

NEWS RELEASE

**For immediate release
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Good foundation for management of executive compensation at B.C. Crown corporations

VICTORIA – Today, Auditor General John Doyle released the results of his audit of executive compensation management practices at British Columbia’s Crown corporations.

The report concludes that the provincial government has established a foundation from which to manage executive compensation in B.C. Crown corporations and is working to increase transparency in this area. However, there is notable room to foster consistent executive compensation planning and management.

“Overall, I am pleased that Crown corporations have established a framework to manage executive compensation in keeping with government direction and encourage continuous improvement in this area,” said Doyle. “However, because many Chief Executive Officers have been appointed for indefinite terms, it will take time for the framework to be fully implemented.”

The audit provides recommendations and better practice guidance for continuous improvement. This includes

- ensuring performance-related programs achieve their objectives,
- demonstrating that performance pay is linked to actual performance, and
- encouraging the Public Sector Employers’ Council Secretariat to ensure compensation disclosures comply with guidelines and that these disclosures are signed by board Chairs.

Better practices such as these would ensure that executive compensation plan decisions are properly recorded, and that these records are well maintained. They would also ensure that government has an active role in monitoring adherence to compensation plans. These practices have not been employed consistently.

The report is available at www.bcauditor.com.

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2009/10 Report #4 – British Columbia Crown Corporations Executive Compensation Arrangements – A Work in Progress.

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A copy of the full report is available on our website at: www.bcauditor.com