

NEWS RELEASE

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AUDITOR GENERAL RELEASES REPORT ON B.C.'S FINANCIAL STATEMENTS

VICTORIA – Auditor General John Doyle has released his annual report on the provincial Public Accounts, in which he comments on the B.C. government's financial accounting and reporting practices. The report also provides further details on his audit opinion for government's 2009-10 Summary Financial Statements, which was again a qualified opinion.

“Audit reservations should not be taken lightly,” said Doyle. “The three reservations which caused me to qualify my opinion are the same ones identified in last year's audit opinion.”

Two of the three reservations relate to credits for oil and gas producers, while the third relates to the improper consolidation of the Transportation Investment Corporation, the Crown corporation responsible for constructing and managing the new Port Mann Bridge.

In addition, the report contains an analysis of other key issues, such as impending changes in Canadian accounting standards, the impact of rate-regulated accounting on the deficit, and an amendment to the *Budget Transparency and Accountability Act* that provides government with flexibility in defining generally accepted accounting principles.

The report also contains a compilation, from the audits of more than 150 government organizations, of recommendations from the auditors' management letters, which communicate significant issues found during an audit to management and governing boards. As well, the report includes a summary of a cross-government survey on governance, with overall positive results, and other issues of interest to legislators and the public.

“This report is an opportunity to both recognize the areas where government is demonstrating sound financial reporting, and identify and advise on those areas that need improvement,” said Doyle. “I would like to thank my staff and the private sector auditors who contributed to British Columbia's largest audit and made this report possible.”

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2010/11 Report #2 – *Observations on Financial Reporting: Summary Financial Statements 2009/10*

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