



NEWS RELEASE
For Immediate Release
March 13, 2013

Legislature financial management improving, but work still needs to be done: Auditor General

VICTORIA – Eight months after he released a report on the substantial irregularities in the Legislature’s financial accounting, B.C. Auditor General John Doyle said that progress has been made, but problems persist.

“While the Legislative Assembly Management Committee has moved to address some of the issues my Office has brought forward, there is still more to be done,” said Doyle.

Doyle also stressed the need for them to commit to releasing audited financial statements.

“Financial transparency is a cornerstone of public accountability, and the Legislative Assembly should aspire to be a leader in this area,” said Doyle.

The report also contains new information identified during the Office’s ongoing audit procedures, such as further details regarding public funds used to pay for extensive renovations to a Member’s constituency office.

“The improvements made to the property, which cost \$67,000, appeared to be above and beyond the type of renovation needed to customize the space for use as a constituency office,” said Doyle.

Another finding outlined in the report related to compensation arrangements with senior Legislative Assembly management, which Doyle described as “unusual.” Payments totalling \$660,000 were made in early January and February 2012, under a program not used since 1988, and none of these payments were publically disclosed.

“We also discovered that under a long-standing agreement, two senior officials were being paid without having any payroll taxes withheld,” said Doyle. “There is a risk that this may be in violation of Canada Revenue Agency rules and that the Legislative Assembly could be liable for interest and penalties on amounts owed.”

“If the Legislative Assembly had acted on the Office’s earlier recommendations, some of which were brought to light as far back as 2007, these issues could have been prevented, or at least detected and addressed internally,” said Doyle. He also said the Legislature can expect work on this front to persist.

“My Office’s involvement in the management and oversight of the Legislative Assembly’s financial records will continue as long as necessary,” he said.



About the Office of the Auditor General of B.C.

The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff (known as the Office of the Auditor General or OAG) to conduct audits, report findings and make recommendations.

2012/13 Report 12 – *Audit of the Legislative Assembly’s Financial Records: Update*

-30-

Contact:

Office of the Auditor General

250 419-6100

www.bcauditor.com