

## *British Columbia's Public Accounts*

# Setting The Course

British Columbia's Public Accounts are designed to present financial statements that fully and appropriately disclose the financial position and operations of the government. In cooperation with the Auditor General and the Standing Committee on Public Accounts, the government continue to make improvements to better meet the needs of all users.

As part of the continuing efforts to improve the timeliness of financial information, the 1998/99 Public Accounts have been accelerated by an additional month. I would like to thank our dedicated staff in Corporate Financial Accounting and all our contributors of financial information that made this possible.

Over the past year, there has been additional, significant progress in dealing with the Auditor General's concerns regarding certain loans, tangible capital assets and the completeness of the reporting entity. The Auditor General's report on 1997/98 Public Accounts acknowledges that the province has improved its reporting. This year's audit opinion has only one remaining reservation—the reporting entity (*see below*).

With respect to certain loans of health, education and transit organizations, the province has completed the restructure of its social capital funding mechanism. Prepaid Capital Advances, instead of loans, are now provided to school districts, post secondary educational institutions, health organizations and other specified government organizations to fund capital asset acquisitions. As at March 31, 1999, the province released the funded portion of loans to these agencies and directly assumed the guaranteed debt.

British Columbia continues to lead the provinces on the capitalization of tangible capital assets. Capitalized assets of the Consolidated Revenue Fund (CRF) now include six classes. A schedule for the capitalization of the remaining asset classes has been approved and all major asset classes should be recorded and duly amortized by fiscal year 2001/02.

The reporting entity of the Summary Financial Statements changed from fiscal 1997/98 to include seven new organizations and a change in accounting treatment for two organizations. While the Auditor General still expresses concern over the exclusion of the regional hospital districts, public health care organizations, universities, colleges, institutes and school districts, comparison with other jurisdictions indicates that we are generally in accord with the practices of most other provinces in Canada. We will continue our discussions with the Auditor General to resolve the matter to our mutual satisfaction. We will also continue our practice of disclosing the financial impact of the Auditor General's recommended reporting entity in our reports.

Finally, with a view to improving the timeliness and usefulness of information provided in the Public Accounts, the financial statements of the organizations included in the Summary Financial Statements and the Detailed Schedule of Payments are included on the Internet at [www.fin.gov.bc.ca](http://www.fin.gov.bc.ca). A new browser is being added this year to improve search capabilities.

The Ministry of Finance and Corporate Relations looks forward to continuing its work on the Public Accounts with the Standing Committee on Public Accounts and the Office of the Auditor General.

If you have any comments or questions on the Public Accounts, please contact me by mail at PO BOX 9413 STN PROV GOVT, VICTORIA BC V8W 9V1, by email at [Arn.vanIersel@gems8.gov.bc.ca](mailto:Arn.vanIersel@gems8.gov.bc.ca), or by telephone (250) 387-6692.

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