



NEWS RELEASE

For Immediate Release

June 17, 2015

Reports examine government's financial planning

VICTORIA - Auditor General of British Columbia Carol Bellringer has published two reports looking at government's long-term fiscal sustainability and revenue budgeting process.

Fiscal sustainability means government can provide services and meet financial commitments now and in the future. "There are risks to B.C.'s long-term fiscal sustainability," said Ms. Bellringer. By 2040, it is estimated that there will be 50% more seniors in B.C. than today. An aging population, rising healthcare costs, climate change, and the cost of maintaining and renewing infrastructure all indicate a trend that government revenue will decrease and expenses increase.

A long-term outlook will help government deal with fiscal pressures gradually; thereby avoiding crisis and sudden program changes. Globally, more governments are recognizing the importance of planning for long-term fiscal sustainability, but the concept is still in its infancy.

The B.C. Government reports on its present day financial health and certain aspects of long-term fiscal sustainability. However, since its financial planning is done on a three-year cycle, "government cannot demonstrate how decisions made today will result in a sustainable government in the future," said Ms. Bellringer.

The report makes a single recommendation and also provides detailed information on reporting practices in B.C. and other jurisdictions.

The second report is part of a phased approach to examine government's process for developing its annual budget. This report focuses on one significant portion of the budget: revenue. It provides MLAs and all British Columbians with a sense of how the complex revenue forecasts are compiled and whether the process is comprehensive. The Office found that government's revenue forecasts and forecasting processes are sound.

"Budgets predict the future and the predictions are based on educated assumptions made from a wealth of information, but the actual results will vary," explains Ms. Bellringer.

Both reports are available on the [Office of the Auditor General website \(http://www.bcauditor.com/pubs\)](http://www.bcauditor.com/pubs):

[*Monitoring Fiscal Sustainability*](http://www.bcauditor.com/pubs) (<http://www.bcauditor.com/pubs>)

[*Budget Process Examination Phase 1: Revenue*](http://www.bcauditor.com/pubs) (<http://www.bcauditor.com/pubs>)



OFFICE OF THE
Auditor General
of British Columbia

Auditor General Carol Bellringer will answer questions pertaining to both reports via a teleconference.

Teleconference Date: June 17, 2015

Time: 11 a.m. (Pacific Time)

Dial-in Information:

From Vancouver: 604 681-0260

From elsewhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 44848#

During question and answer period, to ask a question: Press 01

During question and answer period, to exit the question queue: Press #

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

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