



# NEWS RELEASE

For Immediate Release

March 9, 2021

## **Vancouver Community College’s executive compensation disclosures comply with government’s requirements**

VICTORIA – The Office of the Auditor General has released its [\*Vancouver Community College: Executive Compensation Disclosures Audit\*](#).

The audit examined whether Vancouver Community College’s annual compensation disclosures for executives complied with the *Financial Information Act* (FIA) and the *Public Sector Employers Act* (PSEA).

### **Key findings**

The audit found that Vancouver Community College complied, in all material respects, with the FIA and the PSEA. Reporting errors were minor, and disclosures were presented in the formats required by government. The college’s board of directors reviewed and approved the disclosures, and they were made available for public review.

The audit also found areas for improvement, such as weaknesses in internal controls. For example, no formal internal procedures exist to direct staff on how to prepare disclosures and supervisors do not formally document their reviews and approvals. Management also needs to evaluate their approach to preparing FIA expense reporting to reduce the risk of errors and incomplete reporting.

“Vancouver Community College is doing a good job on reporting, but there’s room for some improvements,” said Michael Pickup, auditor general. “It’s good practice for organizations to review and improve their practices and internal controls regularly to manage risk.”

Public sector employers in British Columbia spend more than \$30 billion a year on employee compensation (salaries, benefits, expenses), more than half of the Province’s annual budget. Salaries and benefits are Vancouver Community College’s largest operational expense at \$88 million (2019-20) or 71% of its annual spending.

“Accurate information and good reporting about the full scope of executive compensation is an important aspect of transparency in the public sector,” Pickup said.

### **Recommendations**

The audit makes four recommendations focused on improving how disclosures are prepared and on strengthening internal controls that support the preparation of disclosures.

### **Background**

The FIA and the PSEA both require public sector employers to disclose executive compensation. The purpose of the FIA is to strengthen public sector financial reporting and foster greater transparency of



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compensation for senior public sector employees who earn more than \$75,000 in cash compensation within six months after the end of the organization's fiscal year.

The PSEA requires public sector organizations that fall under it to prepare executive compensation disclosures for CEOs and the next four highest earning employees earning over \$125,000, who are part of the organization's decision-making team.

The office has been the independent auditor of the college's financial statements for the last five fiscal years. The audit examined compensation disclosures for the five highest compensated staff for three fiscal years (April 1, 2017 to March 31, 2020).

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#### **About the Office of the Auditor General of British Columbia**

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 to conduct audits, report findings and make recommendations.

#### **Contact us**

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