



OFFICE OF THE
Auditor General
of British Columbia

NEWS RELEASE

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Auditor General releases report on B.C.'s financial statements

VICTORIA – Auditor General John Doyle has released his annual report on the provincial Public Accounts, in which he comments on the B.C. government's financial accounting and reporting practices. The report also provides further details on his audit opinion for government's 2010/11 Summary Financial Statements, which was once again a qualified opinion.

"In the auditing profession, a qualified audit report is a rare occurrence: it indicates to the users of the financial statements that some of the information is not auditable or is misleading," said Doyle. "During the last 15 years, this Office has issued qualified audit reports on the Province's financial statements 12 times. For a government that strives for transparency and accountability, this is unacceptable."

The 2010/11 reservation relates to the improper consolidation of the Transportation Investment Corporation, the Crown corporation responsible for constructing and managing the new Port Mann Bridge.

In addition, the report contains analysis of other key issues, such as changes in Canadian accounting standards, the impact of rate-regulated accounting on the deficit, and an amendment to the *Budget Transparency and Accountability Act* that allows government to institute its own definition of generally accepted accounting principles. The report also contains a compilation of recommendations from the financial statement audits of more than 150 government organizations.

"This report is an opportunity to both recognize the areas where government is demonstrating sound financial reporting, and identify and advise on those areas that need improvement," said Doyle. "I would like to thank my staff and the private sector auditors who contributed to British Columbia's largest audit and made this report possible."

A backgrounder follows.

2011/12 Report 6 – *Observations on Financial Reporting: Summary Financial Statements 2010/11*

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