



NEWS RELEASE

For Immediate Release

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Government's fraud risk management well underway – more to be done

VICTORIA – The B.C. government's framework to prevent, detect and reduce the impact of fraud has many of the required components but is not fully developed, the Office of the Auditor General says in a new report.

Fraud risk management in the B.C. government is decentralized and shared by the Office of the Comptroller General (OCG) and government ministries. The OCG provides oversight and support while ministries have their own processes and controls to manage fraud risk.

The Office of the Auditor General's team focused on the OCG's role in establishing an effective framework to manage the risk of fraud and whether that framework includes governance policies, risk assessment, prevention and detection activities, fraud investigations, and evaluation and monitoring.

The audit confirmed that most components of a fraud risk framework are in place, including clear direction on employee and ministry responsibilities, staff training, fraud prevention and detection activities, and regular reporting on losses due to fraud.

The audit identified two areas to be strengthened. Firstly, the OCG has rolled out a fraud risk assessment to individual ministries but needs to complete an overall, government-wide fraud risk assessment. Secondly, processes to monitor and report on fraud prevention and detection activities are in place, but monitoring of the overall effectiveness of government's fraud risk management framework will be improved by considering and reporting on the results of the fraud risk assessment.

The fraud risk assessment, scheduled to be completed by March 31, 2022, is designed to spot potential exposures to fraudulent financial reporting, asset misappropriation, or other illegal acts.

"The Office of the Comptroller General is making solid progress on its fraud risk management framework. It now needs to implement its fraud risk assessment as scheduled, keep it updated, and communicate it across government," said Auditor General Michael Pickup. "This will help make sure the risk of fraud is fully understood and the right safeguards are in place."

Recommendations

The report, [Fraud Risk Management: Office of the Comptroller General](#), includes three recommendations to strengthen the framework to manage fraud risk in the B.C. public service. The OCG have accepted all three of the recommendations.

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