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Financial Statement Audit Coverage Plan for Fiscal Years 2014/2015 through 2016/2017

November 2013

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Auditor General Comments

My Office's annual audit of Government's Summary Financial Statements is the largest audit in British Columbia. It encompasses central government and over 150 other government entities such as universities, colleges, school districts, health authorities and similar organizations that are controlled by, or accountable to, the provincial government. Annual revenue and expenditures total \$55 billion and assets and liabilities total \$95 billion. Given the magnitude of this audit and our limited capacity, I work with private-sector auditors to complete this audit.

This *Financial Statement Audit Coverage Plan for Fiscal Years 2014/15 through 2016/17* outlines my three-year plan, as required in the Act, for determining which government entities my Office will audit directly and which will be audited by a private-sector firm.

As required by the *Auditor General Act*, this plan is prepared for the Select Standing Committee on Public Accounts. With the committee's approval, the plan informs our presentation to the Select Standing Committee on Finance and Government Services, which is where we submit our annual budget request.

One of the goals of this plan is to ensure my Office has the right depth and breadth of knowledge of the business of government so I can focus my efforts on risk areas and best fulfill my role as the independent auditor of the provincial government.

While increasing the number of entities that my Office could audit directly would be the most effective way to decrease risk and increase our knowledge of government's operations, audit coverage has to be balanced with my Office's capacity to complete a large quantity of work that is seasonal in nature.

My audit of the Summary Financial Statements will be conducted in accordance with Canadian generally accepted auditing standards (GAAS) as prescribed by the Canadian Institute of Chartered Accountants. GAAS require that my staff and I 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 expect the work can be done within a budget envelope very similar to that which was recommended last year by the Select Standing Committee on Finance and Government Services.

This plan presents all of the information required by the Act, and is presented to the Select Standing Committee on Public Accounts for its review and approval.

Summary of Approvals Requested

I request that the Select Standing Committee on Public Accounts approve:

1. the Financial Statement Audit Coverage Plan for the fiscal years 2014/2015 through 2016/2017, as shown in Appendix A (see page 18);
2. the Auditor General continuing as the appointed auditor for 10 government organizations where the engagement term exceeds five consecutive fiscal years (see pages 13-15); and
3. the Auditor General being appointed auditor for three organizations outside the government reporting entity: WorkSafeBC, the Provincial Employees Community Services Fund, and the Langley School District Foundation (see page 16).

Background

According to the *Auditor General Act*, section 10(1), the Auditor General is the auditor of the government reporting entity and must report annually, in accordance with Canadian generally accepted auditing and assurance standards (GAAS), to the Legislative Assembly on the financial statements of the government reporting entity. This annual audit of Government's Summary Financial Statements is the largest audit performed in the province and provides assurance to legislators, credit rating agencies and British Columbians as to whether the financial statements present fairly the financial position and operating results of the Province.

The opinion on the Summary Financial Statements is the Auditor General's alone, but in British Columbia, the audit of the government reporting entity is accomplished through the combined work of the Office of the Auditor General and private-sector auditors. The Auditor General audits directly the ministries of government, but most of the other organizations and trust funds comprising the government reporting entity are audited by the private sector. The Auditor General is responsible for overseeing this process and determining what level of involvement with each organization he will have.

This report is provided to the Select Standing Committee on Public Accounts (PAC) in accordance with section 10(6) of the *Auditor General Act* (the Act). According to section 10(7) of the Act, this plan must include:

- a) a list of the government organizations and trust funds for which the Auditor General proposes that the Auditor General be appointed;
- b) a list of the government organizations 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 in subsection (5) against being appointed auditor of a government organization or a trust fund for a period of more than 5 consecutive fiscal years of the government organization or a trust fund;
- e) the criteria and selection process for the appointment of the auditors of government organizations and trust funds;
- f) the involvement of the Auditor General in the audit process for government organizations and trust funds, for which auditors other than the Auditor General are the auditors;
- g) a summary of consultations in respect of the plan, with officials of those government organizations 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 generally accepted auditing and assurance standards specific to the audit of group financial statements. These standards require us to be involved in the audit of all significant components of the Summary Financial Statements. This plan details the levels of involvement used to gain knowledge of organizations and sectors during the overall audit of the Summary Financial Statements.

This *2014/2015 – 2016/2017 Financial Statement Audit Coverage Plan* (the 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 the plan.

Plan Foundation and Preparation

This plan is devoted primarily to identifying our level of involvement with each organization in the government reporting entity so that the Auditor General will have the necessary knowledge to sign his opinion on the audit of Government's Summary Financial Statements. It also shows the underlying process as to how we determine which entities we will audit directly and which will require the work of private-sector auditors.

The Province's Summary Financial Statements are a consolidation of two distinct components of the government reporting entity (GRE):

1. *Core government operations, which form the consolidated revenue fund.* 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 consolidated revenue fund (CRF).
2. *Government organizations that are included in the GRE.* Canadian public sector accounting standards establish criteria for determining whether organizations should be included in the GRE. Currently, as presented in Appendix A, there are 146 organizations in the GRE, not including the trusts, ministries and a few other organizations that form the consolidated revenue fund; these organizations have over 80 subsidiaries. Sections 10(3), 10(4), 10(5) and 10(11) of the Act establish the auditor appointment process for these government organizations, each of which prepares their own annual financial statements. The audited financial statements of these government organizations are consolidated into Government's Summary Financial Statements.

Assurance standards require that we develop an appropriate understanding of the GRE in order to assess potential risks related to our audit of the Summary Financial Statements. This understanding is acquired through the:

1. audit of the consolidation of the government reporting entity;
2. audit of the accounts of central government (the ministries in the CRF);
3. audit of the financial statements of government organizations and trust funds;
4. oversight of audits performed by private sector auditors for the financial statements of government organizations and trust funds; and
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 government reporting entity

Section 10(1) of the Act appoints the Auditor General as the auditor of the government reporting entity. However, because there are too many entities for the OAG to audit directly, private-sector auditors audit most of the entities. The OAG then audits government's compilation of these entity's financial statements, along with the consolidated revenue fund. Together, this is known as our audit of government's summary financial statements.

The Office of the Auditor General (OAG) communicates directly with each entity's auditor to advise them of our expectations, the information required and deadlines. In addition to obtaining information about audit planning and completion, and the audited financial statements, we also review the management letters that the private-sector

auditors issue to each entity to assess if there are any systemic weaknesses or breakdowns in controls that government should address.

Audit of the accounts of central government

Section 10(2) requires the Auditor General to audit government ministries, officers of the legislature (e.g.: Office of the Representative for Children and Youth), and other funds or appropriations that form part of the consolidated revenue fund. Ministries do not currently produce their own financial statements, although they share a common financial reporting system. This work is conducted directly by the OAG.

To support our audit of the accounts of central government, the OAG invests significantly in gaining knowledge of the business – the operating and financial processes, systems and controls that form the basis for assessments of risk that are required under GAAS.

The OAG's financial accounts are part of central government. Therefore, our financial statements are audited by an independent auditor appointed by the Select Standing Committee on Public Accounts (PAC).

Audit of the financial statements of government organizations and trust funds

The opinion on the Summary Financial Statements is the Auditor General's alone; however, the audit of the government reporting entity is accomplished through the combined work of the OAG and private-sector auditors.

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

- **High (direct) involvement:** The audit is conducted directly either by staff of the Auditor General or by a private-sector firm under contract. In either case, the Auditor General is responsible for the audit and signs the audit opinion. Direct audit involvement provides us with the greatest understanding of the auditee's business.
- **Moderate (oversight) involvement:** The audit is conducted by a private-sector firm. The Auditor General conducts extended procedures to better understand the business of, the issues in, and the audit risk involved with these organizations. These extended procedures include attending 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 organization being audited, these procedures also allow us to determine if the audit work is sufficient to enable the Auditor General to rely on when forming an opinion on Government's Summary Financial Statements.
- **Low (limited) involvement:** The audit is conducted by a private-sector firm. The Auditor General ensures that professional requirements are met by communicating with the appointed auditor on our intended reliance on their work, and directing or reviewing audit work as required. The OAG will also work with the auditor if there is a specific issue in the organization or sector that needs to be addressed, as we may be able to provide specific information around the issue or request additional audit work be performed if required. As well, a sample of the auditor's files may be reviewed.

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:

1. **Pre-engagement procedures:** before the audit commences, the auditor performs certain 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 setting 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 an understanding of the 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 statement.
4. **Reporting:** in addition to the opinion on the financial statements, the auditor issues a report on findings to management and the audit committee.
5. **Follow-up:** issues that were identified during the audit will be followed up on in next year's audit to see if recommendations were implemented.

(For more information, see "[What to Expect from a Financial Audit](#)" on the OAG website.)

Audits of economy, efficiency, effectiveness, accountability, and statutory, regulatory and contractual compliance

Each year we conduct a body of work known as "performance audit," much of which provides 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, P3s and others, is integral to our understanding of the functioning of the reporting entity and assessing financial risk. In turn, this assists us in meeting requirements under GAAS when we audit the Summary Financial Statements.

How the Office of the Auditor General prepares the plan

In designing the plan, audit coverage decisions are made in three distinct risk assessment processes. First, all new or planned government organizations and trust funds are assessed for significance and risk to determine if they should be audited directly for the first three years, consistent with section 10(4) of the Act.

Second, for each sector (e.g. health authorities, school districts, Crown corporations) we determine the sufficient level of direct audit involvement and oversight involvement in order to understand issues that are common to the group. The plan rotates involvement through the organizations on a two- to five-year cycle. This allows us to keep abreast of risks and issues in and across each of these groups.

Finally, for each organization we determine our level of involvement based on assessment of risk. Relevant risks considered include whether the organization:

- delivers a core service;
- has a high level of public interest;
- is significantly funded through appropriation or has a significant financial impact on the Summary Financial Statements;
- has a high inherent risk to government (with respect to programs delivered or roles fulfilled);
- is a complex organization;
- likely has future issues that could materially impact the Summary Financial Statements; or
- has other risk factors.

Based on these assessments of risk, we have determined that, for some organizations, our involvement must extend beyond five years. As well, for organizations that have been determined to be significant components of the Summary Financial Statements, assurance standards require that we have more than a low level of involvement.

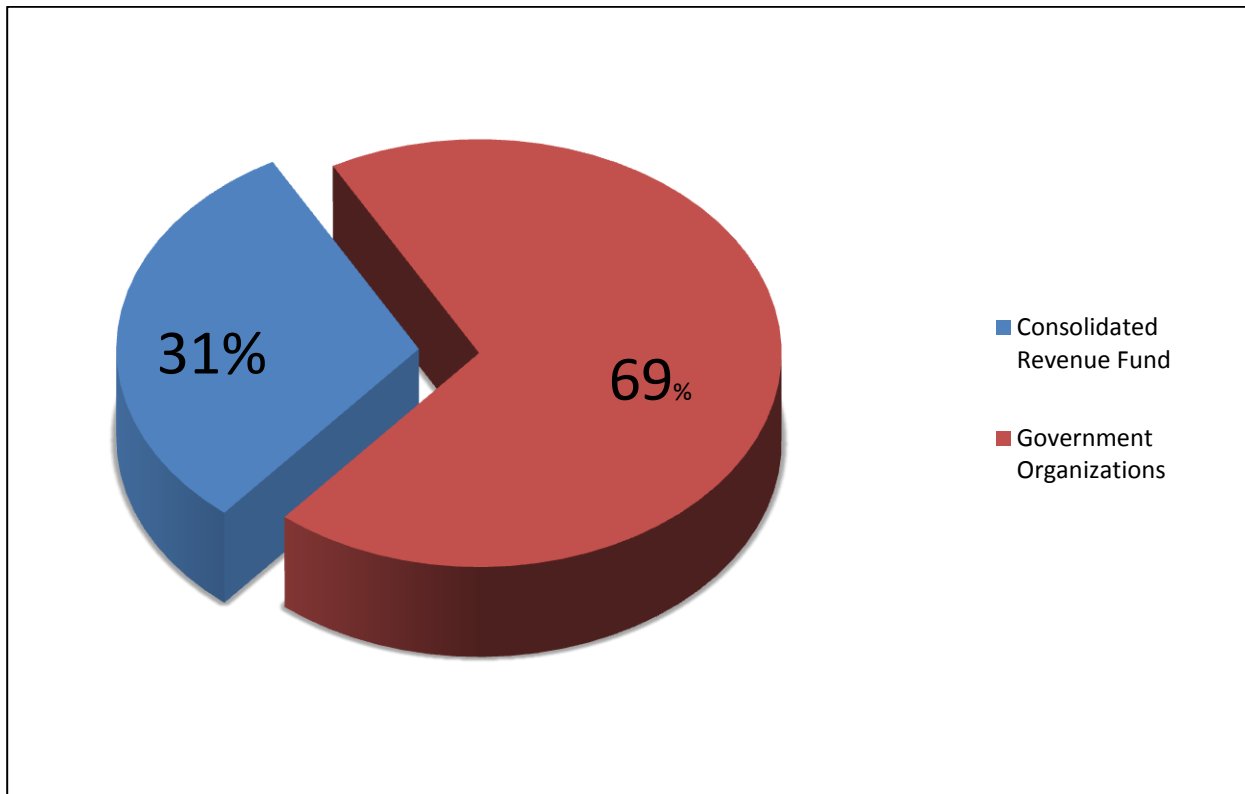
The requirement to appoint auditors is usually specified in the enabling legislation, constitution or bylaws of each organization.

Due to the changing risks involved with such a large audit, we have made a number of changes to the previous plan approved by the committee. These changes are detailed in Appendix B.

The Plan for 2014/2015 through 2016/2017

This plan addresses the audit of entities in the GRE that are not reported through the consolidated revenue fund (CRF). As shown in Figure 1, approximately two thirds, or 69 percent, of government expenses flow through these entities. CRF expenditures account for 31 percent of government expenditures, after excluding transfers from the CRF to fund government entities.

Figure 1 – 2013 total government expenses 2013



Source: Compiled by the Office of the Auditor General of British Columbia.

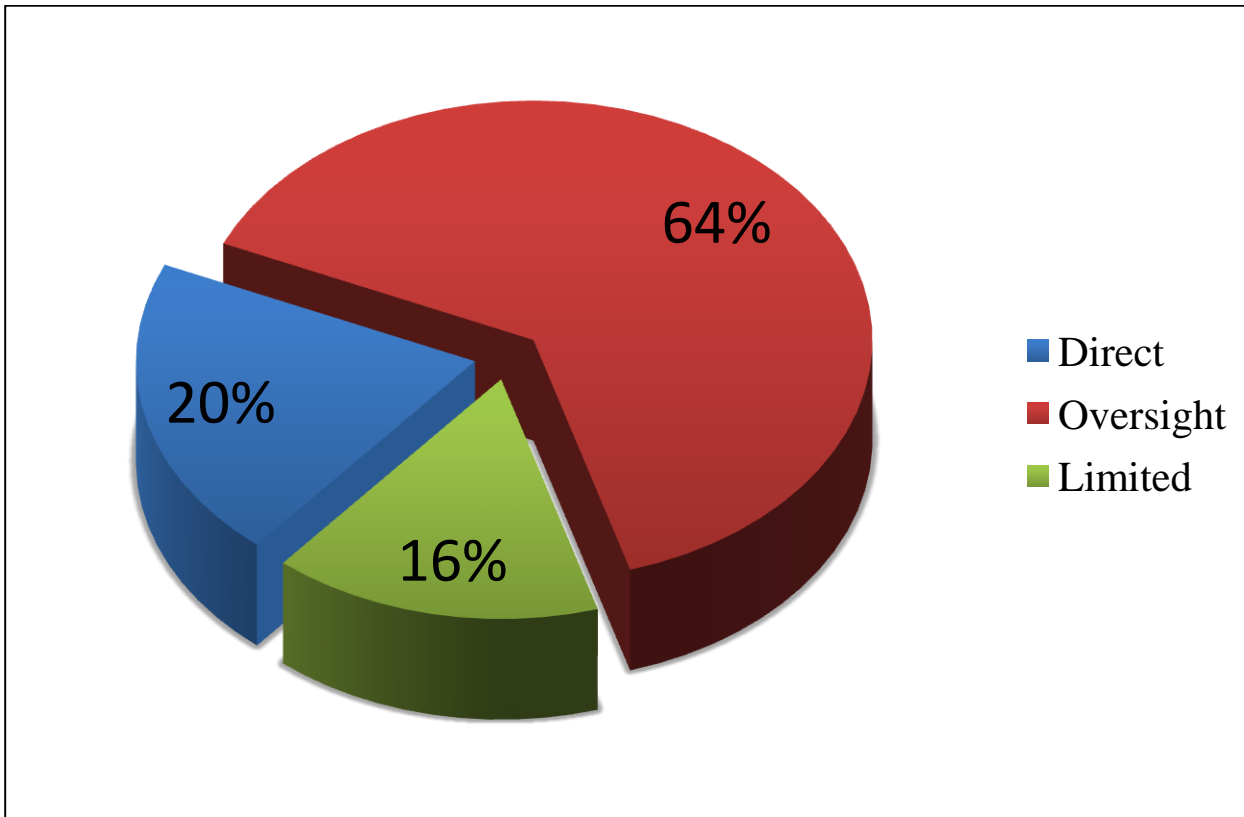
The proposed three-year audit coverage for fiscal years 2014/2015 through 2016/2017 for entities included in the GRE is summarized in the table below. The figures in this table, along with our involvement with other organizations, are presented in detail in Appendix A, starting on page 18.

Summary of Audit Coverage										
Entity Types	Expected # of Entities 2013/2014	2014/2015			2015/2016			2016/2017		
		Level of Involvement			Level of Involvement			Level of Involvement		
		Limited	Oversight	Direct	Limited	Oversight	Direct	Limited	Oversight	Direct
School districts	60	52	3	5	53	3	4	52	3	5
Universities, Colleges and Institutes	27	17	8	2	18	7	2	17	8	2
Health authorities	7	1	5	1	1	5	1	1	5	1
Hospital societies	9	8	1	0	8	1	0	8	1	0
Crown corporations	45	22	11	11	22	10	12	23	9	12
Trust funds	4	4	0	0	4	0	0	4	0	0
Total	152	104	28	19	106	26	19	105	26	20

There are more than 80 additional organizations that are controlled subsidiaries of government organizations presented in this plan. The financial results of these additional organizations are consolidated into the financial statements of the parent organization and, typically, the auditor of the parent organization is also the auditor of the subsidiary organization. Unless otherwise noted in Appendix A, subsidiaries of government organizations are not presented in these figures.

Since many 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 Figure 2, the Auditor General had either a direct or oversight level of involvement for 84 percent of government organization expenses for the 2012/13 fiscal year (as reported in the financial statements of individual government organizations). Note that Figures 2 and 3 exclude the expenses of core government operations, which are all audited directly by the Auditor General.

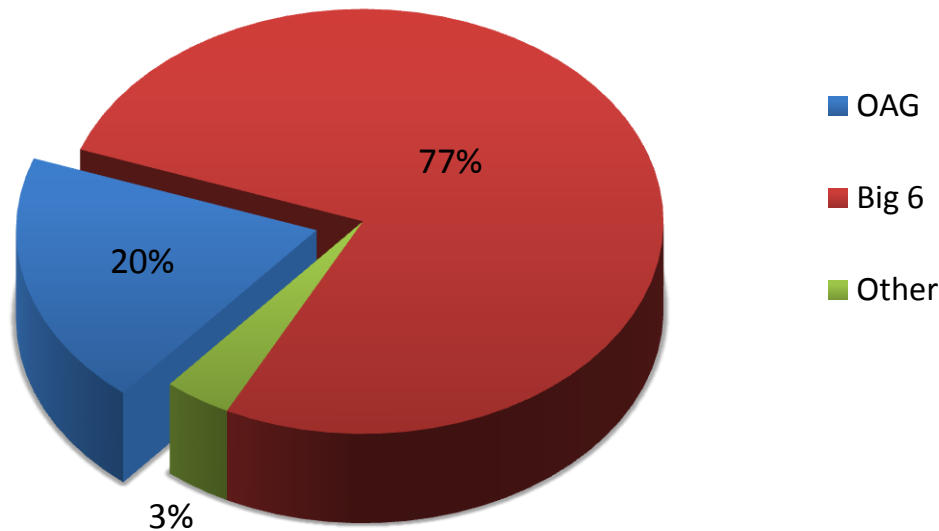
Figure 2: 2013 GRE expenses by level of audit involvement



Source: Compiled by the Office of the Auditor General of British Columbia.

As shown in Figure 3, of the entities where the Auditor General is not the appointed auditor, the vast majority of government reporting entities are audited by the “Big 6” accounting firms (BDO Canada LLP, Deloitte LLP, Ernst & Young Global Limited, Grant Thornton LLP, KPMG LLP and PricewaterhouseCoopers LLP). The OAG works closely with those accounting firms regarding their involvement in auditing government organizations.

Figure 3: Proportion of 2013 government organization expenses audited directly or by an audit firm



Source: Compiled by the Office of the Auditor General of British Columbia.

Appendix A shows the Auditor General’s proposed audit coverage by level of involvement for each government organization and trust fund, by each year of the plan. It also includes, for comparison, the implemented coverage levels for 2012/2013 and 2013/2014.

Each year, we revisit our risk and coverage assessments and revise the plan where needed. Appendix B presents a summary of all government organizations where the current year coverage (fiscal 2013/2014) and proposed coverage for 2014/2015 through 2015/2016 differ from the plan approved by PAC in November 2012. A brief explanation is given for each difference.

Additional Reporting Requirements Under the Act

Auditor General appointments exceeding five years

Section 10(7)(d) of the Act requires PAC's approval for the Auditor General to be appointed as auditor of a government organization 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 *Auditor General Act* was revised in 2003, the higher standards being considered for the accounting and auditing profession at the time included limiting firms to be the auditors of organizations for only five years. The intent was to minimize the risk associated with a potential lack of independence between the auditors and those they were auditing. Since then, however, the profession has instead adopted a regime of senior staff rotation on audit engagements, in addition to other safeguards to protect independence. In British Columbia, 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 exceeding seven years.

The Office of the Auditor General has a policy of rotating senior staff every five years on assurance engagements of government organizations that are considered to be significant.

In our monitoring of the auditor appointment process, we have noted that frequent audit firm rotation can be challenging in locations where there are only a few qualified audit firms to select from, or for audits where significant technical expertise must be maintained. In some cases, regular audit firm rotation is not feasible and objectivity is instead maintained through senior staff rotation.

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, in this plan we are attempting to balance the benefits achieved through auditor rotation with professional standards that require us to maintain appropriate knowledge and experience as necessary to fulfil 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 necessitates some audit engagements 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 appointment exceeding five years and consider if rotation to a private-sector audit firm would be appropriate. There are no audits where our direct involvement has exceeded five years that are being rotated to a private-sector auditor in this year's plan. Rotation of organizations to private-sector auditors is either not feasible or will have limited benefits at an increased cost.

We are requesting PAC's approval to continue as the appointed auditor for 10 government organizations where the terms as presented in the plan will exceed five years. The rationale for extending each appointment is listed in the following table.

Organization	Rationale for exceeding five years
BC Immigrant Investment Fund Ltd.	The complexity of the entity's programs and the risks associated with its financial reporting warrant the continued direct involvement of the OAG.
BC Pavilion Corporation	The nature of the entity's operations is changing and expanding. The changes, and how they are managed, represent a potential source of audit risk. This risk warrants the continued involvement of the OAG.
BC Transportation Financing Authority	<p>This organization is responsible for the significant capital financing of highway infrastructure projects. The significance and risks associated with these activities warrant the continued involvement of the OAG.</p> <p>This organization's audit opinion in 2011, 2012 and 2013 was qualified, and so our assessment of the financial reporting risk continues to be high.</p> <p>There is also a high degree of administrative integration with the Ministry of Transportation and Infrastructure and the Authority is the entity financing the province's contribution to a number of federal-provincial cost-sharing agreements that are audited separately by the OAG. As a result, it is more efficient for the audits of the ministry and the Authority to be conducted by the same auditor. (The Auditor General is, by legislation, the auditor of the ministry.)</p>
British Columbia Railway Company	The company is a significant subsidiary of BC Transportation Financing Authority, which is audited by the OAG. The Auditor General is responsible for the audit opinion; however, we conduct this audit by contracting with a private-sector auditor.
British Columbia Enterprise Corporation	This corporation is a non-active company managed by a ministry we already audit. Due to the high degree of integration with the ministry, it is more efficient for the Auditor General to continue as the auditor.
British Columbia Liquor Distribution Branch	<p>The British Columbia Liquor Distribution Branch is a branch of the Ministry of Justice. Therefore, the Auditor General of British Columbia is the auditor of record by statute.</p> <p>However, as our continued direct involvement is not warranted on the basis of risk, we conduct this audit by contracting with a private-sector auditor.</p>
British Columbia Transit	British Columbia Transit is an important organization in the transportation sector, with operations covering the entire province, except the Lower Mainland.

Organization	Rationale for exceeding five years
Columbia Power Corporation	Columbia Power Corporation plays a significant role in energy infrastructure projects, most recently the Waneta Dam. Management of these projects can have a large impact on stakeholders in the province. The risks associated with this company's operations warrant the OAG's continued involvement in the annual financial statement audit.
Oil and Gas Commission	The oil and gas industry is significant to the province and there are several high-profile issues including potential pipeline projects for liquefied natural gas. The OAG believes that retaining this engagement as a direct audit is warranted at this time in order to stay informed of activities that may impact the public.
Transportation Investment Corporation	This organization is responsible for the construction and operation of the new Port Mann Bridge, which became operational in fiscal 2013 and is now in the operations phase. The risks in the construction phase and the operations phase are unique. Therefore, our continued involvement at this time is warranted.

Summary of Consultations

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

Our annual consultation process starts with a discussion of proposed changes with governing boards and senior management of organizations that will be impacted by changes to the plan from the previously approved version. This consultation occurs during drafting of the plan. The form of consultation varies, but may include discussions with senior management and audit committee chairs or equivalent, and attendance and discussion at audit committee meetings.

We have finished consulting with all organizations affected by changes to this recommended plan, and all parties understand the proposed audit coverage. After the plan has been reviewed and approved by PAC, we will communicate in writing with those organizations impacted by changes to the plan. Periodically, we communicate with all government organizations to provide information on the Financial Statement Audit Coverage Plan process.

Implications for the OAG budget

Section 10(7) (c) of the *Auditor General Act* requires the plan describe how this proposal will affect the OAG's budget.

In our assessment, changes to the audit coverage proposed will have negligible impact on our budgeted cost for each of the fiscal years from 2014/2015 to 2016/2017. This is because changes to the overall level of audit coverage are generally small and incremental. As well, as previously described, audit coverage involvement is only part of the year-round stream of activity relating to our audit of the Province's Summary Financial Statements.

Accounting standards in Canada have changed, and as a result, virtually all government entities have now changed to a different financial reporting framework. As described in our upcoming report "*Observations on Financial Reporting: 2012/13 Summary Financial Statements*", government's issuance of the Restricted Contributions Regulation modified Public Sector Accounting Standards. As a result, many government organizations reported on a compliance (or non-

GAAP¹) basis in their financial statements. However, under the Act, the Auditor General must report each year on whether the Province's Summary Financial Statements are presented fairly in accordance with Canadian generally accepted accounting principles. This means that many government organizations consolidated into the Summary Financial Statements have to be audited based on two different accounting standards for the reporting of contributions revenue – one for the preparation of their financial statements and then in accordance with Public Sector Accounting Standards for consolidation into the Summary Financial Statements.

The way in which government conducts business continues to be complex. For example, public-private partnerships significantly increase the complexity of government's management of capital investment and operations. The Port Mann toll bridge, a first for the province, began operations at the end of 2012. As well, accounting standards continue to evolve. Two significant new standards that will come in to play the next couple of years are liabilities for contaminated sites and financial instruments. This makes our monitoring of risk to the Summary Financial Statements more onerous and will continue to increase the demands on our professional staff and resources.

Request for approval to audit organizations outside the government reporting entity

Section 14 of the *Auditor General Act* allows the Auditor General, with the consent of PAC, to be appointed auditor of an organization or trust fund that is not part of the Province's Summary Financial Statements.

Therefore, we request approval to continue to be the appointed auditor for the following three organizations that are outside the GRE:

1. WorkSafeBC – As an entity that is not controlled or managed by government, WorkSafeBC is not included in the Summary Financial Statements, yet it is still an entity of significance to all British Columbians. As indicated in Appendix A, we have decreased our level of involvement by contracting a private-sector audit firm to complete the audit fieldwork. The Auditor General still has overall responsibility for the audit and will sign the audit opinion.
2. Provincial Employees Community Services Fund – This organization is a small charitable employee trust for provincial employees. The OAG conducts a review of the annual financial statements, free of charge, to support the organization.
3. Langley School District Foundation – Staff at School District No. 35 (Langley) maintain the accounting records for the foundation, and so it is efficient and practical for the audit to be completed by the auditor of the School District, which at present is the OAG.

¹ Not in accordance with generally accepted accounting principles

Administration of the auditor appointment process

Once we have communicated PAC's decisions, 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 organizations, we monitor how this process is operating and how well it aligns with the mandate of the OAG. As part of our risk analysis, we also monitor length of appointment, audit cost and frequency of competitive process across the government reporting entity.

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

- making available a template for a request for proposal process, including a model service agreement for audit services; and
- being available to provide advice on specific issues or to provide more active advisory participation in the selection and appointment process.

We require that governing boards of government organizations include provisions for the appropriate involvement of the Auditor General in the service agreements with their financial statement auditors. We also recommend selection criteria based largely on auditor capability, audit strategy and price.

Appendix A: Detailed Financial Statement Audit Coverage Plan for Fiscal Years 2014/2015 through 2016/2017

PLAN LEGEND

- OAG: High involvement** – Audit performed by the Auditor General using existing staff (OAG-Direct) or private sector audit firms under contract (OAG-Contract).
- Oversight: Moderate involvement** – Auditors other than the Auditor General are the appointed auditors. However, the Auditor General conducts oversight procedures.
- Blank cells: Low involvement** – Auditors other than the Auditor General are the appointed auditors. The Auditor General has limited involvement, but may conduct work as required.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
School Districts					
Board of Education School District No. 5 (South East Kootenay)					
Board of Education School District No. 6 (Rocky Mountain)	Oversight	Oversight			
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)				Oversight	Oversight
Board of Education School District No. 20 (Kootenay-Columbia)					
Board of Education School District No. 22 (Vernon)					
Board of Education School District No. 23 (Central Okanagan)	Oversight				
Board of Education School District No. 27 (Cariboo-Chilcotin)					

PLAN LEGEND

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Blank cells: Low involvement – Auditors other than the Auditor General are the appointed auditors. The Auditor General has limited involvement, but may conduct work as required.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Board of Education School District No. 28 (Quesnel)					
Board of Education School District No. 33 (Chilliwack)					
Board of Education School District No. 34 (Abbotsford)	Oversight	Oversight			
Board of Education School District No. 35 (Langley)	OAG-Direct	OAG-Direct	OAG-Direct		
Board of Education School District No. 36 (Surrey)	OAG-Direct	OAG-Direct			
Board of Education School District No. 37 (Delta)				Oversight	Oversight
Board of Education School District No. 38 (Richmond)					
Board of Education School District No. 39 (Vancouver)		Oversight	OAG-Direct	OAG-Direct	OAG-Direct
Board of Education School District No. 40 (New Westminster)	Oversight	Oversight			
Board of Education School District No. 41 (Burnaby)					
Board of Education School District No. 42 (Maple Ridge-Pitt Meadows)					

PLAN LEGEND

OAG: High involvement – Audit performed by the Auditor General using existing staff (OAG-Direct) or private sector audit firms under contract (OAG-Contract).

Oversight: Moderate involvement – Auditors other than the Auditor General are the appointed auditors. However, the Auditor General conducts oversight procedures.

Blank cells: Low involvement – Auditors other than the Auditor General are the appointed auditors. The Auditor General has limited involvement, but may conduct work as required.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Board of Education School District No. 43 (Coquitlam)					
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)					
Board of Education School District No. 48 (Sea to Sky)			Oversight	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)					
Board of Education School District No. 52 (Prince Rupert)					
Board of Education School District No. 53 (Okanagan- Similkameen)			Oversight	Oversight	OAG-Direct

PLAN LEGEND

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Blank cells: Low involvement – Auditors other than the Auditor General are the appointed auditors. The Auditor General has limited involvement, but may conduct work as required.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Board of Education School District No. 54 (Bulkley Valley)	OAG-Direct	OAG-Direct			
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)	Oversight				
Board of Education School District No. 60 (Peace River North)					
Board of Education School District No. 61 (Greater Victoria)	OAG-Direct	OAG-Direct	OAG-Direct		
Board of Education School District No. 62 (Sooke)					
Board of Education School District No. 63 (Saanich)					
Board of Education School District No. 64 (Gulf Islands)					
Board of Education School District No. 67 (Okanagan-Skaha)					
Board of Education School District No.68 (Nanaimo-Ladysmith)					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
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)			Oversight	OAG-Direct	OAG-Direct
Board of Education School District No. 72 (Campbell River)					
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)					
Board of Education School District No. 81 (Fort Nelson)					
Board of Education School District No. 82 (Coast Mountains)					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Board of Education School District No. 83 (North Okanagan-Shuswap)	OAG-Direct	OAG-Direct	OAG-Direct		
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 (Conseil Scolaire Francophone)		Oversight	OAG-Direct	OAG-Direct	OAG-Direct
Universities, Colleges and Institutes					
British Columbia Institute of Technology	Oversight	Oversight	Oversight	Oversight	Oversight
Camosun College	OAG-Direct	OAG-Direct	OAG-Direct		
Capilano University					
College of New Caledonia	Oversight				
College of the Rockies					Oversight

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Douglas College	OAG-Direct	OAG-Direct			
Emily Carr University of Art and Design			Oversight	Oversight	Oversight
Great Northern Way Campus Trust ²	Oversight	Oversight			
Justice Institute of British Columbia		Oversight	Oversight		
Kwantlen Polytechnic University					
Langara College					
Nicola Valley Institute of Technology					Oversight
North Island College					
Northern Lights College					
Northwest Community College				Oversight	Oversight
Okanagan College					
Royal Roads University				Oversight	Oversight
Selkirk College	Oversight				
Simon Fraser University	OAG-Contract	OAG-Contract	Oversight	Oversight	Oversight
Thompson Rivers University	Oversight				
Trades Training Consortium of British Columbia ³					
University of British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight

² The Great Northern Way Campus Trust is owned equally by the British Columbia Institute of Technology, Emily Carr University of Art and Design, Simon Fraser University and the University of British Columbia.

³ Trades Training BC is a consortium of 16 colleges, universities and institutes.

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
University of the Fraser Valley		Oversight	Oversight		
University of Northern British Columbia			Oversight	Oversight	
University of Victoria	Oversight	Oversight	OAG-Direct	OAG-Direct	OAG-Direct
Vancouver Community College			Oversight	OAG-Direct	OAG-Direct
Vancouver Island University					
Health Authorities					
Fraser Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Interior Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
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	OAG-Direct	OAG-Direct	OAG-Direct
Vancouver Island Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Hospital Societies					
Bella Coola General Hospital					
Louis Brier Home and Hospital					
Menno Hospital					
Mount St. Mary Hospital					
Providence Health Care	Oversight	Oversight	Oversight	Oversight	Oversight

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
R.W. Large Memorial Hospital					
St. Joseph's General Hospital					
St. Michael's Centre					
Wrinch Memorial Hospital					
Crown Corporations					
BC Academic Health Council					
BC Games Society					
BC Health Services Purchasing Organization	OAG-Direct	OAG-Direct	N/A	N/A	N/A
BC Immigrant Investment Fund Ltd.	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
B.C. Pavilion Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
BC Transportation Financing Authority	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Assessment Authority					
British Columbia Council for International Education					
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 Power Authority	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Innovation Council					
British Columbia Liquor Distribution Branch	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract
British Columbia Lottery Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Public Schools Employers' Association					
British Columbia Railway Company ⁴	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract
British Columbia Securities Commission	OAG-Direct	Oversight	Oversight	Oversight	
British Columbia Transit	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Canadian Blood Services					
Columbia Basin Trust ⁵	Oversight	Oversight	Oversight	Oversight	Oversight
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 Corporations Employers' Association					
Destination BC	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct

⁴ The British Columbia Railway Company is a subsidiary of the BC Transportation Financing Authority.

⁵ Although named as a "trust", this is not a trust fund but a fully consolidated government organization.

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
First Peoples' Heritage, Language and Culture Council					
Forestry Innovation Investment Ltd.	Oversight	Oversight	Oversight	Oversight	Oversight
Health Employers Association of BC					
Industry Training Authority					
Insurance Corporation of British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight
Knowledge Network Corporation					
Legal Services Society					
Nechako-Kitamaat Development Fund Society					
Oil and Gas Commission	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Organized Crime Agency of British Columbia Society			Oversight	OAG-Direct	OAG-Direct
Pacific Carbon Trust Inc. ⁶	OAG-Direct				
Partnerships British Columbia Inc.	Oversight	Oversight	Oversight	Oversight	Oversight
Post-Secondary Employers Association					
Private Career Training Institutions Agency					
Provincial Capital Commission					

⁶ Although named as a "trust", this is not a trust fund but a fully consolidated government organization.

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Provincial Rental Housing Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
Rapid Transit Project 2000 Ltd.					
The Royal British Columbia Museum Corporation					
Transportation Investment Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Trust Funds⁷					
BC Public Service Long Term Disability Plan (Other Trust Funds)					
Credit Union Deposit Insurance Corporation of British Columbia					
Public Guardian and Trustee of British Columbia (Estates and Trusts)					
Supreme and provincial court (Suitors' Funds)					

⁷ Only those government Trust Funds that are significant to the Summary Financial Statements are included in this plan.

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Year Ending in 2013	Year Ending in 2014	Year Ending in 2015	Year Ending in 2016	Year ending in 2017
Other Organizations - CRF Organizations					
Office of the Representative for Children and Youth ⁸	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Other Organizations - Non Government Reporting Entity Engagements⁹					
Provincial Employees Community Services Fund	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
WorkSafe British Columbia	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract
Langley School District Foundation	OAG-Direct	OAG-Direct	OAG-Direct		

⁸ Pursuant to its enabling legislation, the Office of the Representative for Children and Youth is required to have an audit of its accounts performed each year by the Auditor General.

⁹ This table only includes those Non-Government Reporting Entity engagements for which the Auditor General is proposing audit coverage.

Appendix B: Summary of Changes from the Prior Year Plan Approved by the Select Standing Committee on Public Accounts in November 2012, for Fiscal Years 2013/2014 through 2015/2016

Organization	Changes	Rationale
Board of Education School District No. 54 (Bulkley Valley)	The prior year plan was for direct audit coverage in 2014/15 and 2015/16. The current plan is for limited involvement in those years.	As a result of including School District 93 (Conseil Scolaire Francophone) (see below), School District 54 (Bulkley Valley) has been changed to limited involvement.
Board of Education School District No.60 (Peace River North)	The prior year plan was for oversight involvement in 2015/16. The current plan is for limited involvement.	As a result of including School District 93 (Conseil Scolaire Francophone) (see below), School District 60 (Peace River North) has been changed to limited involvement.
Board of Education School District No. 93 (Conseil Scolaire Francophone)	The prior year plan was for limited involvement. The current plan is for oversight in 2013/14 before direct audit coverage in 2014/15.	As a result of ongoing assessment of our coverage of the government reporting entity, we have determined it would be appropriate to have one year oversight coverage for this organization before assuming direct audit coverage.
Emily Carr University of Art and Design	The prior year plan was for limited involvement. The current plan is for oversight involvement commencing in 2014/15.	As a result of ongoing assessment of our coverage of the government reporting entity, we have determined it would be appropriate to have oversight coverage for this organization.
Kwantlen Polytechnic University	The prior year plan was for oversight involvement in 2014/15. The current plan is for limited involvement.	As a result of including Emily Carr University of Art and Design as oversight involvement (see above), Kwantlen Polytechnic University oversight involvement has changed to limited involvement.
BC Health Services Purchasing Organization	The prior year plan was for direct audit coverage for the duration of the plan. It is anticipated that the entity will be wound up in fiscal 2014.	As a result of the entity being wound up for March 31, 2014 this entity has been removed from the coverage plan.
Destination BC	The prior year plan did not include Destination BC as the entity had not been created.	As a result of ongoing assessment of our coverage of the government reporting entity, we have determined that direct audit coverage is

Organization	Changes	Rationale
	The current plan is for direct audit coverage.	appropriate for this organization. We have exercised our right under the <i>Auditor General Act</i> to be the auditor for the first three years of its existence.
Leading Edge Endowment Fund	The prior year plan was for limited involvement. This entity was wound up during fiscal 2013 to become part of the British Columbia Innovation Council.	As a result of the entity being wound up for March 31, 2013 this entity has been removed from the coverage plan.
Partnerships BC	The prior year plan was for oversight involvement ending in 2013/14. The current plan is for oversight involvement for the duration of the plan.	As a result of ongoing assessment of our coverage of the government reporting entity, we have determined it would be appropriate to continue to have oversight coverage for this organization.