



NEWS RELEASE

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Auditor General says Province needs to strengthen its management and oversight of the 2010 Olympic and Paralympic Games

VICTORIA – In a report released today, the Acting Auditor General of British Columbia, Arn van Iersel, recommends that the Province strengthen its ongoing management and oversight of the 2010 Games for which it is the ultimate guarantor.

The report, titled *The 2010 Olympic and Paralympic Winter Games: A Review of Estimates Related to the Province's Commitments*, reviews the latest estimates of the Province's costs to meet its commitments to stage and host the Games.

According to van Iersel, with the Games “placing a significant demand on the financial resources of the Province,” his office has decided that “it is in the public interest to regularly examine and report on the financial implications of this large undertaking.”

Although this latest review found that the Vancouver Organizing Committee (VANOC) has prepared reasonable operating and venue capital cost estimates for this stage of the Games preparation, inherent risks in the budget remain – “risks that could result in additional cost pressures to the Province.” van Iersel acknowledges it is still an early stage and that the estimates will continue to change as future budgets are developed. Nevertheless, he says, if the Province is to effectively manage its Games commitments, it must:

- focus its attention on possible costs that could arise as a result of various guarantees and indemnities;
- ensure the effective management and oversight of the Olympic and Paralympic operating and capital budget risks;
- ensure an effective marketing of the Games to achieve the projected economic benefits;
- coordinate its hedging strategies with VANOC's to protect foreign-sourced revenues; and
- enhance accountability and transparency to ensure the total cost of the Games is reported to the public.

The report also notes that, at a minimum, the Games could cost the federal and provincial governments and other third parties an estimated \$2.5 billion. Van Iersel recognizes there will be lasting legacy benefits associated with the Games, but adds that no new information on the potential economic value of those benefits to the province has been made available.

This is the first major report issued by Mr. van Iersel since his appointment in June 2006.

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2006/07 Report #2 *The 2010 Olympic and Paralympic Winter Games: A Review of Estimates Related to the Province's Commitments*

This report is available:

On the Internet at the Office of the Auditor General

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