



NEWS RELEASE

For Immediate Release

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Fraud reported by nearly half of B.C. government ministries

VICTORIA—Forty-five per cent of B.C. government ministries were exposed to at least one form of fraud between 2021 and 2022, according to responses to a questionnaire about fraud risk management in the public sector.

The Office of the Auditor General’s questionnaire was sent to 22 ministries last September to gauge perceptions about fraud, its impact, and efforts to manage the risk. Auditors will use information from the questionnaire during the upcoming audit of the province’s 2022/23 summary financial statements.

“Strong fraud risk management helps safeguard public dollars and investments,” Auditor General Michael Pickup said. “Ministries have a common framework for managing fraud risk, but their responses suggest that they may not be following the same approach or don’t have a full understanding of the framework.”

The responses show that:

- Of the 45 per cent of ministries affected by fraud, the most common cases were theft of physical assets (36 per cent) and vendor, supplier, or procurement fraud (14 per cent).
- 50 per cent of ministries reported the need to be highly vigilant against fraud.
- 50 per cent of ministries said they didn’t have a risk assessment process even though the Office of the Comptroller General coordinates an annual government-wide risk assessment.
- 18 per cent of ministries had not established policies and procedures to respond to potential fraud.

The questionnaire responses are self-reported and not audited, so individual ministries are not identified. Auditors will verify the answers as part of the 2022/23 summary financial statement audit. This work highlights these matters for MLAs as they hold government accountable.

The report was tabled in the legislature today and will be reviewed by the Standing Committee on Public Accounts. It is the second of two reports on fraud risk and financial statements in the public sector. The first report focused on Crown organizations, post-secondary institutions, school districts, health authorities and associations.

MLAs, media, and the public may wish to follow up with the government by asking:

1. How will government ensure all ministries have the elements of fraud risk management to reduce the risk of fraud to an acceptable level?
2. What do inconsistent responses between ministries mean for government’s overall level of fraud risk?
3. Why do only half of ministries say they need to be highly vigilant regarding fraud?



Office of the
Auditor General
of British Columbia

Related links

[Fraud Risk and Financial Statements: B.C. Public Sector, Part 2](#)

[Report at a Glance](#)

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Photo files

High-resolution images of Auditor General Michael Pickup: <https://www.oag.bc.ca/media>

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