

AUDIT AT A GLANCE

VANCOUVER COMMUNITY COLLEGE: EXECUTIVE COMPENSATION DISCLOSURES AUDIT

Why we did this audit

- Disclosures of employee compensation under the *Financial Information Act (FIA)* and the *Public Sector Employers Act (PSEA)* are not independently audited before they become public.
- We did this audit to provide assurance that disclosures comply with government requirements.

Objectives

To determine if Vancouver Community College's (VCC):

- *annual remuneration and expense disclosures for executives in its Statements of Financial Information complied with FIA requirements.*
- *annual compensation disclosures for executives complied with PSEA requirements*

Audit period: FIA and PSEA disclosures for 3 fiscal years: 2017/18, 2018/19 and 2019/20

Conclusion

We concluded that, in all material respects, VCC:

- complied with FIA remuneration and expense reporting requirements
- complied with PSEA executive compensation disclosure requirements

VCC has accepted the 4 recommendations we made on improving the way disclosures are prepared and strengthening internal controls.

What we found

Public reporting requirements met

- Errors we found were not materially significant.
- Disclosures presented as required by FIA/PSEA.
- The board reviewed and approved the disclosures.
- Disclosures available publicly as required

FIA expense reporting not well designed

- Not easy to identify and extract staff expenses from systems.
- Labour-intensive review is subject to human error.
- Not all potential sources of expenses are reviewed.

RECOMMENDATION 1, RECOMMENDATION 2

Internal control weaknesses exist

- Lack of guidance on procedures for preparing disclosures.
- Supervisors not required to formally document approvals.

RECOMMENDATION 3, RECOMMENDATION 4

After reading the report, you may wish to consider asking the following questions of government or VCC:

1. What is the purpose of having both FIA and PSEA reporting?
2. Why are FIA and PSEA reporting requirements different?
3. What can VCC do to make it easier to report employee expenses as required under the FIA?



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