



## ***NEWS RELEASE***

*For immediate release: Aug. 8, 2013*

### ***\$3-billion dollar difference in the Province's bottom line explained***

VICTORIA — Auditor General Russ Jones released an information bulletin today explaining his three qualifications, or areas of concern, regarding the Province's recent Summary Financial Statements, titled [\*Audit Opinions are Important: A discussion of the qualified audit opinion on B.C.'s 2012/13 Summary Financial Statements.\*](#)

If government had adjusted these three areas using the new accounting standards and the format they committed to adopting, it would have recorded a \$1.7-billion surplus rather than a \$1.1-billion deficit.

“While a surplus sounds favourable, the Province would not have extra money,” said Jones. “These funds are already allocated to their respective major projects.”

The bulk of the difference relates to new accounting standards that all Canadian governments had to adopt this past year and that require certain funds to be accounted for in a different manner. The new standards are challenging to interpret and have multiple interpretations. However, Jones noted that “the major private-sector accounting firms in B.C. agree with my interpretation of the standard.”

Part of the challenge relates to government's need to “balance the budget” per its balanced-budget legislation. Jones acknowledges that balancing the budget according to accounting standards is more difficult, but certainly not insurmountable.

As much more arose from the Auditor General's annual audit of Government's Summary Financial Statements, Jones will release his detailed annual findings report *Observations on Financial Reporting: Summary Financial Statements 2012/13* this fall.

[\*Audit Opinions are Important: A discussion on the qualified audit opinion on B.C.'s 2012/13 Summary Financial Statements\*](#)

#### **About the Office of the Auditor General of B.C.:**

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 his staff (known as the Office of the Auditor General or the OAG) to conduct audits, report findings and make recommendations.

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