of reports and opinions completed

	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual
Total number of opinions, performance audit reports and other publications	52	47	58	66
Opinions on financial statements	42	35	42	44
Performance audits reported	8	8	12	15
Other publications	2	4	4	7

The number of publications we produce is influenced by the size, complexity and types of projects we undertake. Although this measure does not completely reflect our contribution to government, the number of publications is one way to illustrate our productivity and efficiency.

In 2016/17, we completed 66 reports and opinions. We issued 44 opinions on government financial statements and 15 performance audits on various government programs (See [Appendix B](#)). This was 19 more than 2015/16, and 8 more than our target of 58 for 2016/17. The increase in production is largely due to our efforts to improve efficiency within the office. We've worked to adopt stronger project management practices and to streamline our audit processes.

LOOKING AHEAD

Even as we move to a new suite of performance measures in 2017/18, this will remain a KPI. We believe this measurable output goal contributes to efficient performance.

IMMEDIATE OUTCOMES

EXCELLENCE

Excellence in our audit work means:

- maximizing employee engagement
- meeting professional standards
- maintaining positive, professional relationships with our auditees

Key Performance Indicator 4: Tracking and evaluation of feedback from stakeholders

	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual
Percentage of post-audit survey respondents agreeing that the audit team was effective	90.5%	87%	90%	90%
Number of post-audit survey responses	74	30	*	104

*We don't set a target for the number of responses we receive.

We survey those that we audit at the end of each audit as to our performance. This provides us with valuable feedback for continuous improvement. In 2016/17, our actual results met our target of 90% and was up over last year. See exhibits 7A and 7B for more results from these surveys.

As the auditors of government, we strive for excellence in everything we do. We have multiple levels of internal reviews, and our Professional Practices department ensures we adhere to the highest accounting and assurance standards. We also undertake an annual Work Environment Survey, conducted by BC Stats, to measure staff engagement.

Exhibit 7A: Staff performance survey results, 2016/17
"The audit team demonstrated an objective attitude."

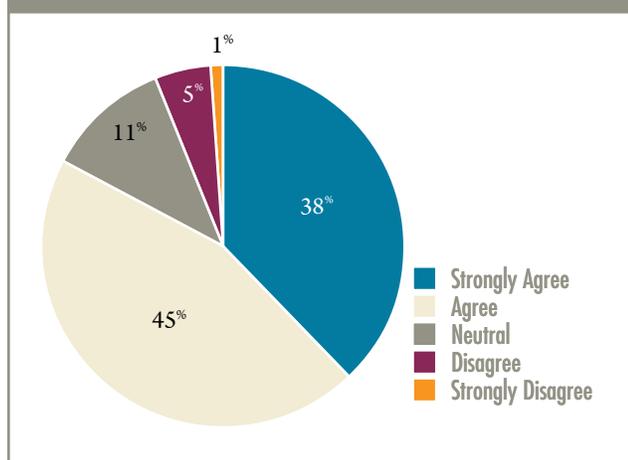
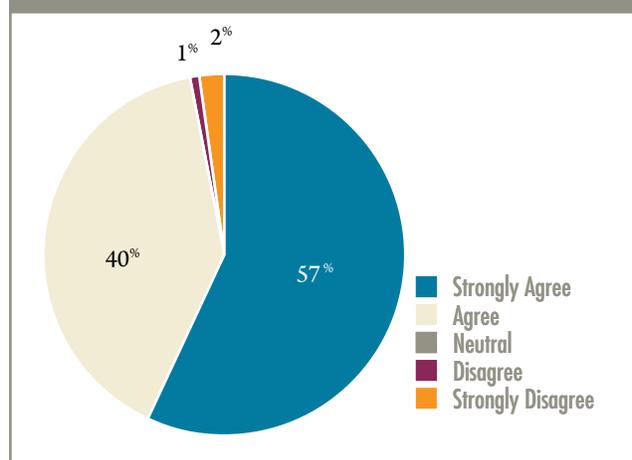


Exhibit 7B: Staff performance survey results, 2016/17
"The audit team conducted themselves professionally."



IMMEDIATE OUTCOMES

Key Performance Indicator 5: Staff work environment survey (“WES”) results

	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual
Staff motivated and inspired (“engaged”) by their work as measured in our annual work environment survey that covers key areas such as workplace values, leadership, pay and satisfaction.*	71	66	77	70

*Because confidentiality is critical for survey results to be valid, the survey is conducted, and information is collated and analyzed by BC Stats. No individually identifiable information is provided to management.

Our staff engagement score this year was 70 – up from our 2015/16 score of 66. Our scores were up this year in every category (except stress and workload, which stayed the same at 66), and our scores for executive-level management and employee recognition were both up by eight points. BC Stats says a score between 65 to 74 means that a workforce is leveraging its strengths, but we are striving to do better.

As always, we will analyze these results and take action to improve them. Last year, we asked for staff volunteers from a variety of portfolios to join our engagement action team. The team developed improvement strategies based on the survey results and their efforts show in the survey results.

LOOKING AHEAD

We will always strive for high employee engagement. We must be able to attract and retain the best talent possible in order to meet our commitments and provide value and relevance to our stakeholders. See our [2017/18 – 2018/19 Service Plan](#) for details on our strategies for improving employee engagement. We will continue to report on our employee engagement scores as part of our new suite of KPIs.

We will also continue measuring our auditees’ experiences working with us to understand how they perceive the audit process, and to help us continually improve relationships and processes. In 2017/18, the focus of this KPI will shift to the value auditees derive from our recommendations, and a new KPI will also be added to measure excellence. See [Appendix D](#).

OUR FINANCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section, we discuss and analyze our business operations, as compared to our budget and prior year results. This includes significant events that have affected our results and financial position for the year ended March 31, 2017. This discussion and analysis of our financial performance should be read in conjunction with our financial statements and related notes. Our financial statements have been prepared in accordance with Canadian public sector accounting standards.

In this discussion and analysis, we've made forward-looking statements regarding our business and anticipated financial performance. These statements are subject to a number of risks and uncertainties and therefore, actual results may differ.

OUR FINANCES

Financial and business highlights

The Auditor General's mandate is broad, covering audits not only of the province's financial statements, but also of government's reports and its delivery of specific programs and services. We help the public and the Legislative Assembly hold government to account for how it delivers programs and services.

For 2016/17, the voted appropriation (funding) we received from the Legislative Assembly was \$17.1 million. This is what we estimated our operations to cost last year. The Legislative Assembly also approved separate funding for capital expenditures of \$370,000. We return any unused funding at year-end to the Legislative Assembly as it cannot be used in subsequent fiscal years.

In 2016/17, the actual total cost of our operations was \$15.9 million and our capital expenditures were \$368,000. Salaries and benefits, along with professional service contracts, made up 79% of our total operating expenses. This means that changes or fluctuations in staffing or contractors can and did shift our financial position significantly from what was planned.

Exhibit 8 summarizes the high-level variances. We provide further details in the rest of this discussion and analysis.

For the fiscal year 2017/18, the Legislative Assembly approved an increase of 1% to our operating appropriation for a budget of \$17.3 million. This amount represents our estimate of the resources we need to complete our work, as outlined in both our [Performance Audit](#) and [Financial Statement Audit Coverage Plans](#).

Exhibit 8: Office expenditures compared to planned and prior year (\$ thousands)

	2016/17 Planned	2016/17 Actual	Variance Planned to Actual	2015/16 Actual	Variance 2016/17 to 2014/15	2017/18 Planned
Salaries and benefits	12,535	11,412	1,123	11,350	62	12,500
Professional services	1,094	1,086	8	1,423	(337)	1,215
Other expenses	3,468	3,379	89	3,100	279	3,624
Total operating expenses	17,097	15,877	1,220	15,873	4	17,339

OUR FINANCES

Use of operational resources

In 2016/17, we planned to increase and maintain a targeted staffing level of 120 employees. With retirements and resignations, the average fulltime equivalent (FTE) rate for 2016/17 was 106 including auxiliary, part-time and co-op staff. This is one less than the prior year and 14 less than planned. We plan to increase our FTE numbers to 120 in 2017/18 and we will continue the process of implementing an updated workforce model.

As a result of lower than planned workforce, our actual spending on salaries and benefits in 2016/17 was \$1.1 million less than planned, and \$62,000 more than in the prior year. We experienced a higher than expected turnover and challenges in

recruitment. Combined with a review of our workforce plan, this meant a delay in our recruitment.

In 2016/17, we spent \$8,000 less than we had planned on professional services (contractors) and \$337,000, less than the prior year. Part of this decrease was a result of the planned change to our involvement with the WorkSafe BC audit. As well, we spent \$50,000 less than last year, for subject matter experts to assist with audits. We spent \$180,000 more than last year on professional services for corporate activities and indirect audit support. This included services related to recruitment and strategic planning.

Exhibit 9 shows the professional service expenditures during 2016/17.

Exhibit 9: Distribution of professional services expenditures (\$ thousands)

		2016/17	2015/16	Variance
Audit Work	Financial Audit Contractors	82	132	(50)
	Fees to Audit Firms	436	856	(420)
	Audit Consultants	172	222	(50)
	Audit Report Editing	10	7	3
		700	1,217	(517)
Indirect Audit Support	Human Resources	116	40	76
	Information Technology	51	69	(18)
	Training	82	25	57
		249	134	115
Corporate Activities	Financial and Audit	26	27	(1)
	Office Services	92	37	55
	Legal Services	19	8	11
		137	72	65
Total Professional Services Expenditures	1,086	1,423	(337)	

OUR FINANCES

Resources used to support our staff

In 2016/17, we spent \$3.4 million on office and support infrastructure, which includes both indirect audit support and overhead. In total, we spent \$89,000 less than planned, with a \$279,000 increase over the prior year's spending. Exhibit 10 shows the major elements and provides a comparison of actual over planned and prior year expenditures.

Our largest budget-to-actual variance (\$249,000) was in training and development as our newly recruited training and development manager completed a learning needs analysis and revised the core curriculum. Maintaining the highest professional standards and excellence when we perform our

work requires that our staff remain current with professional standards. We commit funds for this purpose, and also provide staff with opportunities for growth and development. Last year we spent \$348,000 in professional dues and training courses for our staff, including \$82,000 to bring trainers in for our staff (Exhibit 9) and \$266,000 for professional dues and external training courses (Exhibit 10).

Compared to 2015/16, we had significant increases last year in IT office expenses and travel. We spent over \$100,000 more than the prior year in each of these areas (Exhibit 10). In 2016/17, we refreshed outdated minor equipment and furniture, and we conducted more out of town audits which therefore required more travel.

Exhibit 10: Comparison of our planned, actual and prior year office and support expenses (\$ thousands)

	2016/17 Planned	2016/17 Actual	Variance Planned to Actual	2015/16 Actual	Variance 2016/17 to 2015/16
Occupancy Costs	1,416	1,451	(35)	1,490	(39)
Travel	475	497	(22)	381	116
Information Technology	477	487	(10)	370	117
Professional Dues & External Training	515	266	249	335	(69)
Office Expenses	191	281	(90)	165	116
Amortization	275	279	(4)	252	27
Report Publications	50	48	2	40	8
Research Grants	69	70	(1)	67	3
	3,468	3,379	89	3,100	279

OUR FINANCES

A glance at our past and a look into our future

Exhibit 11 shows our financial trends for the past five years, along with our 2017/18 planned expenditures.

Exhibit 11: Year-over-year financial trends											
	Planned	Actuals for fiscal years ended March 31					Line items				
	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2016/17	2015/16	2014/15	2013/14	2012/13
	\$	\$	\$	\$	\$	\$	%	%	%	%	%
Operating expenses											
Salaries	9,980	9,085	9,019	8,925	8,596	9,482	57.2	56.8	56.3	56.0	60.2
Employee benefits	2,520	2,327	2,331	2,500	2,544	2,407	14.7	14.7	15.8	16.6	15.3
Professional services	1,215	1,086	1,423	1,582	1,525	1,492	6.8	9.0	10.0	10.0	9.5
Occupancy costs	1,420	1,451	1,490	1,036	709	697	9.1	9.4	6.5	4.6	4.4
Travel	600	497	381	418	465	420	3.1	2.4	2.6	3.0	2.7
Information technology	500	487	370	388	569	339	3.1	2.3	2.5	3.7	2.2
Professional dues and training	509	266	335	324	335	338	1.7	2.1	2.0	2.2	2.1
Office expenses	201	281	165	368	322	259	1.8	1.0	2.4	2.1	1.6
Amortization	275	279	252	210	172	188	1.8	1.6	1.3	1.1	1.2
Report publications	50	48	40	32	40	61	0.3	0.3	0.2	0.3	0.4
Research grants	69	70	67	63	66	68	0.4	0.4	0.4	0.4	0.4
Total operating expense	17,339	15,877	15,873	15,846	15,343	15,751	100.0	100.0	100.0	100.0	100.0
Appropriation and other amounts	17,339	17,097	16,945	16,621	16,070	15,752					
Unused appropriation	-	(1,220)	(1,072)	(775)	(727)	(1)					
Capital expenditures	350	368	685	150	150	157					
Average FTE usage	120	106	107	108	110	109					

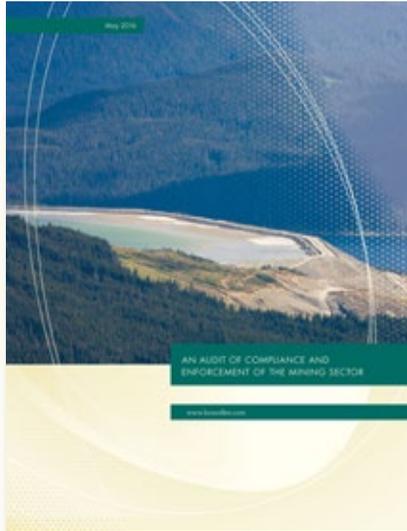
APPENDIX A:

YEAR IN REPORTS

We have finite resources, so in addition to the 44 financial statement audit reports we issue, we choose topics for performance audits based on specific factors, such as:

- financial, social and environmental impact
- relevance to the people of British Columbia
- our capacity to do the work
- our goal to cover a wide range of government programs and organizations

We constantly watch for emerging risks and update our audit coverage plans and priorities to add maximum value to government operations. We seek out a variety of topics, including those that will generate high public interest and readership, as well as those that will resonate with our stakeholders and help define good practices in the future.



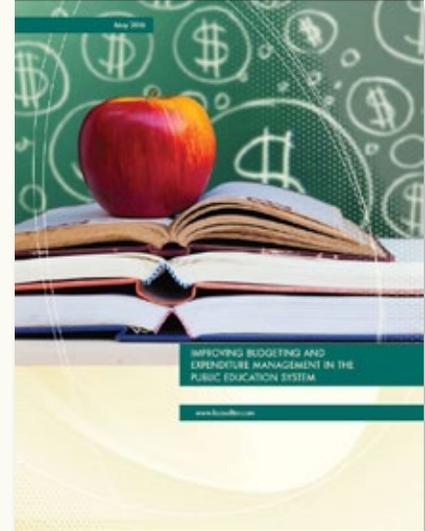
[An Audit of Compliance and Enforcement of the Mining Sector](#)

May 2016

This audit looked at whether the Ministry of Energy and Mines' and the Ministry of Environment's compliance and enforcement activities of the mining sector are protecting the province from significant environmental risks.

Report downloads: 2,910

YouTube presentation views: 1,023



[Improving Budgeting and Expenditure Management in the Public Education System](#)

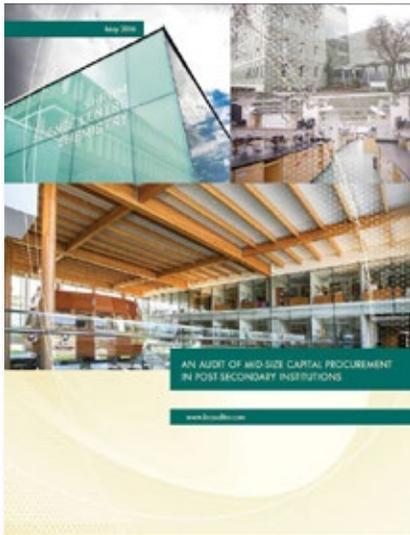
May 2016

This audit looked at the development of budgets, and the monitoring and control of expenditures in a sample of four school districts. Appendix A of the report contains a list of 20 questions that school boards can use to self-assess their budgeting and expenditure management.

Report downloads: 692

YouTube presentation views: 239

APPENDIX A: YEAR IN REPORTS



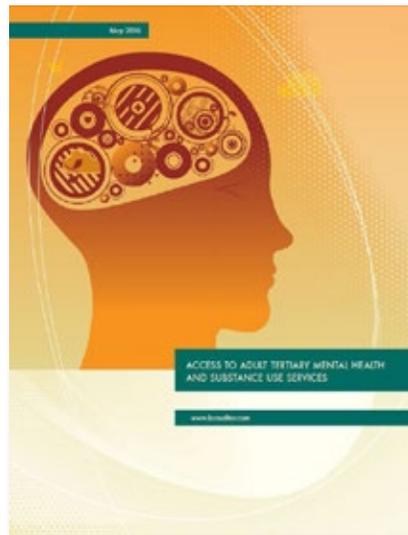
[An Audit of Mid-Size Capital Procurement in Post-Secondary Institutions](#)

May 2016

This audit examined the prioritization, planning, activities and assessment of capital procurement projects within the Ministry of Advanced Education and post-secondary institutions.

Report downloads: 257

YouTube presentation views: 50



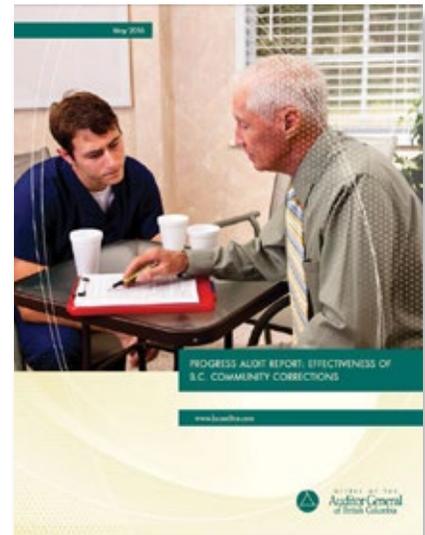
[Access to Adult Tertiary Mental Health and Substance Use Services](#)

May 2016

This report focuses on how B.C.'s health system manages access to adult tertiary mental health and substance use services, the highest level of care available for individuals with mental health and/or substance use issues.

Report downloads: 768

YouTube presentation views: 356



[Progress Audit Report: Effectiveness of B.C. Community Corrections](#)

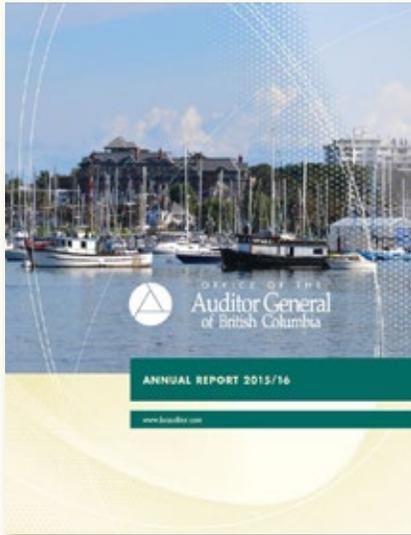
May 2016

This progress audit looks at whether the B.C. Community Corrections Division has fairly and accurately represented its progress against select recommendations made in the [Effectiveness of B.C. Community Corrections](#) audit, originally published in December 2011.

Report downloads: 274

YouTube presentation views: 30

APPENDIX A: YEAR IN REPORTS



[Annual Report and Financial Statements 2015/16](#)

June 2016

The annual report on the Office of the Auditor General's performance and financial position with accompanying financial statements.

Report downloads: 461

YouTube presentation views: no video



[Progress Audit: Credit Union Supervision in B.C.](#)

July 2016

This progress audit examines whether the Financial Institutions Commission, its oversight body, and the Ministry of Finance have fairly and accurately represented their progress against the recommendations made in our 2014 audit, [Credit Union Supervision in British Columbia](#).

Report downloads: 345

YouTube presentation views: 107



[Performance Audit Coverage Plan 2016/17 - 2018/19](#)

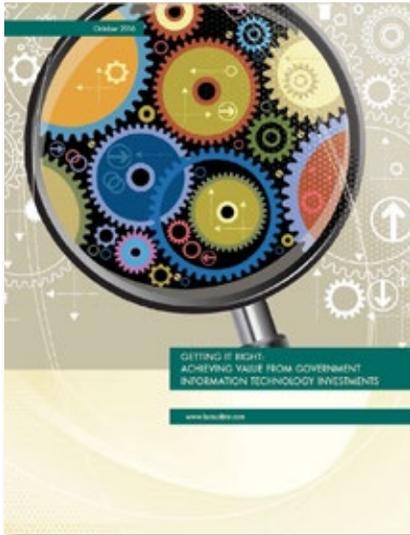
September 2016

A list of 56 performance audit projects that are either in progress or will begin over the next three years. We update this list every year, and we may change it if new priorities emerge.

Report downloads: 1,171

YouTube presentation views: no video

APPENDIX A: YEAR IN REPORTS



[Getting IT Right: Achieving value from government information technology investments](#)

October 2016

This report combines knowledge from our previous audits with extensive research on IT-enabled projects to identify common reasons for success and failure. This includes guidance and other resources, and is intended to help those charged with oversight of IT-enabled projects achieve greater success.

Report downloads: 1,501

YouTube presentation views: 376



[Financial Statement Audit Coverage Plan 2017/18 - 2019/20](#)

October 2016

The Financial Statement Audit Coverage Plan outlines our three-year financial audit plan, detailing which government organizations the Office of the Auditor General will audit directly and which will be audited by private sector auditors. The plan is prepared according to the *Auditor General Act* and professional auditing standards, and presented to the Legislative Assembly's Select Standing Committee on Public Accounts for approval.

Report downloads: 269

YouTube presentation views: no video



[Management of Mobile Devices: Assessing the moving target in B.C.](#)

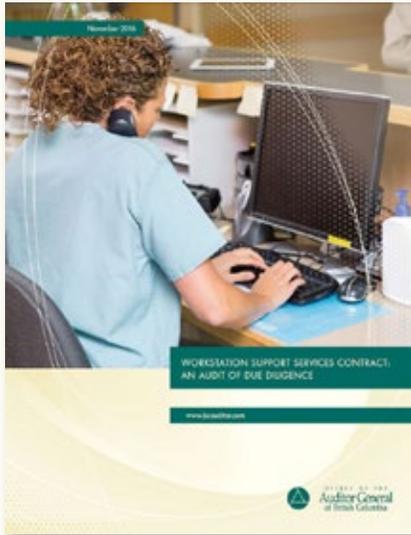
October 2016

This audit looked at whether the Office of the Chief Information Officer, and a sample of five ministries, are managing the use of mobile devices in a manner that maintains the security of sensitive government data.

Report downloads: 594

YouTube presentation views: 126

APPENDIX A: YEAR IN REPORTS



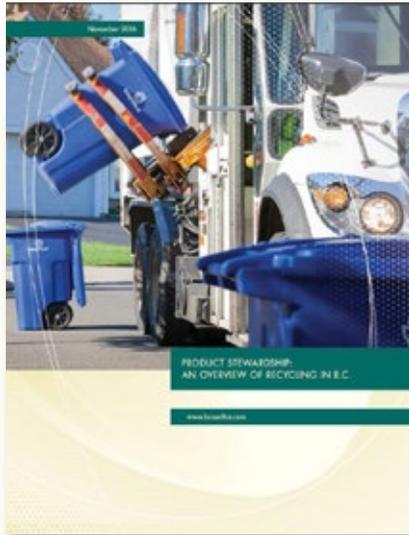
[Workstation Support Services Contract: An Audit of Due Diligence](#)

November 2016

This audit looked at whether the Ministry of Technology, Innovation and Citizens' Services and Health Shared Services BC completed appropriate due diligence when expanding government's 2004 agreement with the service provider to include the health authorities, and when extending the timeframe of the original agreement.

Report downloads: 918

YouTube presentation views: 262



[Product Stewardship: An overview of recycling in B.C.](#)

November 2016

This is an information piece on the Ministry of Environment's oversight of product stewardship (recycling) with a focus on Multi-Material BC.

Report downloads: 276

YouTube presentation views: 64



[An Audit of Community Gaming Grants](#)

December 2016

This audit looked at whether the Ministry of Community, Sport and Cultural Development and the Ministry of Finance have a suitable framework in place to administer the Community Gaming Grants program.

Report downloads: 370

YouTube presentation views: 114

APPENDIX A: YEAR IN REPORTS



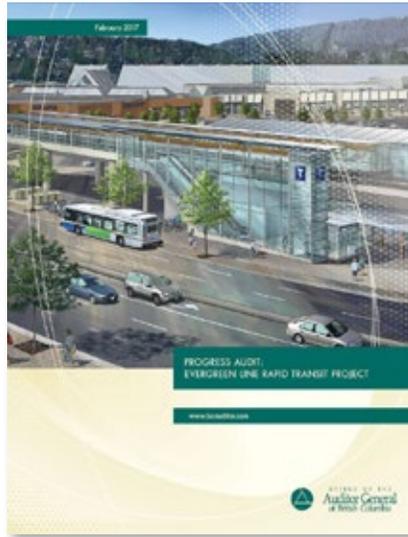
[Follow-up on the Missing Women Commission of Inquiry](#)

December 2016

This report looked at how the B.C. government has responded to selected recommendations made by the 2012 Missing Women Commission of Inquiry. We examined government's response to each selected recommendation, including their commitments, actions, planned actions, and whether government can demonstrate that they have addressed the intent of the recommendation.

Report downloads: 351

YouTube presentation views: 101



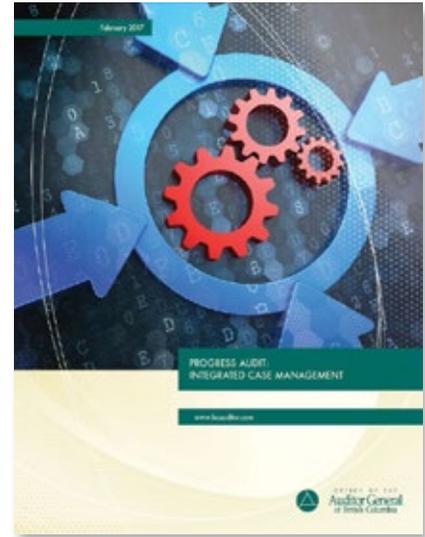
[Progress Audit: Evergreen Line Rapid Transit Project](#)

February 2017

This progress audit looked at whether the Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships BC have fairly and accurately represented their progress implementing the recommendations we made in our report, [Audit of the Evergreen Line Rapid Transit System](#), originally published in March 2013.

Report downloads: 127

YouTube presentation views: 50



[Progress Audit: Integrated Case Management System](#)

February 2017

This progress audit looked at whether the Ministry of Social Development and Social Innovation has fairly and accurately represented its progress implementing the recommendations made in [Integrated Case Management System](#), originally published in March 2015.

Report downloads: 176

YouTube presentation views: 66

APPENDIX A: YEAR IN REPORTS



[The 2015/16 Public Accounts and the Auditor General's Findings](#)

February 2017

A review of government's 2015/16 Summary Financial Statements, an explanation of the Auditor General's audit opinion on the statements and some interesting highlights from the fiscal year.

Report downloads: 396

YouTube presentation views: 137



[An Audit of B.C. Public Service Ethics Management](#)

March 2017

This audit looked at the effectiveness of the framework that has been established for ethical conduct within the core B.C. Public Service.

Report downloads: 750

YouTube presentation views: 183



[Health Funding Explained 2](#)

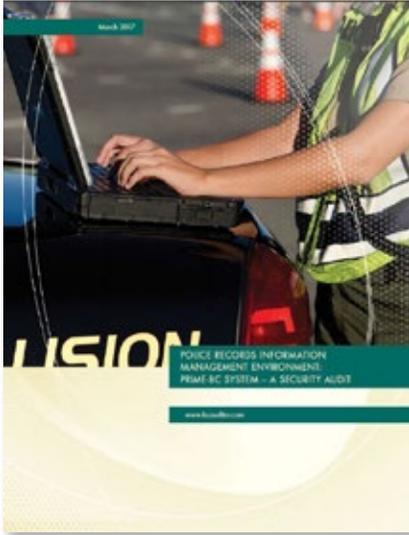
March 2017

The Health Funding Explained 2 information project is an informative report designed to help the public and legislators understand how provincial health care dollars are spent. This is the second time we've undertaken an extensive public information project to help explain health sector funding.

Report downloads: 274

YouTube presentation views: 108

APPENDIX A: YEAR IN REPORTS



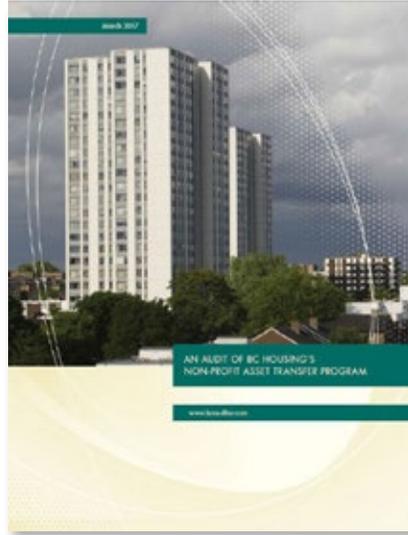
[PRIME-BC - A Security Audit](#)

March 2017

The Police Records Information Management Environment (PRIME-BC) is B.C.'s integrated police IT system. This is our second audit of the system, and we focused on whether the security controls are adequate to safeguard information within PRIME-BC, which holds large amounts of highly sensitive and confidential information critical to the delivery of policing services.

Report downloads: 168

YouTube presentation views: 80



[An Audit of BC Housing's Non-Profit Asset Transfer Program](#)

March 2017

This report looked at (1), whether the Ministry Responsible for Housing has demonstrated that the potential benefits of the Non-Profit Asset Transfer (NPAT) program outweigh its costs and risks; and (2), whether the BC Housing Management Commission has managed implementation of the NPAT program to achieve program objectives.

Report downloads: 295

YouTube presentation views: 128

APPENDIX B:

SUMMARY OF WORK ISSUED IN 2016/17

Financial audits

Public Accounts

1. Summary Financial Statements, Province of British Columbia
2. Summary of Provincial Debt, Key Indicators of Provincial Debt and Summary of Performance Measures

Post Secondary Institutions

3. The University of Victoria
4. Vancouver Community College

Additional opinions issued for Post Secondary Institutions

5. The Foundation for the University of Victoria
6. University of Victoria - The Annualized Full Time Equivalents Enrolment Report Excluding Full-Cost Undergraduate Students
7. University of Victoria – Independent Auditor’s Report on Compliance with Requirements that could have a Direct and Material Effect on the Federal Program and on Internal Control over Compliance and the Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance
8. University of Victoria – 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*
9. Vancouver Community College FTE Enrolment Statement

School Districts

10. Board of Education School District No. 39 (Vancouver)
11. Board of Education School District No. 48 (Sea to Sky)
12. Board of Education School District No. 71 (Comox Valley)
13. Board of Education School District No. 93 (Conseil Scolaire Francophone)

Health Authorities

14. Vancouver Coastal Health Authority

Crown Corporations

15. BC Immigrant Investment Fund Ltd.
16. BC Enterprise Corporation
17. BC Pavilion Corporation
18. British Columbia Liquor Distribution Branch
19. British Columbia Railway Company
20. British Columbia Transit
21. Columbia Power Corporation
22. Destination BC

APPENDIX B: SUMMARY OF WORK ISSUED IN 2016/17

23. Oil and Gas Commission
24. Transportation Investment Corporation
25. BC Transportation Financing Authority

Subsidiaries of Columbia Power Corporation

26. Arrow Lakes Power Corporation
27. Brilliant Power Corporation
28. Brilliant Expansion Power Corporation

Other organizations and special reports

29. Office of the Representative for Children and Youth
30. Provincial Employees Community Services Fund (review report, not an opinion)
31. WorkSafeBC Consolidated Financial Statements
32. WorkSafeBC Annual Report and Service Plan
33. Legislative Assembly of British Columbia
34. Disaster Financial Assistance Arrangement 2010 September Flood Claim
35. Disaster Financial Assistance Arrangement June 2011 Flood Claim
36. Disaster Financial Assistance Arrangement September 2011 Flood Claim

Federal Government Labour Market and Job Training Agreements

37. British Columbia Benefits and Measures Statement of Operations
38. Schedule of detailed expenditure claims – Targeted Initiative for Older Workers
39. Canada – British Columbia Job Fund Agreement – Statement of Revenue and Eligible Costs

BC Transportation Financing Authority Federal Funding Agreements

40. Canada – British Columbia Building Canada Fund Contribution Agreement for Core National Highway System Projects
41. Canada – British Columbia Building Canada Fund Contribution Agreement for the Evergreen Line Advanced Light Rapid Transit Project
42. Canada - British Columbia Provincial – Territorial Base Funding Building Canada Infrastructure Plan Amended and Restated Agreement – April 1, 2007 to March 31, 2016 - Compliance Opinion
43. Canada - British Columbia Provincial – Territorial Base Funding Building Canada Infrastructure Plan Amended and Restated Agreement – April 1, 2007 to March 31, 2016 - Fair Presentation Opinion
44. Canada – British Columbia Building Canada Fund Contribution Agreement for the British Columbia Transit Improvement Program (specified audit procedures, not an opinion)

APPENDIX B: SUMMARY OF WORK ISSUED IN 2016/17

Performance audits

45. *An Audit of Compliance and Enforcement of the Mining Sector*
46. *An Audit of Mid-Size Capital Procurement in Post-Secondary Institutions*
47. *Improving Budgeting and Expenditure Management in the Public Education System*
48. *Access to Adult Tertiary Mental Health and Substance Use Services*
49. *Progress Audit Report: Effectiveness of B.C. Community Corrections*
50. *Progress Audit: Credit Union Supervision in B.C.*
51. *Management of Mobile Devices: Assessing the moving target in B.C.*
52. *Workstation Support Services Contract: An Audit of Due Diligence*
53. *An Audit of Community Gaming Grants*
54. *Progress Audit: Evergreen Line Rapid Transit Project*
55. *Progress Audit: Integrated Case Management System*
56. *The 2015/16 Public Accounts and the Auditor General's Findings*
57. *An Audit of B.C. Public Service Ethics Management*
58. *PRIME-BC – A Security Audit*
59. *An Audit of BC Housing's Non-Profit Asset Transfer Program*

Other Publications

60. *Annual Report 2015/16*
61. *Performance Audit Coverage Plan 2016/17 – 2018/19*
62. *Getting IT Right: Achieving value from government information technology investments*
63. *Financial Statement Audit Coverage Plan 2017/18 – 2019/20*
64. *Product Stewardship: An overview of recycling in B.C.*
65. *Follow-up on the Missing Women Commission of Inquiry*
66. *Health Funding Explained 2*

APPENDIX C:

VISION, MISSION, GOALS, OBJECTIVES AND KPIS

Mission

To provide independent assurance and advice to the Legislative Assembly, government and the public service for the well-being of the people of British Columbia

Vision

A Legislative Assembly, government and public service that works effectively for the people of British Columbia

Goals

We want to be recognized as a high-performing leader in providing independent assurance, advice, and influence:

- ◆ Sound financial administration and reporting across government
- ◆ Effectively governed and well-managed provincial programs, services and resources
- ◆ Comprehensive public sector accountability reporting

Objectives



Valuable assurance & advice

Provide assurance and advice that adds tangible value and helps government improve programs and services



Stakeholder focus

Engage and involve our stakeholders in our work



Trusted advisor

Be a credible and trusted advisor to the Legislature, its committees, and to Government



Thriving culture

Maintain a collaborative and supportive work environment



Productive & forward-thinking

Be an innovative, effective, and efficient organization

KPIs



Improved staff work environment survey (WES) results



Number of reports and opinions completed



Track and evaluate feedback from stakeholders



Follow our process to consider all requests received



Percentage of our public report recommendations adopted by auditees

APPENDIX D: NEW KPIS FOR 2017/18

Performance Measures	Key Performance Indicators (KPIs)	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
We will increase our relevance and our influence to support effectively governed and well-managed provincial programs, services and resources	Percentage of auditees (including Deputy Ministers) reporting by survey that our reports and recommendations led to improved performance (%)	N/A	90	90	90
We will sustain our current strong contribution to the broader public interest	Percentage of PAC MLAs satisfied that our office is effectively delivering on our legislated mandate and is making a real difference for the people of B.C. (%)	N/A	95	95	95
We will meet planned levels of public reporting	Total number of reports and opinions completed (#)	66	58	58	58
	Opinions on financial statements (#)	44	42	42	42
	Performance audits (#)	15	12	12	12
	Other publications (#)	7	4	4	4
We will sustain our contribution to sound financial administration and financial reporting across the B.C. government	Percentage of recommendations from audit reports and management letters that are accepted and adopted within three years (%)	*	90	90	90
We will increase our contribution to comprehensive public-sector accountability reporting	Percentage of recommendations made to improve accountability reporting that are implemented within three years (%)	N/A	100	100	100
	Number of reports downloaded annually from our website (#)	29,091	27,000	27,500	28,000
We will increase the degree to which staff are motivated and inspired by their work	Work Environment Survey (WES) score	70	79	80	80
We will increase the efficient use of our internal financial and human resources	Percentage of vacant staff positions (%)	10.4	<5	<5	<5
	Percentage of our annual budget that is unspent each year (%)	7.1	1	1	1



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