



Office of the
Auditor General
of British Columbia

April 2022

Office of the Auditor General of British Columbia Service Plan 2022/23 – 2024/25



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Mandate

Non-partisan and independent of government, the auditor general reports to the Legislative Assembly and provides assurance about government's overall operations. The auditor general serves an eight-year term as mandated by the [Auditor General Act](#).

The work of the office includes auditing over 150 organizations that make up the government reporting entity, including ministries, Crown corporations, universities, colleges, school districts and health organizations. These are organizations that are controlled by, or accountable to, the provincial government. The office's work contributes to improved financial reporting, programs, and services for the benefit of the people in B.C.

The auditor general's [financial statement audits](#), [performance audits](#), and information reports provide accurate, objective, and trusted information to report users that supports confidence and improvements in public sector reporting, programs and services. In addition to prioritizing areas of risk and significance when selecting audits, the auditor general is attentive to the priorities of the Legislative Assembly and the people of British Columbia in planning audit work.

The auditor general communicates the work of the office through [public reports](#) which are issued to the Legislative Assembly. Our audit reports are referred to the [Select Standing Committee on Public Accounts](#) for review and follow-up.



A message from the Auditor General



On behalf of the leadership team, I am pleased to share the Office of the Auditor General's Service Plan 2022/23-2024/25. We welcome the opportunity to update you on how we plan, work, and produce quality audits and reports that provide independent assurance and trusted information to the Legislative Assembly of B.C.

This service plan is driven by a renewed emphasis on corporate planning. Our office will align our service plans more directly with the *Auditor General Act* and the *Performance Reporting Principles for the B.C. Public Service*.

This fiscal year represents a turning point in the timing of our service plans. Prior years' plans have been "year-in-progress" documents that were presented with our annual budget submissions for the upcoming years. We are making the transition to a new reporting schedule for service plans. This fall, we will present our 2023/24-2025/26 service plan along with our budget submission for the corresponding years. The timing will be consistent with the requirement placed upon government ministries and organizations.

As we commence this new fiscal year, I'm proud of the step forward we've taken in this document that we will build on further in the fall. This new plan shows how our objectives are more balanced with our priorities and activities. We have selected performance measures that are more directly linked to our performance and offer better long-term, comparative value.

As you will see in this service plan, we are taking important and necessary steps that will contribute to the environment of inclusivity and engagement that defines our organization. Most of all, these measures will greatly assist our talented and dedicated community of employees to excel in the work they do for the Legislative Assembly and the people of British Columbia.

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.

A handwritten signature in black ink, which appears to read "Michael A. Pickup". The signature is fluid and cursive, written over a white background.

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

April 2022

Vision, mission, values and guiding principles

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.

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 is encouraged to bring their whole selves to work.
- Manage our biases and challenge our assumptions around differences.
- Address behavior that discriminates, excludes or makes someone feel unsafe.
- Make space for all voices.

Our goals

Support each other to do our best work within an inclusive and engaged workplace culture.

Live our values and work through difficult issues while treating people respectfully.

Deliver audits and trusted information that demonstrate value from the resources that are entrusted to us.

Our objectives

Objective 1: Improve clarity and consistency of processes and information used for corporate governance, planning and reporting

Following a period of high turnover among senior leadership and other key positions (and the resulting loss of knowledge keepers and cultural change), our office is now well positioned for a fresh, renewed focus on our mandate and values. We are determined to build credibility and effectiveness by looking closely at our governance structures and making sure they align with our goals.

Key performance indicator

Work Environment Survey – executive-level management driver

	2019/20 benchmark	2021/22 results	2022/23 target	2023/24 target (projected)	2024/25 target (projected)
Executive-level management score	46	59	63	67	70

Our February 2020 executive-level management score placed us in the bottom 15 per cent of organizations across the public service. We are committed to increasing our staff’s confidence in their leadership group, as represented by this performance measure which is supported by a well-trusted methodology developed by BC Stats. Our March 2022 results are an encouraging demonstration of the early progress that we hope to build on.

Secondary indicators

Additional Work Environment Survey drivers:

- *Vision, mission, values*
- *Organization satisfaction*

Our people

Objective 2: Foster an engaged workplace where all employees are safe, supported and respected

Our community of employees is our essential resource. Each person should be supported to work to their potential, understand how their role and performance fits the collective vision, and be respected and valued for their unique contribution toward shared goals.

Key performance indicator

Work Environment Survey – engagement score

	2019/20 benchmark	2021/22 results	2022/23 target	2023/24 target (projected)	2024/25 target (projected)
Engagement score	61	66	69	72	75

Secondary indicators

Additional Work Environment Survey drivers:

- *Respectful workplace*

Objective 3: Implement a sustainable workforce plan to build organizational capacity and limit operational risk

Our organization has unique challenges to build and maintain our workforce. Financial audit work has seasonal variations and our staff – primarily certified professionals with unique skills and experience – are difficult to recruit and retain. We compete with the private sector and with government for the best talent to support our financial audits, performance audits, and critical support services. We need a strategic approach to workforce planning that integrates recruitment, training and development, classification, and performance management.

Key performance indicator

Employee turnover rate

(permanent employee departures - % of permanent full time equivalent usage)

	2021/22 benchmark	2022/23 target	2023/24 target (projected)	2024/25 target (projected)
Turnover rate	21%	16%	12%	9%

Our review of available data has helped us to estimate an optimal, stable turnover rate for permanent employees as our long-term target. It will provide long-term benefits for workforce planning, recruitment, retention, development, and overall resource efficiency. A stable turnover rate will reflect improvements in workforce planning, recruitment, retention, and staff development.

In 2021/22, many permanent vacancies have been filled on a temporary basis, impacting our turnover rate. Our target for a reduction in this key performance indicator will support efficient resource usage in the long term. We've identified initial steps required to improve our data collection to better track and assess key people management metrics over time, which will also improve the reliability and utility of this and other secondary measures. This will allow us to better forecast our progress and refine our understanding of what a stable, optimal turnover rate will look like.

Secondary indicators

- Turnover rate breakdown by portfolio and classification
- Regular employee departure rate within first five years of employment
- Percentage of audit work performed by regular employees vs. auxiliary/contract

Our product

Objective 4: Maintain and demonstrate the quality of our audits

Our internal quality control system ensures our audit work meets professional assurance and quality standards. The impact of our reports depends on communicating and demonstrating their value. We look to external interested parties – the Legislative Assembly and Select Standing Committee on Public Accounts, as well as the people of B.C. and the government entities we audit – to measure the relevance of our work and how well we communicate it.

Key performance indicator

Level of confidence in audit work submitted to Select Standing Committee on Public Accounts

	2020/21 benchmark	2022/23 target	2023/24 target (projected)	2024/25 target (projected)
Overall public accounts committee confidence level	100%	100%	100%	100%
Public accounts committee response rate	67%	100%	100%	100%

The public accounts committee receives and considers our reports, and approves our *Financial Statement Audit Coverage Plan* annually, on behalf of the Legislative Assembly. Measuring their confidence in our work is the most direct way we can objectively assess the quality of our audit work and whether our reports are clear, relevant, and useful.

Secondary indicators

- Public awareness/perception (annual survey)
- MLA awareness/perception (annual survey)
- Audit recommendation implementation

Objective 5: Deliver our audit commitments on time and on budget

As the independent auditor of the government reporting entity (all ministries and over 140 additional public sector organizations), our office is responsible for the annual audit of the summary financial statements, auditing financial statements of specific public sector entities, conducting other financial audit work, and performance audits. Our mandate requires careful planning, resource management, and project management to deliver reliable and relevant information.

As performance audit topics are approved, they are published on our [Work in Progress](#) page.

Key performance indicator

- Reporting on the government's summary financial statements
- Delivery of planned number of audit/information reports to the Legislative Assembly

	2021/22 benchmark	2022/23 target	2023/24 target (projected)	2024/25 target (projected)
Number of audit/information reports	12	8	10	11

Our delivery of 12 reports in 2021/22, during a period of significant turnover and organizational change, strained our people and our capacity. We are committing resources to improve our portfolio and audit management processes. This will support sustainable improvement in our long-term output.

Secondary indicators

- Overall budget utilization
- Overall planned to actual costs of all audits (total)
- Number of audit opinions issued

2022/2023 Strategies

Our strategies represent the key priorities for each fiscal year to drive progress toward our objectives, fulfill our overall mandate, and ensure our audit commitments align with our organizational values.

In this first full fiscal year under our new mission, vision, values and guiding principles, we can reflect on the work done on our initial set of strategies established mid-2021 and apply lessons learned. This will establish a framework for the next fiscal year that is more informed and focused on our main organizational needs.

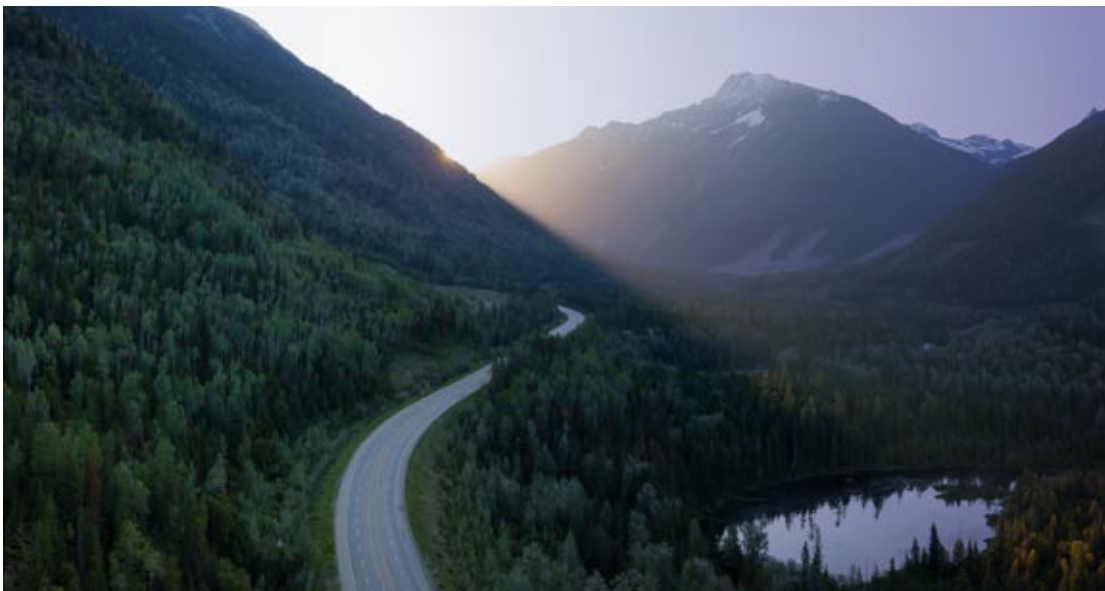
We are also implementing policies developed in 2021/22 to support a more flexible and efficient approach to work locations and schedules for our staff. This will leverage capacity developed during the pandemic to support our diverse group to work to their best potential and make us a more competitive and desirable modern employer. We look forward to this next stage in our evolution of working together as a community.

In 2022/23, we will:	Objective				
	1	2	3	4	5
1 Finalize the revision of our corporate governance framework to establish clear roles, responsibilities, accountabilities, and reporting.	✓				
2 Implement a revised corporate planning and reporting framework to match the allocation of resources to achieve objectives and prioritize organizational goals.	✓				
3 Rework our audit portfolio planning, capacity analysis and scheduling processes to effectively plan our audits and coordinate the resources required to deliver them more effectively and efficiently.					✓
4 Establish an ongoing framework to foster equity, diversity and inclusion principles in our workforce and our approach to our work.		✓			
5 Revise our HR policy framework to establish clarity around our external legislative and policy constraints, align with our values and guiding principles, leverage available tools, and ensure fair and consistent employment practices.			✓		
6 Replace our public website with a modern redesign to increase our public relevance and engagement.				✓	
7 Develop and integrate new policies and procedures into our existing framework of quality control in compliance with new Standards on Quality Management.				✓	
8 Rationalize our support functions and processes to provide consistent operational support and efficient workflows.			✓		✓

2023/24-2024/25: Looking ahead

Each year we will reassess our organizational needs, priorities, and resource requirements. These are some of the further initiatives we anticipate over the longer three-year time horizon.

Strategy	Objective				
	1	2	3	4	5
Ensure our employee performance management process is fully aligned with our strategic and service plans, and organizational planning cycles.	✓		✓		
Continue to develop key components of our workforce plan, including: <ul style="list-style-type: none"> • Recruitment strategy • Onboarding/offboarding process • Training and development framework 		✓	✓		
Establish a clear and controlled corporate policy process and structural framework.	✓		✓		
Increase capacity to sustainably deliver our service plan by developing succession plans for critical positions.			✓		
Redesign our office intranet and digital workflows on updated platforms to reliably support our business needs.				✓	
Increase the consistency and transparency of audit project management processes.	✓	✓			✓
Realign our audit management and time management tools with our refreshed portfolio and audit planning and management processes.					✓



Financial summary

For the 2022/23 fiscal year, the office received a budget of \$20.81 million to deliver on this service plan.

Salaries and benefits account for 71 per cent of the office's budget (see Exhibit 1). The cyclical nature of financial audit work requires us to supplement our audit staff with short-term contractors. We also hire contractors when specialized expertise is required.

Exhibit 1: Office expenditures planned for fiscal years 2022/23–2024/25 (\$ thousands)

Description	2023 Budget		2024 Planned		2025 Planned	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Salaries and benefits	14,727	71%	15,020	71%	15,320	71%
Professional services	1,936	9%	1,960	9%	2,000	9%
Audit travel	480	2%	490	2%	500	2%
Information systems	1,020	5%	1,040	5%	1,060	5%
Office and business expenses	530	3%	540	3%	550	3%
Occupancy costs	1,700	8%	1,730	8%	1,760	8%
Amortization	342	2%	440	2%	450	2%
Vehicle expenses	10	0%	10	0%	10	0%
Transfers - grants	70	0%	70	0%	70	0%
	20,815		21,300		21,650	

Source: Office of the Auditor General of British Columbia and *Estimates, Fiscal Year Ending March 31, 2023*

Capital spending

For the 2022/23 fiscal year, we will continue to replace, as required, our IT systems, furniture and equipment. This includes the addition of new equipment to enable hybrid meetings. The office capital expenses for ongoing operations and new technology initiatives are shown in Exhibit 2.

Exhibit 2: Office capital expenses planned for ongoing operations and new technology for fiscal years 2022/23–2024/25 (\$ thousands)

Description	2023 Budget (\$)	2024 Planned (\$)	2025 Planned (\$)
Furniture and equipment	15	30	30
New technology	400	125	233
Tenant improvements	-	-	-
	415	155	263

Source: Office of the Auditor General of British Columbia and *Estimates of the Fiscal Year ending March 31, 2023*

Implementation of a leading workplace strategy

In November 2021, our office put forward a budget request and business case to the Select Standing Committee on Finance and Government Services to implement a leading workplace strategy. The initiative would reduce our space needs by modernizing our workspace to accommodate a hybrid workforce. Upfront costs are estimated to be about \$2 million. Reducing our need for floor space would allow us to sublet about one-third of our space, generating revenue of \$3.6 million over our remaining lease and resulting in net savings of \$1.6 million. In April 2022, we are seeking approval from the committee for a supplemental budget to proceed with implementation of a leading workplace strategy for our offices. An estimate of the financial impact of the leading workplace strategy, pending committee approval, is presented in Exhibit 3.

Exhibit 3: Leading workplace strategy expenses and (savings) for fiscal years 2022/23–2024/25 (\$ thousands)

Description	2023 Budget (\$)	2024 Planned (\$)	2025 Planned (\$)
Operating expenses			
Office and business expenses	410	-	-
Occupancy costs	-	(325)	(325)
Amortization	-	120	120
Capital expenses			
Furniture and equipment	370	-	-
Tenant improvements	1,200	-	-
	1,980	(205)	(205)



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