



FINANCIAL STATEMENT AUDIT COVERAGE PLAN

For financial statement fiscal years
ending in 2020, 2021 and 2022

www.bcauditor.com



OFFICE OF THE
Auditor General
of British Columbia

CONTENTS

Auditor General's message	3
Approvals requested	5
Background	6
Plan foundation and preparation	8
The plan for 2020, 2021 and 2022	13
Additional reporting requirements under the Act	15
Appendix A: detailed coverage plan for financial statement fiscal years ending in 2020, 2021 and 2022	19
Appendix B: summary of changes from the prior year plan	31

623 Fort Street
Victoria, British Columbia
Canada V8W 1G1
P: 250.419.6100
F: 250.387.1230
www.bcauditor.com

The Office of the Auditor General of British Columbia would like to acknowledge with respect that we conduct our work on Coast Salish territories. Primarily, this is on the Lkwungen-speaking people's (Esquimalt and Songhees) traditional lands, now known as Victoria, and the WSÁNEĆ people's (Pauquachin, Tsartlip, Tsawout, Tseycum) traditional lands, now known as Saanich.

AUDITOR GENERAL'S MESSAGE

MY OFFICE'S ANNUAL audit of government's Summary Financial Statements is the largest financial audit in B.C. It encompasses central government plus nearly 150 other government organizations, including Crown corporations, universities, colleges, school districts, health authorities and similar entities that are controlled by or accountable to the provincial government.

Annual revenue and expenditures each total about \$52 billion. Assets and liabilities each total about \$90 billion. Given the magnitude of this audit and our limited capacity, we work with private-sector auditors to complete the necessary work.

This Financial Statement Audit Coverage Plan outlines how we determine which government entities' financial statements we will audit directly and which will be audited by private-sector firms.

As required by the *Auditor General Act*, our plan covers the next three fiscal years and is prepared for the Select Standing Committee on Public Accounts. With that committee's approval, the plan informs our annual budget request to the Select Standing Committee on Finance and Government Services.

One of the goals of this plan is to ensure that we have the right depth and breadth of knowledge about the business of government so we can focus our efforts on risk areas, while also fulfilling our role as the independent audit office of the province. In that regard, we are adding the Royal BC Museum, Columbia Basin Trust and BC Infrastructure Benefits Inc. to the list of organizations that we audit, starting in the fiscal year ending March 31, 2019. The year after, we will become the auditor of, among others, BC Hydro and Power Authority and the University of British Columbia (for the fiscal year ending March 31, 2020).

Our audit of government's Summary Financial Statements will be conducted in accordance with Canadian generally accepted auditing standards (GAAS) as prescribed by the Chartered Professional



CAROL BELLRINGER, FCPA, FCA
Auditor General

AUDITOR GENERAL'S MESSAGE

Accountants of Canada. These standards require that we have an appropriate understanding of the business processes of the government reporting entity to ensure that the information contained within the Summary Financial Statements is complete and has been fairly presented.

This plan meets the professional requirements under GAAS, and will allow me to sign the audit opinion on government's Summary Financial Statements.

I am pleased to present this plan, with all of the information required by the *Auditor General Act*, to the Select Standing Committee on Public Accounts for review and approval.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
November 2018

APPROVALS REQUESTED

WE REQUEST THAT THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS APPROVE THE:

- 1** Financial Statement Audit Coverage Plan for financial statement fiscal years ending in 2020, 2021 and 2022, as detailed in [Appendix A \(page 19\)](#)
- 2** Auditor General continuing as the appointed auditor for four government entities where the engagement term exceeds five consecutive fiscal years (see [Exhibit 5 on page 16](#))
- 3** Auditor General being appointed auditor for one entity outside the government reporting entity: the Provincial Employees Community Services Fund ([page 17](#))

BACKGROUND

ACCORDING TO SECTION 10(1) of the *Auditor General Act*, the Auditor General is the auditor of the government reporting entity (GRE). The GRE includes central government (e.g., ministries) and nearly 150 other government entities, such as Crown corporations, universities, colleges, school districts, health authorities and similar entities that are controlled by or accountable to the provincial government.

The Auditor General must report annually to the legislative assembly, in accordance with Canadian generally accepted auditing standards (GAAS), on the financial statements of the GRE.

This annual audit of government's Summary Financial Statements is the largest audit performed in the province. It provides assurance to legislators, credit rating agencies and the people of British Columbia as to whether the financial statements present fairly the financial position and operating results of government.

The opinion on the Summary Financial Statements is the Auditor General's alone, but in B.C., the audit of the GRE is accomplished through the combined work of our office and private-sector auditors. The Auditor General audits directly the ministries of government, but most of the other entities and trust funds that make up the GRE are audited by the private sector. The Auditor General is responsible for overseeing this process and determining what level of involvement our office will have with each entity.

The Financial Statement Audit Coverage Plan for financial statement fiscal years ending in 2020, 2021 and 2022 is provided to the Select Standing Committee on Public Accounts under section 10(6) of the *Auditor General Act*. According to section 10(7), this plan must include:

- a) a list of the government entities and trust funds for which the Auditor General proposes that the Auditor General be appointed
- b) a list of the government entities and trust funds for which the Auditor General proposes that other auditors be appointed
- c) the implications of the plan on the budget of the Auditor General
- d) a request for exemption from the prohibition against being appointed the auditor of a government entity or a trust fund for a period of more than five consecutive fiscal years
- e) the criteria and selection process for the appointment of the auditors of government entities and trust funds
- f) the involvement of the Auditor General in the audit process for government entities and trust funds for which auditors other than the Auditor General are the auditors
- g) a summary of consultations with respect to the plan, with officials of those government entities and trust funds referred to in paragraph (b)

The selection process for determining the Auditor General's level of involvement with each entity is risk-based and aligns with GAAS specific to the audit of group financial statements. GAAS require us to be

BACKGROUND

involved in the audit of all significant components of the Summary Financial Statements. This plan details the levels of involvement we use to gain knowledge of entities and sectors during the overall audit of the Summary Financial Statements.

This plan has been prepared in accordance with the requirements of the Act, to inform the Select Standing Committee on Public Accounts as it fulfills its responsibility (under section 10(9)) to review and approve it.

PLAN FOUNDATION AND PREPARATION

THIS PLAN IS devoted primarily to identifying our office's level of involvement with each entity in the GRE so that the Auditor General will have the knowledge necessary to sign the opinion on the audit of government's Summary Financial Statements. The plan also shows the underlying process of how we determine which entities we will audit directly and which will require the work of private-sector auditors.

The B.C. government's Summary Financial Statements are a consolidation of two distinct components of the GRE:

1. **Core government operations, which form the Consolidated Revenue Fund (CRF):** Under section 10(2) of the Act, the Auditor General is the auditor of all ministries of government, officers of the legislature, and other funds or appropriations that form part of the CRF.
2. **Government entities that are included in the GRE:** Canadian public sector accounting standards establish criteria for determining whether entities should be included in the GRE. Currently, as presented in [Appendix A](#), there are 141 entities in the GRE, not including the trusts, ministries and a few other entities that form the CRF. These entities also have about 107 subsidiaries. Sections 10(3), 10(4), 10(5) and 10(11) of the Act establish the auditor appointment process for these government entities, each of which prepares its own annual audited financial statements. The financial statements of these government entities are consolidated into government's Summary Financial Statements.

Assurance standards require that we develop an appropriate understanding of the GRE to assess potential risks related to our audit of the Summary Financial Statements. We acquire this understanding through:

1. an audit of the consolidation of the GRE
2. an audit of the accounts of central government (the ministries in the CRF)
3. an audit of the financial statements of government entities and trust funds
4. oversight of audits performed by private-sector auditors for the financial statements of government entities and trust funds
5. audits of economy, efficiency, effectiveness, accountability, and statutory, regulatory and contractual compliance, undertaken under sections 11(8), 12 and 13 of the Act

AUDIT OF THE CONSOLIDATION OF THE GRE

Section 10(1) of the Act appoints the Auditor General as the auditor of the GRE. However, because there are

PLAN FOUNDATION AND PREPARATION

too many entities in the GRE for us to audit directly, private-sector auditors audit most of the entities. We then audit government's compilation of these entities' financial statements, along with the CRF. Together, this is known as our audit of government's Summary Financial Statements.

We contact each entity's auditor to communicate our expectations, the information required, and deadlines. In addition to obtaining information about audit planning, audit completion, and the audited financial statements, we also review many of the management letters that the private-sector auditors issue to each entity. Our goal is to assess whether there are any systemic weaknesses or breakdowns in controls that government should address.

AUDIT OF THE ACCOUNTS OF CENTRAL GOVERNMENT

Section 10(2) of the Act requires the Auditor General to audit government ministries, officers of the legislature, and other funds or appropriations that form part of the CRF. Ministries and most of the officers do not currently produce their own financial statements, although they share a common financial reporting system. This work is conducted directly by our office.

To support our audit of the accounts of central government, we invest significantly in gaining

knowledge of government's business—for example, about the operating and financial processes, systems and controls that form the basis for assessments of risk that are required under GAAS.

Our financial accounts are part of central government, and the associated financial statements are audited by an independent auditor appointed by the Select Standing Committee on Public Accounts.

AUDIT OF THE FINANCIAL STATEMENTS OF GOVERNMENT ENTITIES AND TRUST FUNDS

The opinion on the Summary Financial Statements is the Auditor General's alone. However, the audit of the GRE is accomplished through the combined work of our office and private-sector auditors.

There are three levels of involvement of the Auditor General in the financial statement audits of government entities:

1. **High (direct) involvement:** The audit is conducted directly either by our staff or by a private-sector firm under contract. In either case, our office is responsible for the audit and signs the audit opinion. Direct audit involvement provides us with the greatest understanding of the auditee's business.

PLAN FOUNDATION AND PREPARATION

- 2. Moderate (oversight) involvement:** The audit is conducted by a private-sector firm. We conduct extended procedures to better understand the business of, the issues in, and the audit risk involved with, these entities. These extended procedures include our attending of audit committee meetings and reviewing the appointed auditor's audit plans and year-end audit files. As well as providing us with information about the audited entity, these procedures also allow us to determine whether the audit work is sufficient for the Auditor General to form an opinion on government's Summary Financial Statements.
- 3. Low (limited) involvement:** The audit is conducted by a private-sector firm. To meet professional requirements, the Auditor General informs the appointed auditor that our office will be relying on their work and may direct or review the audit work as required. We also work with the auditor if there is a specific issue in the entity or sector that needs to be addressed, as we may be able to provide necessary information or request that additional audit work be performed if required. We might also review a sample of the auditor's files.
- 1. Pre-engagement procedures:** Before the audit begins, the auditor performs procedures, such as an independence assessment and a pre-engagement audit risk assessment. The auditor confirms his or her independence from the client and also issues an engagement letter that sets out the objectives, scope and limitations of the audit engagement, the responsibilities of management and the auditor, and other matters.
- 2. Risk assessment:** While planning for the audit, the auditor gathers information about the client and its operating environment, including information about the client's internal controls and business processes.
- 3. Risk response:** Having assessed the audit risks (i.e., the areas where errors are more likely to occur than others), the auditor performs audit procedures to verify the accuracy of the figures in the financial statements.
- 4. Reporting:** In addition to the opinion on the financial statements, the auditor issues a report on the findings to management and the audit committee.
- 5. Follow-up:** Issues that were identified during the audit are followed up in the next year's audit to see if recommendations were implemented.

For more information about this process, see [*What to Expect from a Financial Audit*](#) on our website.

THE FINANCIAL STATEMENT AUDIT PROCESS

Regardless of whether the Auditor General or a private-sector firm is the auditor, a financial statement audit encompasses five steps:

PLAN FOUNDATION AND PREPARATION

AUDITS OF ECONOMY, EFFICIENCY, EFFECTIVENESS, ACCOUNTABILITY, AND STATUTORY, REGULATORY AND CONTRACTUAL COMPLIANCE

Each year, we conduct a body of work known as performance audit. The resulting reports of the audits provide support for our opinion on the Summary Financial Statements.

The information we gain from these reports—in areas such as financial management, IT security and planning, governance, risk management, public-private partnerships and others—is integral to our understanding of the GRE and assessing financial risk. They also assist us in meeting requirements under GAAS when we audit the Summary Financial Statements.

HOW WE PREPARE THE AUDIT COVERAGE PLAN

In designing the plan, we make audit coverage decisions in three stages.

First, for each entity, we perform a risk assessment to determine if the entity should be considered as a significant component of the Summary Financial

Statements. We make this assessment based on the financial size of the entity and on other relevant risks, such as whether the entity:

- ♦ delivers a core service
- ♦ has a high level of public interest
- ♦ possesses a high inherent risk to government (with respect to programs delivered or roles fulfilled)
- ♦ is complex
- ♦ likely has future issues that could materially impact the Summary Financial Statements
- ♦ has other risk factors

For entities that are determined to be significant components of the Summary Financial Statements, assurance standards require that we have more than a low level of involvement. As well, based on these assessments of risk, we have in some cases determined that our involvement must extend beyond five years.

Second, for entities not assessed as being a significant component of the Summary Financial Statements, we determine, for each type (e.g., health authorities, school districts, Crown corporations), the sufficient level of direct audit or oversight involvement.

The plan rotates involvement through these entities on a two- to five-year cycle. This allows us to keep up with risks and issues in and across each of these groups.

Finally, we assess all new or planned government entities and trust funds for significance and risk to determine if we should audit them directly for the first three years, consistent with section 10(4) of the Act.

PLAN FOUNDATION AND PREPARATION

The requirement to appoint auditors is usually specified in the enabling legislation, constitution or bylaws of each entity. Accordingly, once the Select Standing Committee on Public Accounts approves our audit coverage plan, with or without amendments, we contact the entities affected and arrange to be appointed as their auditor.

Due to the evolving risks involved with such a large audit, we have made a number of changes to the audit coverage plan approved last year by the committee.

Some of the changes we made to our audit coverage result from a re-assessment of those audits we have been performing for more than five years. After looking at our overall audit coverage by sector, we determined that we could rotate some audits to the private sector in 2020 (BC Transit, BC Immigrant Investment Fund, and Vancouver Coastal Health Authority).

We detail all of the plan changes in [Appendix B](#).

We would be happy to discuss any aspect of our plan with the committee.

THE PLAN FOR 2020, 2021 AND 2022

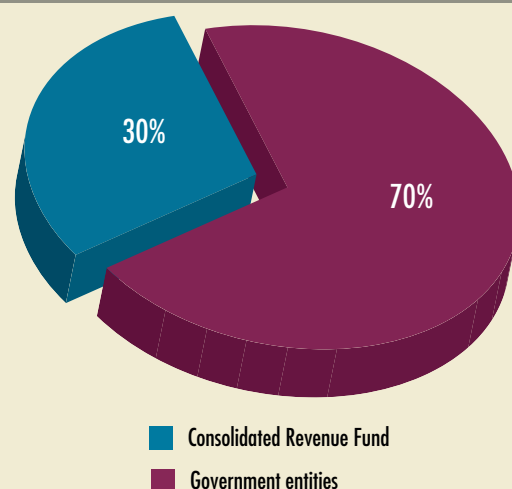
THIS PLAN ADDRESSES the audit of entities in the GRE that are not reported through the CRF. As shown in Exhibit 1, about two-thirds, or 70%, of government expenses flow through these entities. The CRF accounts for 30% of government expenditures, after excluding transfers from the CRF to fund government entities.

The proposed three-year audit coverage for financial statement fiscal years ending in 2020, 2021 and 2022 for entities included in the GRE is summarized in Exhibit 2. The figures in this table, along with our involvement with other entities, are presented in detail in [Appendix A](#).

About 107 additional entities are controlled subsidiaries of government entities presented in this plan. The financial results of these additional entities are consolidated into the financial statements of the parent entity. And often, but not always, the auditor of the parent entity is also the auditor of all subsidiary entities.

Unless otherwise noted in [Appendix A](#), subsidiaries of government entities are not presented in these figures.

Exhibit 1: Total government expenses for fiscal year ending March 31, 2018



Source: Office of the Auditor General of British Columbia

Exhibit 2: Summary of proposed audit coverage for financial statement fiscal years ending in 2020, 2021 and 2022

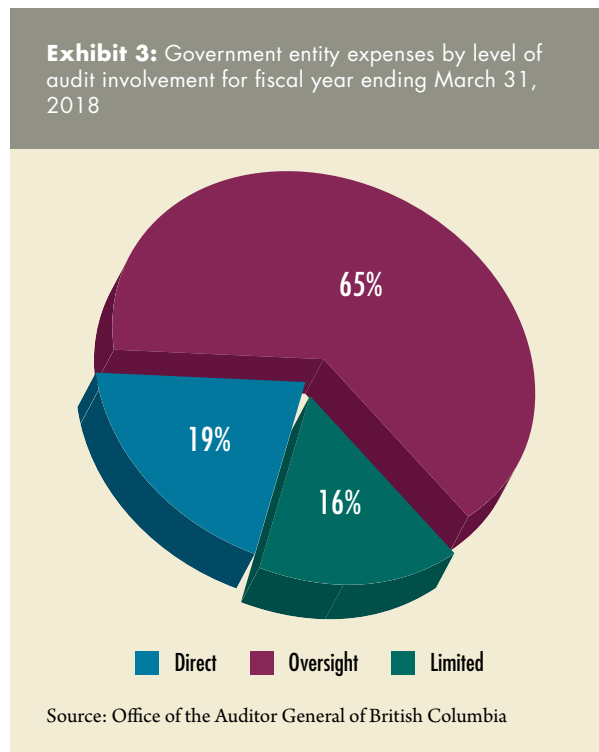
Entity Type	Expected # of entities 2019	Financial statement fiscal year ending In								
		2020			2021			2022		
		Level of involvement			Level of involvement			Level of involvement		
		Limited	Oversight	Direct	Limited	Oversight	Direct	Limited	Oversight	Direct
School districts	60	51	4	5	52	3	5	52	3	5
Universities, colleges and institutes	25	16	7	2	16	7	2	16	7	2
Health authorities	7	1	5	1	1	5	1	1	5	1
Hospital societies	7	6	1	0	6	1	0	6	1	0
Crown corporations	42	25	7	10	25	7	10	25	7	10
Trust funds	3	3	0	0	3	0	0	3	0	0
Total	144	102	24	18	103	23	18	103	23	18

Source: Office of the Auditor General of British Columbia

THE PLAN FOR 2020, 2021 AND 2022

Because many government entities are selected based on the magnitude of risk to the GRE as a whole, they also tend to be more significant in terms of expenditures.

As shown in Exhibit 3, the Auditor General had either a direct or oversight level of involvement for 84% of government entity expenses for the 2017/18 fiscal year (as reported in the financial statements of individual government entities). Note that Exhibits 3 and 4 exclude the expenses of core government operations, which our office audits directly.

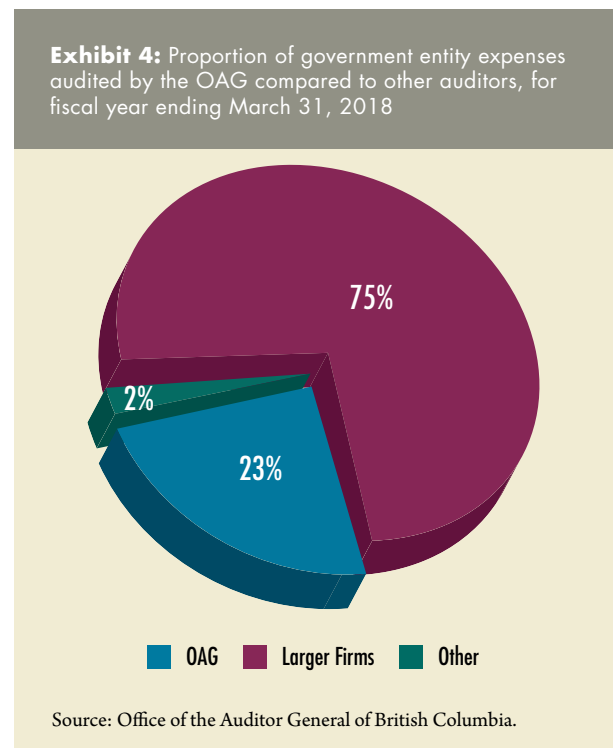


As shown in Exhibit 4, of the entities for which the Auditor General is not the appointed auditor, the vast majority are audited by the larger auditing firms (BDO Canada LLP, Deloitte LLP, Grant Thornton

LLP, KPMG LLP and PricewaterhouseCoopers LLP). We work closely with these firms regarding their involvement in auditing government entities.

[Appendix A](#) presents the Auditor General's proposed audit coverage by level of involvement for each government entity and trust fund, by each year of the plan. It also includes, for comparison, the implemented coverage levels for 2017/18 and 2018/19.

Each year, we revisit our risk and coverage assessments and revise the plan where needed. [Appendix B](#) presents a summary of all government entities where the current year's coverage (fiscal 2019) and proposed coverage for financial statement fiscal years ending in fiscal 2020 and 2021 differ from the plan endorsed by the Select Standing Committee on Public Accounts in November 2017. We give a brief explanation for each difference.



ADDITIONAL REPORTING REQUIREMENTS UNDER THE ACT

AUDITOR GENERAL APPOINTMENTS EXCEEDING FIVE YEARS

SECTION 10(7)(D) OF the *Auditor General Act* requires the Select Standing Committee on Public Accounts' approval for the Auditor General to be appointed as auditor of a government entity or trust fund for a period of more than five consecutive fiscal years. This provision recognizes the need to manage inherent audit risk by providing a mechanism to extend the Auditor General's involvement beyond five years where necessary.

When the Act was revised in 2003, firms were limited to auditing entities for only five years because of the standards being considered for the accounting and auditing profession at the time. The intent was to minimize the risk associated with a potential lack of independence between the auditors and those they were auditing. Since then, the profession continues to discuss the merits and risks of firm and partner rotation. In B.C., the lead engagement partner on the audit of a financial statement of an entity listed on a stock exchange must rotate off the engagement after a period not normally longer than seven years.

Our office has a policy of rotating senior staff every five years on assurance engagements of government entities that are considered to be significant.

The foundation of the plan requires that our audit coverage is such that we are able to maintain the knowledge required to assess potential risks and

appropriately plan our audit of the Summary Financial Statements. Therefore, the plan balances the benefits achieved through auditor rotation with professional standards that require us to maintain appropriate knowledge and experience as necessary to fulfill our mandate. Assurance standards specific to the audit of group financial statements require that we maintain involvement, either directly or in an oversight capacity, with any entity determined to be significant to the Summary Financial Statements. By definition, this may cause some audit engagements to exceed five years.

This same logic applies to the ministries of government, where the Act mandates the Auditor General as auditor in perpetuity.

When preparing this plan, we review each of our appointments exceeding five years and consider whether our continued appointment is warranted. This year, we are requesting the Select Standing Committee

ADDITIONAL REPORTING REQUIREMENTS UNDER THE ACT

on Public Accounts’ approval for our office to continue as the appointed auditor for four government entities where the terms as presented in the plan will exceed five years. The rationale for extending each appointment is shown in Exhibit 5.

Exhibit 5: Auditor General appointments exceeding five years

Entity	Rationale for exceeding five years
BC Transportation Financing Authority	<p>Our continued direct involvement with the BC Transportation Financing Authority (BCTFA) is warranted because it is responsible for the significant capital financing of highway and other transportation infrastructure projects. In addition:</p> <ul style="list-style-type: none"> ◆ there is a high degree of administrative integration with the Ministry of Transportation and Infrastructure, which we must audit ◆ BCTFA is a party to a number of federal-provincial cost-sharing agreements, which we audit ◆ BCTFA’s audit opinion has been qualified since 2011 <p>BCTFA has two subsidiary organizations—the Transportation Investment Corporation, which we audit directly, and the British Columbia Railway Company, which we audit under contract with a private-sector audit firm.</p>
British Columbia Enterprise Corporation	<p>This corporation is a non-active company managed by the Ministry of Municipal Affairs and Housing, which we audit. We continue to perform this small (less than 10 hours) audit to help the ministry ensure that the corporate requirements for an audit are met.</p>
Columbia Power Corporation	<p>Columbia Power Corporation plays a significant role in energy infrastructure. The corporation develops, owns and operates hydro power projects in the Columbia Basin and management of these projects can have a large impact on stakeholders in the province. The risks associated with the corporation’s operations warrant our continued direct involvement. In addition, given the relationship between Columbia Power Corporation and Columbia Basin Trust, it is more efficient to audit these entities together. We became the auditor of Columbia Basin Trust for their fiscal year ending in 2019.</p>
Oil and Gas Commission	<p>The oil and gas industry is significant to the province and involves several high-profile issues, including potential pipeline projects, recently approved liquefied natural gas (LNG) facilities, and increasing numbers of orphaned sites. Our continued direct involvement in the commission is warranted so that we stay informed about industry activities that may have a significant public impact.</p>

ADDITIONAL REPORTING REQUIREMENTS UNDER THE ACT

SUMMARY OF CONSULTATIONS

Section 10(7) (g) of the Act requires a summary of consultations made with respect to the plan.

Our annual consultation process starts with a discussion of proposed changes with the governing boards and senior management of entities that will be impacted by changes to the plan from the previously approved version. This consultation continues while we draft the plan, and may include holding discussions with senior management and audit committee chairs (or equivalent) and attending audit committee meetings.

For this new Financial Statement Audit Coverage Plan, we have finished consulting with all entities affected by the changes we are recommending to the plan, and all parties understand the proposed audit coverage.

After the plan has been reviewed and approved by the Select Standing Committee on Public Accounts, we will communicate in writing with those entities impacted by changes to the plan. We will also continue to communicate, as needed, with all government entities to keep them informed about our process for creating the plan.

IMPLICATIONS FOR THE OAG BUDGET

Section 10(7) (c) of the Act requires the plan to describe how this proposal will affect our office's budget.

Last year, we discussed with the Select Standing Committee on Public Accounts our desire to audit the BC Hydro and Power Authority, beginning with the fiscal year ending March 31, 2020. We were able to obtain additional funding through the Finance and Government Services Committee in order to carry out that work. In our assessment, assuming that we receive the previously proposed increases, our proposed changes to the audit coverage will have a negligible impact on our budgeted cost for each year of our plan.

REQUEST FOR APPROVAL TO AUDIT ENTITIES OUTSIDE THE GRE

Section 14 of the Act allows the Auditor General, with the consent of the Select Standing Committee on Public Accounts, to be appointed auditor of an entity or trust fund that is not part of the Summary Financial Statements.

Therefore, we request approval to continue to be the appointed auditor for the following entity that is outside the GRE:

- ♦ The Provincial Employees Community Services Fund – This entity is a small charitable employee trust that collects donations from provincial employees and distributes them to charities in B.C. We conduct a review of this entity's annual financial statements and, to support the charity, charge no fee.

ADDITIONAL REPORTING REQUIREMENTS UNDER THE ACT

ADMINISTRATION OF THE AUDITOR APPOINTMENT PROCESS

Once we have communicated the decisions of the Select Standing Committee on Public Accounts to those entities affected by the plan, each governing board appoints its financial statement auditor according to the approved coverage plan—either the Auditor General or a private-sector auditor selected by the governing board.

Through our oversight involvement in the audit process of many government entities, we monitor how this process is operating and how well it aligns with our mandate. As part of our risk analysis, we also monitor length of appointment, audit cost, and frequency of competitive process across the GRE.

We assist boards and audit committees in the selection and appointment of auditors by:

- ♦ making available a template for a request for proposal (RFP) process for audit services, including a model service agreement for audit services
- ♦ being available to provide advice on specific issues or to participate in a more active advisory capacity in the selection and appointment process
- ♦ requiring that entities include provisions for the appropriate involvement of the Auditor General in the service agreements that the entities set up with their financial statement auditors; and recommending selection criteria based largely on auditor capability, audit strategy and price

APPENDIX A: DETAILED COVERAGE PLAN FOR FINANCIAL STATEMENT FISCAL YEARS ENDING IN 2020, 2021 AND 2022

PLAN LEGEND

OAG-Direct:	High Involvement – Audit performed by the Auditor General using existing staff.
OAG-Contract:	High Involvement – Audit performed by the Auditor General using private sector audit firms under contract. We do not anticipate contracting out any of the audits listed in this appendix during this period.
Oversight:	Moderate Involvement – Auditors other than the Auditor General are the appointed auditors. However, the Auditor General conducts oversight procedures.
Blank:	Low involvement – Auditors other than the Auditor General are the appointed auditors. The Auditor General has limited involvement, but may conduct work as required.

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
School districts					
Board of Education School District No. 5 (South East Kootenay)			Oversight	OAG-Direct	OAG-Direct
Board of Education School District No. 6 (Rocky Mountain)					
Board of Education School District No. 8 (Kootenay Lake)					
Board of Education School District No. 10 (Arrow Lakes)					
Board of Education School District No. 19 (Revelstoke)					
Board of Education School District No. 20 (Kootenay-Columbia)				Oversight	Oversight

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Board of Education School District No. 22 (Vernon)	Oversight	Oversight			
Board of Education School District No. 23 (Central Okanagan)					
Board of Education School District No. 27 (Cariboo-Chilcotin)					
Board of Education School District No. 28 (Quesnel)					
Board of Education School District No. 33 (Chilliwack)					
Board of Education School District No. 34 (Abbotsford)					
Board of Education School District No. 35 (Langley)					
Board of Education School District No. 36 (Surrey)					
Board of Education School District No. 37 (Delta)					
Board of Education School District No. 38 (Richmond)					
Board of Education School District No. 39 (Vancouver)	OAG-Direct	OAG-Direct	OAG-Direct		
Board of Education School District No. 40 (New Westminster)					

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Board of Education School District No. 41 (Burnaby)			Oversight	OAG-Direct	OAG-Direct
Board of Education School District No. 42 (Maple Ridge-Pitt Meadows)	Oversight	Oversight			
Board of Education School District No. 43 (Coquitlam)				Oversight	OAG-Direct
Board of Education School District No. 44 (North Vancouver)	Oversight				
Board of Education School District No. 45 (West Vancouver)					
Board of Education School District No. 46 (Sunshine Coast)					
Board of Education School District No. 47 (Powell River)			Oversight	OAG-Direct	OAG-Direct
Board of Education School District No. 48 (Sea to Sky)	OAG-Direct	OAG-Direct	OAG-Direct		
Board of Education School District No. 49 (Central Coast)					
Board of Education School District No. 50 (Haida Gwaii-Queen Charlotte)					
Board of Education School District No. 51 (Boundary)					Oversight

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Board of Education School District No. 52 (Prince Rupert)					
Board of Education School District No. 53 (Okanagan-Similkameen)	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	
Board of Education School District No. 54 (Bulkley Valley)					
Board of Education School District No. 57 (Prince George)					
Board of Education School District No. 58 (Nicola-Similkameen)					
Board of Education School District No. 59 (Peace River South)					
Board of Education School District No. 60 (Peace River North)					
Board of Education School District No. 61 (Greater Victoria)					
Board of Education School District No. 62 (Sooke)		Oversight	OAG-Direct	OAG-Direct	OAG-Direct
Board of Education School District No. 63 (Saanich)					
Board of Education School District No. 64 (Gulf Islands)		Oversight	Oversight		

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Board of Education School District No. 67 (Okanagan-Skaha)					
Board of Education School District No.68 (Nanaimo-Ladysmith)					
Board of Education School District No. 69 (Qualicum)					
Board of Education School District No. 70 (Alberni)					
Board of Education School District No. 71 (Comox Valley)	OAG-Direct	OAG-Direct	OAG-Direct		
Board of Education School District No. 72 (Campbell River)				Oversight	Oversight
Board of Education School District No. 73 (Kamloops-Thompson)					
Board of Education School District No. 74 (Gold Trail)					
Board of Education School District No. 75 (Mission)					
Board of Education School District No. 78 (Fraser-Cascade)					
Board of Education School District No. 79 (Cowichan Valley)					

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Board of Education School District No. 81 (Fort Nelson)					
Board of Education School District No. 82 (Coast Mountains)					
Board of Education School District No. 83 (North Okanagan-Shuswap)					
Board of Education School District No. 84 (Vancouver Island West)					
Board of Education School District No. 85 (Vancouver Island North)					
Board of Education School District No. 87 (Stikine)					
Board of Education School District No. 91 (Nechako Lakes)					
Board of Education School District No. 92 (Nisga'a)					
Board of Education School District No. 93 (Francophone Education Authority)	OAG-Direct	OAG-Direct			
Colleges, institutes and universities					
British Columbia Institute of Technology	Oversight	Oversight	Oversight	Oversight	Oversight
Camosun College					

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Capilano University			Oversight	OAG-Direct	OAG-Direct
Coast Mountain College ¹	Oversight				
College of New Caledonia				Oversight	Oversight
College of the Rockies					
Douglas College					
Emily Carr University of Art and Design					
Justice Institute of British Columbia					
Kwantlen Polytechnic University					
Langara College		Oversight	Oversight		
Nicola Valley Institute of Technology	Oversight				
North Island College			Oversight	Oversight	
Northern Lights College				Oversight	Oversight
Okanagan College					Oversight
Royal Roads University					
Selkirk College				Oversight	Oversight
Simon Fraser University	Oversight	Oversight	Oversight	Oversight	Oversight
Thompson Rivers University		Oversight	Oversight		
University of British Columbia	Oversight	Oversight	OAG-Direct	OAG-Direct	OAG-Direct
University of Northern British Columbia	Oversight	Oversight			

¹ Coast Mountain College was formerly Northwest Community College.

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
University of the Fraser Valley					
University of Victoria	OAG-Direct	OAG-Direct	Oversight	Oversight	Oversight
Vancouver Community College	OAG-Direct	OAG-Direct	OAG-Direct		
Vancouver Island University	Oversight	Oversight			
Health authorities					
Fraser Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Interior Health Authority	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Nisga'a Valley Health Authority					
Northern Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Provincial Health Services Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Coastal Health Authority	OAG-Direct	OAG-Direct	Oversight	Oversight	Oversight
Vancouver Island Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Hospital societies					
BC Clinical and Support Services Society ²	OAG-Direct	OAG-Direct			
Louis Brier Home and Hospital					
Menno Hospital					
Mount St. Mary Hospital					
Providence Health Care	Oversight	Oversight	Oversight	Oversight	Oversight
St. Joseph's General Hospital					
St. Michael's Centre					

² BC Clinical and Support Services Society was absorbed by Provincial Health Services Authority during 2019 and is no longer a standalone entity.

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Crown corporations					
BC Financial Institutions Commission			OAG-Direct	OAG-Direct	OAG-Direct
BC Games Society					
BC Immigrant Investment Fund Ltd.	OAG-Direct	OAG-Direct			
BC Pavilion Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
BC Transportation Financing Authority	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
BCNET					
British Columbia Assessment Authority (Dec. year end)	Oversight	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Enterprise Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Housing Management Commission	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Hydro and Power Authority	Oversight	Oversight	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Infrastructure Benefits Inc.		OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Lottery Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Public School Employers' Association					

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
British Columbia Securities Commission					
British Columbia Transit	OAG-Direct	OAG-Direct	Oversight	Oversight	Oversight
Canadian Blood Services					
Columbia Basin Trust	Oversight	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Columbia Power Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Community Living British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight
Community Social Services Employers' Association of BC					
Creston Valley Wildlife Management Authority Trust Fund					
Crown Corporation Employers Association					
Destination BC Corp.	OAG-Direct	OAG-Direct			
First Peoples' Heritage, Language and Culture Council					
Forest Enhancement Society of BC	Oversight	Oversight			
Forestry Innovation Investment Ltd.					
Health Employers Association of British Columbia					
Industry Training Authority					

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Innovate BC ³					
Insurance Corporation of British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight
Knowledge Network Corporation					
Legal Services Society					
Nechako-Kitimaat Development Fund Society					
Oil and Gas Commission	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Organized Crime Agency of BC Society					
Partnerships British Columbia Inc.					
Post-Secondary Employers' Association					
Provincial Rental Housing Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
Real Estate Council of British Columbia					
Real Estate Foundation of British Columbia					
Royal British Columbia Museum Corporation	Oversight	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
The BC Council for International Education					

³ Innovate BC was formerly the BC Innovation Council.

APPENDIX A

	Historical coverage financial statement fiscal year ending in		Proposed three-year coverage financial statement fiscal year ending in		
	2018	2019	2020	2021	2022
Trust funds^{4 5}					
Credit Union Deposit Insurance Corporation of BC					
Public Guardian and Trustee of BC (Estates and Trusts)					
Supreme and provincial court (Suitors' Funds) ⁶					
Other Organizations - CRF					
Legislative Assembly	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Office of the Representative for Children and Youth	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Other Organizations – Non GRE					
Provincial Employees Community Services Fund	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct

⁴ The BC Public Service Long Term Disability Plan is no longer a trust fund. As a special account, consolidated into the CRF, we have removed it from the plan.

⁵ Only those Government Trust Funds that are significant to the Summary Financial Statements are included in this plan.

⁶ The Supreme and provincial court (Suitors' Funds) are not audited.

APPENDIX B: SUMMARY OF CHANGES FROM THE PRIOR YEAR PLAN

Entity	Changes	Rationale
BC Clinical and Support Services Society	We removed this from the coverage plan, starting in 2020.	In fiscal 2019, the Provincial Health Services Authority (PHSA) absorbed the BC Clinical and Support Services Society into its operations. We completed a three month stub period audit to June 28, 2018, and do not anticipate direct audit involvement with BCCSS going forward. We continue to perform oversight procedures for PHSA.
BC Financial Institutions Commission	This new Crown corporation will be added to the government reporting entity, starting in 2020.	Our Act allows us to take on the audit of newly established Crown corporations. We will directly audit the BC Financial Institutions Commission, starting in 2020.
BC Immigrant Investment Fund Ltd.	We removed this from the coverage plan, starting in 2020.	We have audited the BC Immigrant Investment Fund for more than ten years. Based on the remaining investment balance and lowering of risk, we determined we can remove it from our audit plan.
BC Infrastructure Benefits Inc.	This new Crown corporation will be added to the government reporting entity, starting in 2019.	Our Act allows us to take on the audit of newly established Crown corporations. We will directly audit BC Infrastructure Benefits Inc., starting in 2019.
BC Public Service Long Term Disability Plan (Other Trust Funds)	We removed this from the coverage plan.	In fiscal 2018, the BCPS LTD Plan wound up as a separate entity, and its balances transferred to a ministry.
Board of Education School District No. 60 (Peace River North)	We removed this from the coverage plan, starting in 2019.	We removed this school district to balance geographic coverage across our audit plan.
Board of Education School District No. 62 (Sooke)	We added this to the coverage plan as an oversight entity in 2019 and as a direct audit, starting in 2020.	We added this school district to balance geographic coverage across our audit plan. We have not been involved in the audit of this school district in the past.

APPENDIX B

Entity	Changes	Rationale
Board of Education School District No. 64 (Gulf Islands)	We added this to the coverage plan as a two-year oversight, starting in 2019.	After consultations with stakeholders, we decided to perform oversight on the audit of this school district.
British Columbia Assessment Authority	We added this to the coverage plan as a direct audit, starting with their December 31, 2019 fiscal year end.	To balance geographic coverage across our audit plan, we have chosen to take on this audit.
British Columbia Liquor Distribution Branch	We removed this from the coverage plan.	The British Columbia Liquor Distribution Branch is not technically a separate legal entity, but rather a branch of a ministry. We are the legislated auditors of all ministries. While the branch will no longer be identified as a separate entity in Appendix A , we are the auditor of record, and for the foreseeable future will continue to contract the audit work out to a private-sector audit firm.
British Columbia Railway Company	We removed this from the coverage plan.	The British Columbia Railway Company is a subsidiary of the BC Transportation Financing Authority. To be consistent in how we present our audit plan, we are not presenting subsidiaries separately from parent organizations.
British Columbia Transit	We removed this from the coverage plan, starting in 2020.	We have audited BC Transit since 2012. Based on our audit coverage of other organizations within the transportation sector, we determined we can remove BC Transit from our audit plan.
Columbia Basin Trust	We changed this from oversight to a direct audit, starting in 2019.	The previous auditor ended their contract term in 2018, and after discussion with Columbia Basin Trust trustees, we agreed to take on the audit. The trust is a natural extension of audit work we are currently performing on the Columbia Power Corporation.
Destination BC	Our last year of auditing Destination B.C. was to be in 2018. Our final year has been extended to 2019.	Destination B.C.'s management asked if we would stay on as their auditor for one more year. We agreed to do so.

APPENDIX B

Entity	Changes	Rationale
Transportation Investment Corporation	We removed this from the coverage plan.	The Transportation Investment Corporation is a subsidiary of the BC Transportation Finance Authority. To be consistent in how we present our audit plan, we are not presenting subsidiaries separately from parent organizations.
Vancouver Coastal Health Authority	We changed this from a direct audit to oversight, starting in 2020.	We have audited Vancouver Coastal Health Authority since 2013. Based on our involvement with other organizations within the health sector, we determined we can make this change to the plan and still maintain adequate audit coverage.



Location

623 Fort Street
Victoria, British Columbia
Canada V8W 1G1

Office Hours

Monday to Friday
8:30 am – 4:30 pm

Telephone: 250-419-6100

Toll free through Enquiry BC at: 1-800-663-7867

In Vancouver dial: 604-660-2421

Fax: 250-387-1230

Email: bcauditor@bcauditor.com

Website: www.bcauditor.com

This report and others are available at our website, which also contains further information about the office.

Reproducing

Information presented here is the intellectual property of the Auditor General of British Columbia and is copyright protected in right of the Crown. We invite readers to reproduce any material, asking only that they credit our office with authorship when any information, results or recommendations are used.





OFFICE OF THE
Auditor General
of British Columbia