



SERVICE PLAN 2021/22 – 2023/24

September 2021



OUR ROLE

ANNUAL REPORT 2020/21

OPERATING EXPENSES

| Expense type | Planned amount | Actual amount | Variance from planned amount |
|---------------------------------|----------------|---------------|------------------------------|
| Salaries and Benefits | 1,134 | 1,107 | 27 |
| Public Service Trust | 439 | 3 | 436 |
| Professional Services | 1,079 | 1,037 | 42 |
| Information Systems - Operating | 66 | 66 | 0 |
| Office and Business Expenses | 26 | 26 | 0 |
| Vehicle Expenses | 0 | 0 | 0 |
| Administration | 0 | 0 | 0 |
| Building Contingency Charges | 1,439 | 1,072 | 367 |
| Travel | 0 | 0 | 0 |
| Total | 4,108 | 3,241 | 867 |

Operating expenses

Salaries and benefits made up 31% of our total operating expenses. This means that changes in total spending on salaries and benefits in 2020/21 was \$127 million, or 31% of total operating expenses. The total year was \$2.2 billion, or 31% of total operating expenses. The average staffing level in the office for the year was 122 full-time equivalents. We had two retirements and 22 new hires with 22 staff including four new staff in our strategic human resources team and a new communications manager. The increase in total spending related primarily to separate restructuring and an increase in leave expense due to the pandemic.

TOTAL STAFF 121

OUR FINANCE

EXHIBIT 2: 2020/21 financial summary and comparison to planned

| Expense type | Planned amount | Actual amount | Variance from planned amount |
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The Office of the Auditor General of British Columbia would like to acknowledge with respect that we conduct our work on Coast Salish territories. Primarily, this is on the Lkwungen-speaking people's (Esquimalt and Songhees) traditional lands, now known as Victoria, and the W̱SÁNEĆ people's (Pauquachin, Tsartlip, Tsawout, Tseycum) traditional lands, now known as Saanich.

ACCOUNTABILITY STATEMENT

This report was prepared in accordance with the *Auditor General Act* and the *Performance Reporting Principles for the British Columbia Public Sector*. I am accountable for the results achieved and for the selection and tracking of the performance measures.

This service plan focuses on aspects critical for a general audience's understanding of the performance of the office. The measures reported are consistent with the mission, goals and objectives of our office, and the forecasts and interpretive statements represent the best judgment of our leadership team.

If you require more detailed information, please [contact us](#).



Michael A. Pickup, FCPA, FCA
Auditor General
Victoria, British Columbia
September 2021



A MESSAGE FROM THE AUDITOR GENERAL

MICHAEL A. PICKUP, FCPA, FCA
Auditor General of British Columbia

On behalf of the OAG leadership team, I am pleased to share the Office of the Auditor General's service plan for 2021/22 – 2023/24, my first service plan since being appointed in July 2020. Our leadership team has worked collaboratively on developing this plan – it's not the voice of one or two people, it's the voice of all of the leaders in our organization.

This is more than a plan, it's our story of how we aim to be a leading workplace: one that is inclusive and engaged, putting people first and focusing on delivering our best work to the legislative assembly.

The past year and a half has not been easy for our world. There have been many challenges due to the COVID-19 pandemic and there have been a lot of changes in response. Our office has not been immune to challenges and changes. It is my hope and desire, and that of our leadership team, that this plan sets a foundation that we can build on for years to come.

A handwritten signature in black ink, reading "Michael A. Pickup". The signature is written in a cursive, flowing style.

Michael A. Pickup, FCPA, FCA
Auditor General
Victoria, British Columbia
September 2021

VISION, MISSION, AND VALUES

Our Vision

Engaged people making a difference for the people in B.C.

Our Mission

We provide independent assurance and trusted information to assist the legislative assembly in holding government accountable. Our work contributes to improved financial reporting, programs, and services for the benefit of the people in B.C.

Our Values & Guiding Principles

We believe in supporting each other to learn and develop. Therefore, we will:

- Give people a chance to try new things.
- Delegate responsibilities and support one another in achieving success.
- Be compassionate when things don't go as planned and coach for success.

We believe in supporting everyone to do their best work. Therefore, we will:

- Recognize everyone's contribution and celebrate each other's successes.
- Cultivate an energetic and positive work environment.
- Keep simple things simple.

We believe in working together as a high performing team. Therefore, we will:

- Collaborate to achieve success.
- Respect people's position, knowledge, and experience.
- Recognize and value each other's strengths and interests.

We believe in acting with integrity. Therefore, we will:

- Do what we know is right even when it's difficult.
- Be kind, straightforward, transparent, and honest in our dealings with others.
- Uphold our high ethical standards.

We believe in being visionary. Therefore, we will:

- Question the status quo and embrace continuous improvement.
- Consult broadly to include diverse perspectives.
- Bravely support new and innovative approaches.

We are committed to creating and reinforcing diversity, inclusion, and safety. Therefore, we will:

- Build a safe environment where everyone feels they belong and are encouraged to bring their whole selves to work.
- Make space for all voices.
- Manage our biases and challenge our assumptions around differences.
- Address behavior that discriminates, excludes or makes someone feel unsafe.

GOALS, OBJECTIVES AND STRATEGIES

We have three goals that support our mission and vision, and align with our values and guiding principles.

Our Goals

- Live our values and work through difficult issues while treating people respectfully.
- Support each other to do our best work within an inclusive and engaged workplace culture.
- Deliver audits and trusted information from the resources that are entrusted to us.

Our Objectives

We have defined objectives that focus on three core categories: our people; our product; and our trusted information. From engagement to planning to innovation and public perception, these objectives encapsulate a vast array of work that, when fulfilled, will only help strengthen our office and work moving forward, and contribute to realizing our goals.

Our People

| | Baseline | 2021/22 | 2023/24 |
|--|----------------|---|----------------------------------|
| Increase employee engagement as measured through an engagement survey | 61 | 61 | 65 |
| Increase alignment of consistent behaviour and language to OAG values through explicit feedback provided within annual performance reviews | To be measured | Baseline defined as the number of annual performance reviews with quality feedback linked to OAG values | Baseline plus 50% |
| Increase capacity to sustainably deliver our service plan by developing succession plans for critical positions | To be measured | Critical positions identified | 100% of succession plans created |

Our Product

| | Baseline | 2021/22 | 2023/24 |
|--|--|--|--|
| Increase the quality and reliability of project work plans | Inconsistent quality and reliability of project work plans | Processes to establish quality and reliable work plans and targets created | 100% explainable budget to actual variances |
| Increase organizational ability to allocate resources to innovation projects | No clear definition of "innovation" | Definition of the value of, and approach to, innovation to support informed investment decisions is established with leadership team | A program that encompasses existing innovation projects, defines the investment of time to be committed, and definition of success established |
| Fully deliver the commitment as laid out in the: | | | |
| Financial Statement Audit Coverage Plan | 100% | 100% | 100% |
| Performance Audit Coverage Plan | 75% | 100% | 100% |

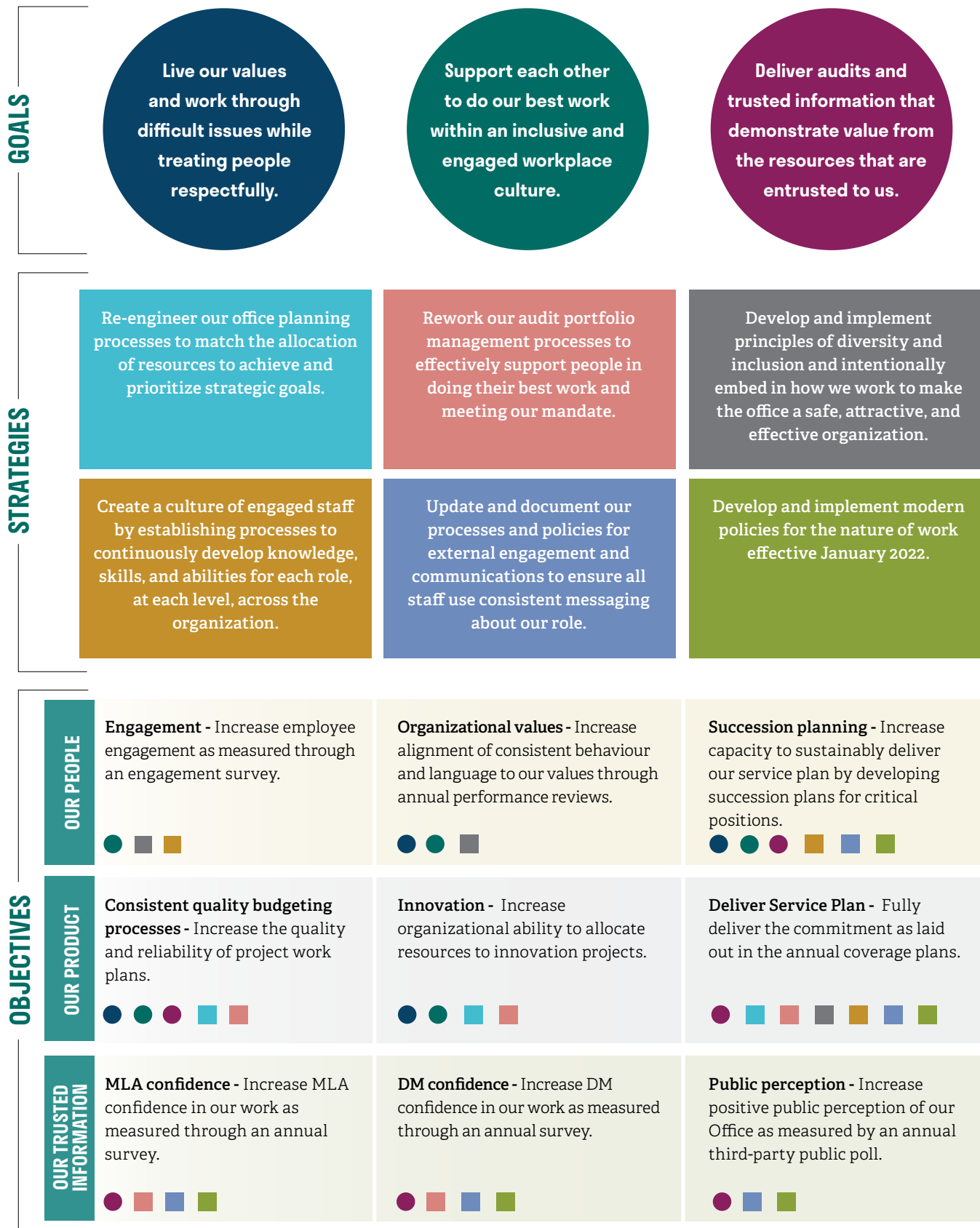
Our Trusted Information

| | Baseline | 2021/22 | 2023/24 |
|--|----------|---------------------|-----------------|
| Increase MLA confidence in our work as measured through an annual survey | Needed | Baseline identified | 100% confidence |
| Increase DM confidence in our work as measured through an annual survey | Needed | Baseline identified | 100% confidence |
| Increase positive public perception of our office as measured by an annual third-party public poll | Needed | Baseline identified | Baseline +1% |

Our 2021 Strategies

The strategies below will assist the office in achieving our objectives.

- Re-engineer our office planning processes to match the allocation of resources to achieve and prioritize strategic goals.
- Rework our audit portfolio management processes to effectively support people in doing their best work and meeting our mandate.
- Develop and implement principles of diversity and inclusion and intentionally embed in how we work to make the office a safe, attractive and effective organization.
- Establish processes to continuously develop knowledge, skills, and abilities for each role at each level across the organization, that leads to a culture of engaged staff.
- Update and document our processes and policies for external engagement and communications to ensure all staff use consistent messaging about our role.
- Develop and implement modern policies for the nature of work effective January 2022.



RESOURCE SUMMARY

In February 2021, the Select Standing Committee on Finance and Government Services recommended a \$1.5 million increase to our planned operating budget for fiscal 2021/22, and additional increases for the following two years. For the 2021/22 fiscal year, the office received a budget of \$20.082 million to deliver on this service plan. The committee said the increase “reflected on the important work of the office with respect to holding government accountable and how the proposed budget enables the office to address goals related to performance audits and public communication.”

Salaries and benefits for the office’s employees—our largest resource—account for 71% of the budget (see [Exhibit 1](#)). We supplement our audit staff with contracted expert professional services, which account for a further 10% of the budget. The mix between staff and contracted resources can often fluctuate and a decrease in actual staffing costs is often offset with an increase in professional services.

EXHIBIT 1: Office expenditures planned for fiscal years 2021/22–2023/24 (\$ thousands)

| Description | 2022 Budget | | 2023 Planned | | 2024 Planned | |
|------------------------------|---------------|-----|---------------|-----|---------------|-----|
| | (\$) | (%) | (\$) | (%) | (\$) | (%) |
| Salaries and Benefits | 14,242 | 71% | 14,527 | 71% | 14,816 | 70% |
| Professional Services | 1,910 | 10% | 1,950 | 9% | 1,990 | 9% |
| Audit Travel | 380 | 2% | 480 | 2% | 525 | 2% |
| Information Systems | 1,000 | 5% | 1,020 | 5% | 1,040 | 5% |
| Office and Business Expenses | 490 | 2% | 530 | 3% | 540 | 3% |
| Occupancy Costs | 1,670 | 8% | 1,700 | 8% | 1,740 | 8% |
| Amortization | 300 | 1% | 306 | 1% | 312 | 1% |
| Vehicle Expenses | 20 | 0% | 20 | 0% | 21 | 0% |
| Transfers - Grants | 70 | 0% | 70 | 0% | 70 | 0% |
| | <u>20,082</u> | | <u>20,603</u> | | <u>21,054</u> | |

Source: Office of the Auditor General of British Columbia and *Estimates, Fiscal Year Ending March 31, 2022*

Capital spending

The office is responsible for maintaining our own IT systems, furniture and equipment. As part of the normal life cycle, replacement is required and the office plans for this as part of our ongoing operations.

For the 2021/22 fiscal year, we will continue to replace, as required, our IT systems, furniture and equipment. Since 2019/20 we have been sharing space with the Office of the Human Rights Commissioner.

The office capital expenses for ongoing operations and new technology initiatives are shown in [Exhibit 2](#).

EXHIBIT 2: Office capital expenses planned for fiscal years 2020/21–2022/23 (\$ thousands)

| Description | 2021 Budget (\$) | 2022 Planned (\$) | 2023 Planned (\$) |
|-------------------------|------------------------|-------------------------|-------------------------|
| Furniture and Equipment | 30 | 30 | 30 |
| New Technology | 170 | 110 | 286 |
| Tenant Improvements | 0 | 0 | 0 |
| | 200 | 140 | 316 |

Source: Office of the Auditor General of British Columbia and *Estimates of the Fiscal Year ending March 31, 2022*



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