

Office of the Auditor General of Alberta

**Auditor
General**
OF ALBERTA

The Independent Audit Office of the
Legislative Assembly of Alberta

**Results Report
for the Year Ended
March 31, 2025**

Brandon Lundy, MLA
Chair
Standing Committee on Legislative Offices

It is my pleasure to present the Standing Committee on Legislative Offices with the *Results Report for the Year Ended March 31, 2025* for my office.

This report reflects on the performance of our office in serving the Legislative Assembly and the citizens of Alberta for the year ended March 31, 2025.



W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General of Alberta

Edmonton, Alberta
November 2025

10

Things You Need to Know About the Office of the Auditor General of Alberta

1. Our work improves performance and promotes accountability within government.

We make recommendations that can result in better outcomes, better services, and better programs for Albertans.

2. We play a key role in the democratic system.

Appointed under the *Auditor General Act*, the Auditor General is an Officer of the Legislative Assembly and is the auditor of the province's consolidated financial statements, and most provincial agencies, boards, commissions, and regulated funds.

3. Our independence is vital.

We are independent (nonpartisan) of government and those we audit. Our work is mandated in legislation, and is not negotiated under contract, ensuring our independence of what we audit and how we report the results of our work. This ensures our work is objective and we are a credible and trusted source of information on government spending and activities.

4. We do two types of audits:

Financial statement audits—We audit Alberta's consolidated financial statements annually, which represent the financial affairs and resources of the province. We also issue independent financial audit opinions on most provincial agencies, boards, commissions, and regulated funds.

Performance audits—We assess whether processes are operating as intended to ensure economy, efficiency, and effectiveness of program and service delivery.

5. Our audits:

- **report** on how government is managing its responsibilities and the province's resources
- **provide independent assurance** to the 87 Members of the Legislative Assembly of Alberta (MLAs) and the people of Alberta that public money is properly accounted.

6. We present our audit reports to all MLAs and table them in the Legislative Assembly.

We provide MLAs with independent, accurate, and reliable data and information on government spending and performance. We then post our reports online so Albertans can learn more about our work.

7. Readers of our audit reports use them to:

- learn if government programs, processes, and services are working as well as possible
- help MLAs report to their constituents
- provide information for MLA committee work

8. Our goal is to have our work acted upon.

We work with MLAs who are members of the Standing Committee on Public Accounts. This nonpartisan committee reviews government spending and our reports to examine how government has accounted for and used public funds, and how it is acting on our recommendations.

The value of our work is fully realized when our recommendations are acted on. We achieve that goal when government managers implement our recommendations.

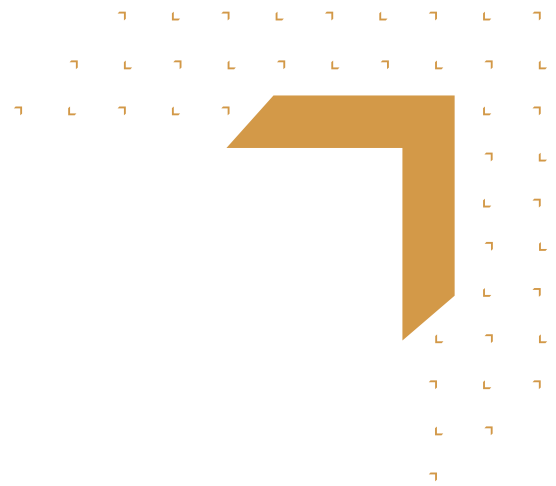
9. We want to hear from you.

MLAs and all Albertans should feel free to reach out to our office regarding any concerns within the Auditor General's mandate.

Contact us with any questions or ideas for audits at info@oag.ab.ca or [suggest an audit](#).

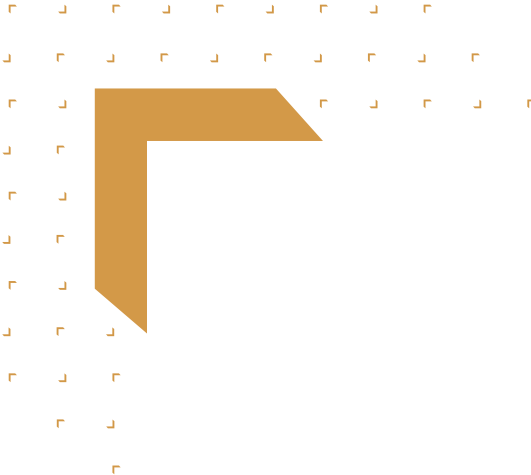
10. Learn more.

Our website (oag.ab.ca) includes all our reports and recommendations.



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Office of the Auditor General of Alberta Results Report 2024–2025

Message from the Auditor General

Welcome

Welcome to the 2024–2025 Results Report from the Office of the Auditor General of Alberta. At our office, we are driven by our commitment to the public good. Through our work, we bring an impartial, outside lens to government finances and activities. We safeguard the public interest and promote accountability in government to benefit all Albertans. Our work supports Members of the Legislative Assembly of Alberta to make informed decisions and provides government managers with the information they need to enact sound fiscal and social policies.

In the following pages, you will find an overview of the many and varied activities of my office for fiscal year April 1, 2024 to March 31, 2025. We include highlights from audits completed in 2024–2025, assessments of implementation of prior recommendations, as well as a summary of our operational activities.

Delivering Excellence

I am pleased to report that my office conducted a total of 96 financial audits, including the audit of the *2023–2024 Consolidated Financial Statements of the Province of Alberta*. In addition, we released seven performance audits, with another five in progress for anticipated release next year. Work underway includes two priority examinations: community lab services' contract with DynaLIFE, and procurement and contracting processes at Alberta Health Services and the Department of Primary and Preventative Health Services. For all reports released through the year, I invite you to visit our website.

Meeting Operational Goals

My office has two main operational priorities: one, to engage and support our people, and two, to maximize the value of our products. Under each priority, we have several strategies to support the engagement and growth of our highly skilled staff as well as strategies to ensure that we have the right processes, technology, and supports to accomplish our work efficiently.

In early March 2025, CPA Alberta completed a review of our audit practice to ensure we comply with the standards set out in the *CPA Canada Public Sector Accounting Handbook* and the *CPA Alberta Rules of Professional Conduct*—a review which occurs once every three years. I am proud to report our work complied with professional standards and had no deficiencies.

Managing our financial resources responsibly remains a top priority. As shown in our financial statements included in this report, we received a clean external audit opinion for the year ended March 31, 2025. Despite no increase in our 2024–2025 budget, we managed inflationary pressures and salary increases by hiring junior level staff, limiting travel, and reducing administrative contracts. As a result, we ended the year with a small deficit of less than one per cent.

Our Thanks

I would first like to extend thanks to the Members of the Public Accounts Committee and all Members of the Legislative Assembly for the critical role they play in ensuring accountability and transparency throughout government.

Second, my thanks to the audit entities we engage during our work. Credible, reliable financial and performance auditing is not possible without trust, respect, co-operation, and collaboration between the members of my team and those we audit.

Finally, I want to thank all staff in the Office of the Auditor General of Alberta for their steadfast dedication and outstanding work for the people of Alberta. Their commitment to excellence and accountability in public service is illustrated throughout the pages of this annual results report.



Doug Wylie FCPA, FCMA, ICD.D
Auditor General of Alberta



Our Team

Our Vision

Recognized as a credible and independent source of assurance in the public sector.

Our Mission

Our work improves performance and promotes accountability within government.

Our Values

Trust | We earn it with everything we say and do. We are accountable for our actions.

Respect | Everyone deserves the right to be heard and deserves to be treated with dignity and courtesy.

Diversity of Thought | We encourage open minds, innovative thinking and constructive challenge.

Teamwork | With integrity, we work together to generate better solutions.

Growth | We view individual success as professional growth together with a fulfilling personal life. We value both.

Office Leadership Team

W. Doug Wylie
Auditor General



Robert Driesen
Assistant Auditor General



Patty Hayes
Assistant Auditor General



Brad Ireland
Assistant Auditor General



Eric Leonty
Assistant Auditor General



Karen Zoltenko
Business Leader, Audit Practice



Our Staff

Ria Abbi	Taylor Donovan	Fouad Kamel	Asma Mushtaq	Carla Schwabe
Haider Abrar	Robert Driesen	Upneet Khokher	Jey Naicker	Colin Semotiuk
Wafaa Abuoun	Mydhel Eborá	Theo Kim	John Nodado	Kiran Shahid
Uwa Aiyanyor	Zineb El Filali	Jessica King	Helen Oaikhena	Alisha Singh
Najib Alamyar	Loulou Eng	Wade Knittig	Nina Ocampo-Ramos	Diljot Singh
Daliah Al-Shawabkeh	Danijel Fajic	Ana Kottke	Byron Ofner	Robert Smadella
Pam Appelman	Karen Farquharson	Ruslana Krasivska	Evan Oslund	Samuel Spencer
Graeme Arklie	Steve Fedorchuk	Saketh Krishnan	Sergii Panov	Emmanuel Ssembatya
Precious Babale	Michelle Fleming	Jordan Kwan	Vishwa Patel	Nadine Stewart
Palvinder Bagri	Pavanveer Flora	Cheryl Lalonde	Bradley Payne	Maysa Taha
Emily Basinal	Anna Flores	Kent Lam	Phil Peters	Naila Tahir
Anterpreet Bawa	Ken Freier	Tim Lamb	Zackery Petruniak	Murad Tirmizey
Philip Benade	Cam Funnell	Lisa LaRocque	Myllene Polo	Natalie Tran
Samantha Bernard	Martina Galkiewicz	Jeline Lee	Jasmine Poon	Lori Trudgeon
Yared Beyin	Tim Gallagher	Eric Leonty	Diana Potapovich	Fong-Yee Tsai
Pablo Binas	Licette Galorio	Kevin Li	Ibi Power	Zachery Turner
Lisa Bishop	Hamit Gandoke	Amanda Liang	Steve Power	Sergio Valacco
Manuela Buretia	Ellen Gao	Chunmei Lin	Amy Prenc-Perry	Heather van Straaten
Robert Burgess	LeeAnn Garbe	Scott Loder	Ayesha Qayoom	Rhonda Wakal
Karl Capupus	Jaspreet Gill	Cecilia Lorenz	Susan Qi	Edna Wang
Matthew Cardoza	Madison Gillies	Kevin Lourenco	Lulu Qian	Laurel Wang
Carissa Cervania	Nicole Greenwald	Alice Lu	Hannie Quiambao	Nancy Wang
Annie Chan	Gillian Haney	Kimberly Lyttle	Ram Rajoo	Zan Wang
Bryce Co	Tim Hanson	Yassir Madih	Fay Ramler	Iris Wen
Taylor Collins	Patty Hayes	Nikolina Maljevic	Alejandro Ramos	Mark Wright
Darci Cowan	Matthew Hicks	Gurminder Mander	Nabeel Rehman	Doug Wylie
Stephen Dawe	Pam Hlewka	Maureen Manning	Princess Reyes	Han Xiao
Colleen Day	Michael Hoffman	Shania McKay	Hamza Rizwan	Ethan Yamulky Janela
Rachel De Luna	Jamie Hon	Christopher	Nelson Robe-From	Annie Yeung
Holly DeBelser	Sandra Hughes	Michell-Viret	Medley Russell	Odysseus Yin
Arlene Deluca	Karen Hunder	Phil Minnaar	Harman Sahota	Christopher Yong
Tej Deol	Mohammad Iqbal	Tatiana Mironas	Eugene Santiago	John Zabos
Jackie Di Lullo	Brad Ireland	Carmen Misal	Norilyn Santos	Zoya Zahir
Rosanna DiAntonio	Mohamed Jarrah	Tanja Misita	Nilakshi Sarker	Marcela Zicha
David Dias	Monica Jesce	Faezeh Moeini	Karen Schmidt	Christopher Zindi
Marielle Diaz	Long Jin	Salima Moorji	Cheryl Schneider	Karen Zoltenko
Shawn Dineen	Anoop John	Wayne Morgan	Ruth Schneidmiller	Doug Zurbrigg

Our Year By the Numbers



**Audit reports
completed:**

115

(2023-2024: 115)

Costs dedicated to
performance audit vs.
financial statement audit:

27% : 73%

(2023-2024: 28%: 72%)

**New recommendations
accepted by government:**

26

(2023-2024: 8)



**Public
inquiries:**

227

(2023-2024: 104)

**Recommendations
implemented by
the government:**

17

(2023-2024: 24)

Office budget 2025:

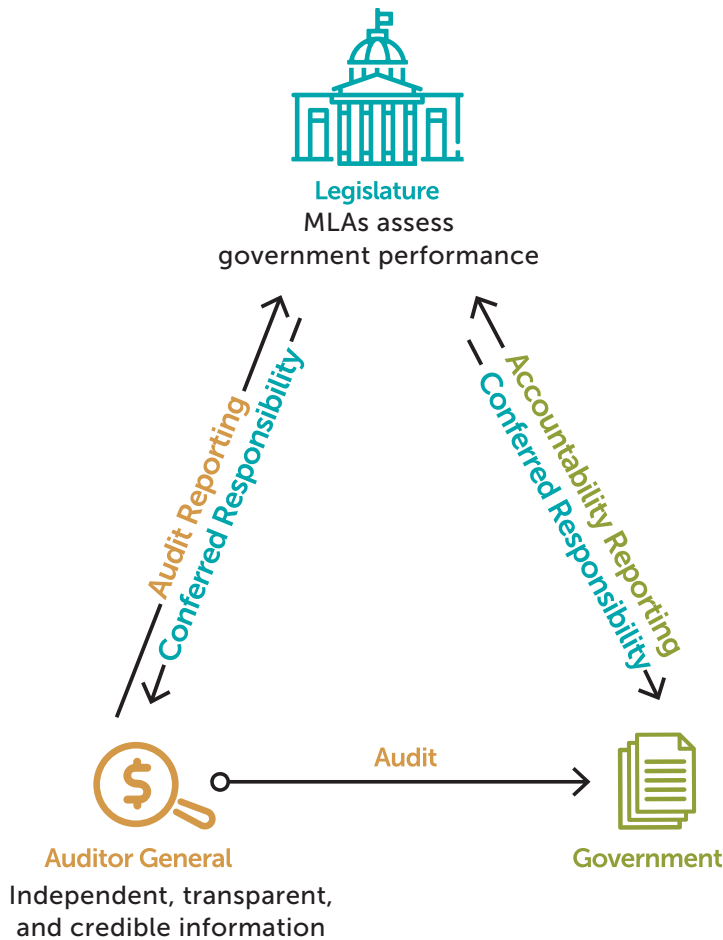
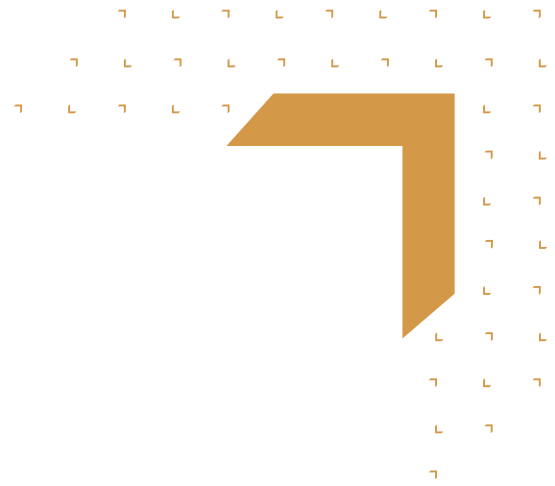
\$29.6M

(2023-2024: \$29.6M)

\$ government expenses we audited:

\$70.4B

(2023-2024: \$64.5 billion)



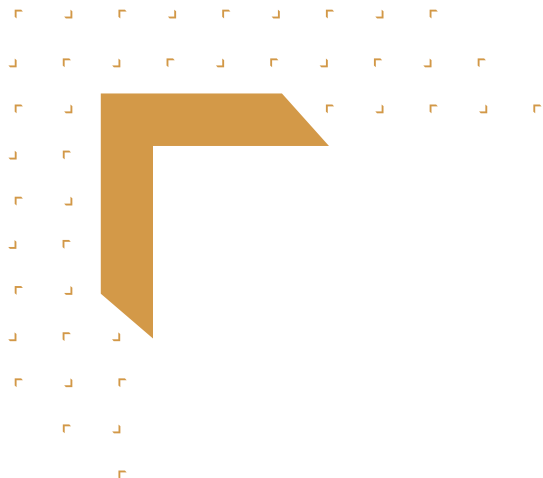
About Legislative Auditing

In Canada, as in other parliamentary systems, the public purse is controlled on behalf of the people by their elected representatives, the Members of Legislative Assemblies. It is up to a government to draft budgets and spending estimates. They may neither collect nor spend taxpayers' money without the express approval of the Legislative Assembly.

After a government spends the money entrusted to it, it is obligated to report to the Assembly on how it used the money. The government provides the Assembly with information about the use of the public funds entrusted to it. The Assembly needs independent assurance that this information is appropriate, relevant, credible, and complete, and that it accurately reflects the results of the activities of government. The way in which it obtains such assurance is through an independent audit function set up to assist in fulfilling its oversight role. The audit function is therefore a critical link in the chain of public accountability for results and a vital part in the democratic process of responsible government.¹

In Alberta, this independent audit function is fulfilled by the Office of the Auditor General. Our independence from government ensures our work is objective and we are a credible and trusted source of information on government spending and activities.

¹ Legislative Audit: Serving the Public Interest, Canadian Council of Legislative Auditors (COLA) Study Group on Defining the Profession of Legislative Auditing, 2000.



Our Lines of Business

Financial Statement Audits:

The core responsibility of the Office of the Auditor General is to conduct independent, credible audits of the province's consolidated financial statements as well as the financial statements of most provincial agencies, regulated funds, boards, and commissions. These audits provide assurance to Albertans that the financial statements are free from material errors and are fairly presented in accordance with applicable accounting standards. Beyond verifying accuracy, financial statement auditing also looks ahead—highlighting significant risks and liabilities that the province, and Albertans, should be aware of.

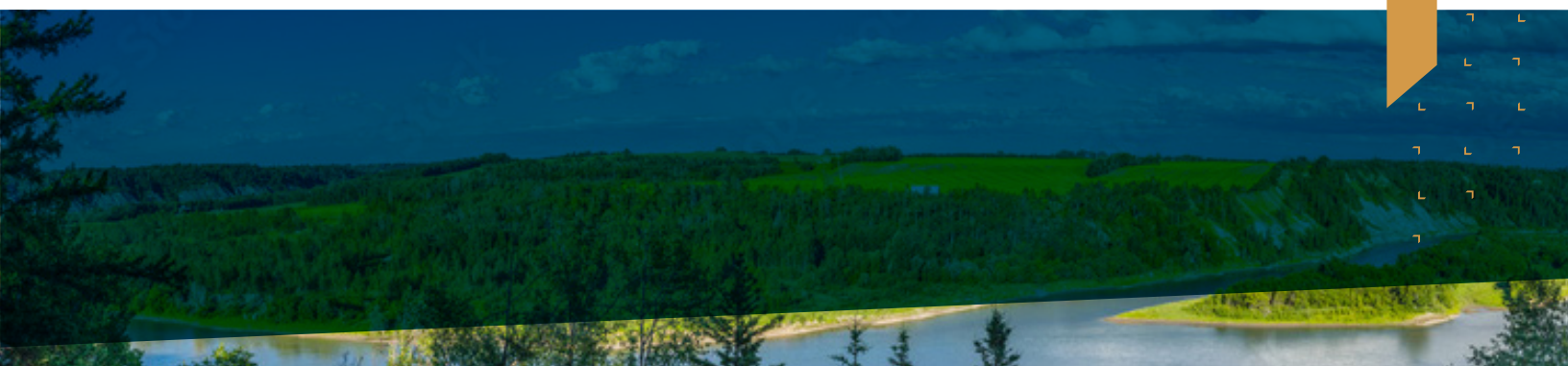
Performance Audits and Other Examinations:

As the legislative auditor for most provincial entities, our office holds a unique position of insight and expertise. We leverage this advantage to identify opportunities for improvement and deliver audits that drive better outcomes for Albertans.

During performance audits and other examinations, we examine how well specific government programs and services are managed and delivered. We assess whether processes are designed appropriately and operating as intended, with a focus on economy, efficiency, and effectiveness. We also evaluate whether the outputs of these processes provide information that aligns with best practice standards.

Assessments of Implementation:

When government accepts our recommendations, the responsibility for implementation rests with government managers. Our office monitors and reports annually on the status of each recommendation. Once the audit entity informs us that the implementation is complete, we conduct a final assessment to determine whether significant improvement has been achieved. We do not re-audit the new processes. Instead, management is responsible for demonstrating what they implemented and how they ensure the changes are operating as intended. If management provides sufficient documentation, we assess the recommendation as implemented. If not, we repeat our recommendation.



Operational Priorities

Priority 1: Engage and Support Our People

Our people are the most important part of our business.

Recruiting, retaining, and training the right people is a priority for our office. With a focus on developing audit experts in the public sector, we provide a range of training at every stage of team members' development, from articling CPA students to senior audit staff. This includes a dedicated leadership development program. As a training office, we are proud to contribute to the profession and proud of our employees both past and present, including those who have gone on to be respected and successful leaders in other organizations.

Our Goal:

Full staff complement of skilled professionals who are proud of the work they do

Areas of Focus for 2024-2025:

- Recruitment:
 - Streamlining our recruitment process and using continuous recruiting strategies to promptly fill vacancies with high quality candidates
 - Increasing awareness of the unique career experiences we offer through our website, social media, and presentations—especially to accounting students at Alberta's post-secondary institutions
- Retention: Leveraging leadership communication strategies to keep staff engaged and informed of corporate priorities and key initiatives
- Development: Implementing strategies to develop talent from within and plan for succession

Our Results:

Auditing requires professionals with a deep understanding of complex accounting standards, along with the experience and professional judgment to assess how those standards are applied. Audit professionals are in demand and competitive markets are the norm—and that’s unlikely to change.

Measure—Not met	Target	Actuals	Prior Year
Audit staff retention rate	> 80%	72%	77% ²

This year, our retention rate was 72 per cent, below our target of 80. The shortfall reflects the ongoing high demand for skilled audit professionals and competitive market conditions. While we aim to maintain a full staffing complement, we recognize that turnover is a persistent challenge in today’s environment. Nonetheless, we remain committed to retaining at least 80 per cent of our audit staff annually.

Turnover directly impacts our ability to complete our work—especially performance audits, which rely heavily on the expertise of experienced managers and engagement leaders. In response, we applied the following strategic initiatives to recruit, retain and develop our staff.

Strategic Initiatives

Streamlining and focusing recruitment:

This year, we enhanced our recruitment process by adopting a team-based approach to keep candidates moving through the hiring stages with fewer delays. Also, maintaining a posture of continuous hiring supports faster average hiring times as it allows us to engage candidates based on their readiness—sometimes even before a vacancy arises. By qualifying candidates earlier in both proactive and reactive hiring strategies, we move more quickly with experienced candidates, especially those in high demand or facing competitive offers. We look for candidates with a desire to learn, especially in the areas of data analytics and artificial intelligence. These areas continue to be top of mind for our office as we evolve with changing technology. We are also looking for candidates with different areas of expertise, beyond external audit, to fill our performance auditor vacancies.

As a result of our streamlined efforts, we hired 32 new audit staff during 2024–2025, most of them at entry level auditing positions (2023–2024: 25 new audit staff at various levels). This marks a significant increase in recruitment; however, we were still short of our full complement with four vacant senior positions in the performance audit line of business.

Because high market demand for professionals continues to challenge our audit staff retention—particularly among newly designated CPAs—and recruiting experienced professionals in a competitive market has proven difficult, we invest significant time into recruiting talented post-secondary graduates. This year, we visited the University of Alberta, Mount Royal University, MacEwan University, and NAIT to expand students’ awareness of public sector auditing and promote career opportunities at the OAG.

² Restated to align with new measure that focuses on retention (instead of turnover) of audit staff (instead of all staff).

Leveraging leadership communication strategies for retention:

Throughout the year, we ensured staff had opportunities to engage with leadership where we shared updates on new initiatives, celebrated successes, and bonded as a team. Senior team leaders also maintained ongoing communication with staff to ensure a consistent and timely flow of information.

Staff provided feedback that these activities helped them feel connected to the office, supporting engagement and retention.

Developing talent and planning for succession:

Given the complexity and sensitivity of our work, it's essential that we invest in training and developing our staff to ensure they have the specialized skills required to perform effectively.

Our office offers a full curriculum of interpersonal and technical skill development, focusing on the specialized knowledge and skills needed by public sector auditors. Course topics ranged from audit evidence collection and analysis to general cybersecurity awareness and respect in the workplace.

This year, because of the significant number of new hires, we focused our training efforts on ensuring that they have a solid technical foundation for performing their roles. This included ensuring all new hires attended our internal courses related to the fundamentals of auditing in the public sector. Also, our audit leaders dedicated significant additional time to mentor and train the new staff to contribute to their professional development.

Our leaders carefully considered growth and succession opportunities for all staff. We continued to build skills in data analytics and artificial intelligence, and we introduced new courses on performance reporting this year. We also added new sessions on *Habits of Exemplary Leaders* and *Exemplary Accountability for Leaders*, both aimed at cultivating effective leadership skills, including problem-solving, teamwork and collaboration, and innovation.

As a CPA training office, we take pride in supporting the next generation of accounting professionals. In 2024–2025, we were home to a cohort of 50 CPA articling students at various stages in their training program, a dramatic increase from 30 students in the prior year. Seven of our staff members passed the Common Final Examination (CFE) this year. We are proud of our students as this exam is very challenging and passing it represents a significant step towards earning the CPA designation.



Post-secondary Recruitment

Choosing a career can be a daunting decision. Sometimes, one person reaching out to share their passion can make all the difference. That was true for Cecilia Lorenz, now a member of the OAG staff. “I was in a government and non-profit accounting class at MacEwan University that was fortunate enough to have a presentation from the OAG,” she recounts. “Rob Driesen and Jey Naicker . . . made public sector auditing and data analytics look like fun!” Each year, ambassadors from the OAG visit classrooms. Our auditors shared their passion with students at post-secondary institutions through a variety of lectures and presentations, covering a range of topics, from a general overview of the audit profession to accounting. These recruitment efforts are an essential part of our office’s long-term hiring strategy which is focused on attracting and inspiring talented young recruits, developing their skills, and enabling them to grow and build their careers within our office.

Celebrating Excellence! Congratulations to Eric Leonty, FCA, FCPA

Attracting and mentoring talented people as they develop over their career is both an aim and a hallmark of our office. Eric Leonty first joined the office in 2003 as an articling CPA student, and in early 2025, was named a Fellow of the Chartered Professional Accountants (FCPA). Over his career, he has exemplified the highest standards of the CPA profession, as an auditor, mentor, teacher and leader. Currently Assistant Auditor General, Eric's oversight of health, energy, and environmental public sector audits plays a critical role in ensuring accountability in many core government services and programs.

His leadership extends beyond provincial borders. Long active with the Canadian Council of Legislative Auditors (CCOLA), Eric has strengthened legislative auditing standards across Canada, significantly raising the bar for audit excellence.

Working with the Canadian Audit and Accountability Foundation (CAAF), he has mentored audit fellows from Rwanda and Vietnam, and created training materials for auditors of Guyana's extractive industries. Closer to home, since 2003, Eric has inspired many students to follow in his footsteps as a long-serving guest lecturer at the University of Alberta and the University of Lethbridge. Eric credits his success to others: "This recognition is a testament to the support, mentorship, and collaboration I've been fortunate to experience throughout my career. The individuals I work with create a professional environment that makes me feel so proud of the work we do and how we do it."



Priority 2: Maximize the Value of Our Products

We continually review and enhance our business processes to deliver high quality, value-added financial statement audits and performance audits.

Our aim is to deliver timely, relevant financial and performance audits, economically, efficiently, and effectively. We hold ourselves to the best practices of legislative auditing and national professional accounting standards. Albertans can be assured that we are non-partisan and independent, striving for absolute objectivity, seeking and reporting the facts.

Our Goal

Audit work that is valued by the Legislative Assembly and Albertans

Areas of Focus for 2024–2025

- **Timelines:** Work closely with the organizations we audit to meet agreed upon timelines
- **Professional standards:**
 - › Successful CPA Alberta practice review
 - › Audit the government’s implementation of two new accounting standards regarding revenue recognition and public-private partnerships (P3s)
- **Technology:** Further integrate how we use information and technology to support our work, including replacement of our audit software and increasing the use of data analytics in our audits

Our Results:

Working with organizations we audit to meet timelines:

We completed 96 financial statement audits this year, covering a broad range of programs and services, from education to healthcare to energy, and including the province’s 2023–2024 consolidated financial statements.

Financial Statement Auditing

Measure—Met	Target deadline	Actuals	Prior Year
Issue the Independent Auditor’s Report for the province’s consolidated financial statements on time ³	Annually by June 30	June 20, 2024	June 21, 2023

On June 20, 2024, we met our target by issuing a clean audit opinion for the province’s 2023–2024 consolidated financial statements on time, which is a top priority of our office. We released the detailed results of this audit, along with our annual summary of all ministry audit work in November 2024.⁴

This achievement stands out given the staffing constraints we encountered. During the spring, our team consistently operated at 110 per cent to 125 per cent capacity, demonstrating exceptional commitment to meeting the deadlines.

A large proportion of our office’s budget is dedicated to the financial statement audit line of business. In 2024–2025, we spent \$22 million, or 73 per cent of our total budget, to complete the required 96 audits (2023–2024: \$21 million for 97 audits). Our financial statement audit costs increased while the number of financial statement audits we completed decreased for several reasons.

³ This results report covers the period of April 1, 2024 to March 31, 2025. The results of our audit of the province’s 2024–2025 consolidated financial statements which is completed in June 2025 will be highlighted in next year’s 2025–2026 results report.

⁴ [*Audit of the 2023–2024 Consolidated Financial Statements of the Province of Alberta, Report of the Auditor General—November 2024.*](#)

Our costs rose as we engaged more external agents to complete post-secondary audits whose year ends have moved to coincide with government, and to complete audit work arising from the special examination of Alberta Primary and Preventative Health Services and AHS procurement, and the restructuring in the health sector. We also hired more temporary staff than planned to cover vacancies so we could meet the government's financial statement audit deadlines. In addition to more time, market rates increased for these services. Overall, incremental costs for these external resources were \$250,000 higher than budgeted this year (page 17).

We estimate we spent 850 additional audit hours this year to implement revisions to a Canadian auditing standard (CAS 600) related to group financial statement audits, and to audit the government's application of two new accounting standards relating to revenue recognition and public-private partnerships (P3s). When new standards are introduced or changed, we need to examine their impacts and adjust our plans, which takes time. Significant public sector accounting changes are anticipated for provincial entities in fiscal 2026-2027.⁵ We are applying the lessons learned this year to proactively encourage the entities we audit to prepare for these upcoming changes, helping to ensure a smooth and efficient transition.

Timely and cost-effective completion of our audits depend on receiving accurate and complete information promptly from audit entities. This year, four ministries and one post-secondary institution faced significant challenges in this area, and we issued recommendations that they improve their financial information preparation and reporting processes. We spent just over 1,800 additional audit hours beyond what was planned for these audits. Moving forward, we will continue to work closely with audited entities to confirm timelines early in the planning process, monitor information requests, and escalate concerns when delays become substantial.

Finally, we spent significant audit effort on key audit matters that are complex and require expert judgment to audit. For 2023-2024, these included:⁶

- environmental liabilities
- pension liabilities
- private equities, inflation-sensitive and alternative investments
- investments in and toll commitments related to the North West Redwater Partnership (NWRP)
- personal income tax revenue

We recognize that, despite careful planning and monitoring, unexpected challenges can lead to inefficiencies. We strive to manage these as effectively as possible. Our recruitment strategy focused on hiring staff early in their careers, which inherently requires a greater investment in training and development. Retention challenges also contributed to inefficiencies. When experienced staff leave, more junior staff often need to take on additional responsibilities, which can be particularly demanding and disruptive to workflow. Overall, we spent additional hours mentoring and monitoring staff to ensure audit work met the standards necessary to support our conclusions. We will continue to focus on retention to minimize inefficiencies.

Performance Auditing

This year, our office spent \$8 million, or 27 per cent of our total budget, conducting performance audits and other examinations (2023-2024: \$8.3 million). We completed and publicly released seven reports and made recommendations in the areas of surface water allocation and use, highway maintenance contracts, affordable housing conditions, and school authority results reporting. All reports are available on our website.⁷

We were delayed in completing four performance audits we had planned due to the staffing shortages noted above and, in some cases, due to difficulties we encountered getting timely information from the entities to complete our work. These four are all underway and include our examination of the community lab services' contract with DynaLIFE. We also added an additional project—procurement and contracting processes at Alberta Health Services and the Department of Primary and Preventative Health Services. These all have anticipated completion dates in

⁵ Effective April 1, 2026, public sector entities must adopt a new financial statement conceptual framework and reporting model.

⁶ [Audit of the 2023-2024 Consolidated Financial Statements of the Province of Alberta, Report of the Auditor General—November 2024.](#)

⁷ [Reports Archive—Office of the Auditor General, Alberta.](#)

2025-2026.

A performance audit or examination can take over a year to complete, resulting in fluctuations in the number of reports released by our office each year. Completion timelines can be affected by the complexity of the work, staffing changes, and delays in obtaining information from audit entities. Communication and cooperation between our office and the entities we audit is critical.

Measure—Not Met	Target	Actuals	Prior Year
Percentage of costs (resources) dedicated to performance audits	35%	27%	28%

Our costs under the performance audit line of business were lower than planned and we did not meet our target to dedicate 35 per cent of our total budget to performance audits. This was primarily due to staffing challenges in this area and the proportionate increase in financial statement audit costs discussed earlier.

While we have had success recruiting into entry-level positions, we continue to face staffing shortages at the more experienced levels required for performance auditing. These audits are inherently more complex and sensitive, demanding a higher level of expertise.

Also, due to turnover within the audit division, we had to reallocate staff from performance audits to support financial statement audits in order to meet provincial reporting deadlines. Although necessary, this redirection introduces inefficiencies. Newly assigned staff must spend additional time familiarizing themselves with the financial audit and later reintegrating into their original performance audit work.

For these reasons, we typically avoid reassigning staff from ongoing performance audits. However, our ability to do so in this instance highlights the flexibility and adaptability of our audit team, and their commitment to meeting critical deadlines despite operational challenges. To meet future staffing demands we will continue to focus on recruitment, retention, and training to support our performance audit line of business.

We reviewed the trend of resources we have been able to dedicate to performance audits over the last five years and determined that a more reasonable target for this measure is 30 per cent. We made this adjustment to our target in our 2025–2026 business plan.

Measure - Met	Target	Actuals	Prior Year
Percentage of the auditor general's recommendations accepted for implementation	100%	100%	100%

When our recommendations are accepted and implemented, the value of our work is fully realized. We met our target of 100 per cent acceptance as the government accepted all 26 new recommendations made during 2024–2025. Ideally, we strive for full acceptance; however, we recognize there occasionally may be recommendations with which government does not agree.

In fiscal year 2024–2025, we spent \$1.2 million⁸ to complete 12 assessments of implementation for 19 outstanding recommendations (2023–2024: \$1 million for 13 assessments covering 24 outstanding recommendations). Costs can vary as the time required to assess each recommendation depends on its inherent complexity and our ability to obtain information to complete the assessment. Also, when we repeat recommendations, the process takes longer than when management has implemented the necessary actions.

This year, we determined that 11 recommendations were implemented. Four recommendations had to be repeated due to inaction. Additionally, one recommendation that management previously accepted will not be implemented, and another was deemed no longer relevant due to changed circumstances. We also completed a progress report on two long-standing recommendations. While progress has been made, further work is required to fully implement them.

All assessment of implementation (AOI) reports are available on our website.⁹

Ensuring we meet professional standards:

Our office is registered as an audit and training office with the Chartered Professional Accountants (CPA) of Alberta, a professional regulatory body whose purpose is to protect the public and the accounting profession. CPA Alberta conducts practice reviews every three years on every registered accounting firm in Alberta to ensure compliance with the rigorous standards of the profession and to help each firm maintain its registration in good standing.

Measure - Met	Target	Actuals	Prior Year
Chartered Professional Accountants (CPA) Alberta practice review standards	Compliance	Compliance	Not an assessment year

CPA Alberta performed a review of our office in 2024–2025 and we met our target rating of “compliance.” This means we exemplify the standards set out in the *CPA Canada Public Sector Accounting Handbook* as well as the standards of practice as set out in the *CPA Alberta Rules of Professional Conduct*.

On an ongoing basis, we also perform internal quality reviews of our audit files and participate in peer file reviews with other Canadian legislative audit offices. These reviews help us ensure the quality of our audit files and the reliability of our work are maintained. Review results are reported annually to the office’s Quality Advisory Committee.

Also, as discussed earlier, our staff invested additional time to implement a revised Canadian auditing standard (CAS 600) and to audit the implementation of two new accounting standards at relevant organizations.

⁸ \$1.2 million is included in the \$8 million total for our performance audit line of business.

⁹ [Reports Archive—Office of the Auditor General, Alberta.](#)

Integrating information and technology to support our work:

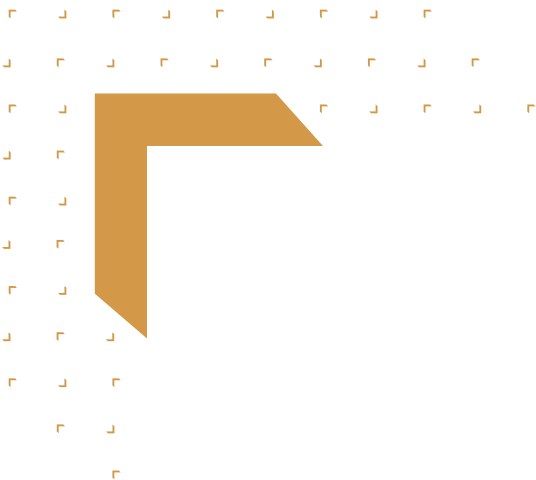
To complete complex audits efficiently and economically, information technology tools are essential. This year, we began the procurement process for new audit software as our current software is 25 years old and quickly reaching obsolescence. We are planning for replacement in the upcoming year.

We also continued to integrate the use of data analytics into our audit methodology by developing powerful data analysis routines that help us better understand, examine, and test the large amount of data produced by the entities we audit.



Day of Giving

Being active in the community is one way our staff deepens our connection to the Albertans we serve. In 2024–2025, we added a new initiative—a Day of Giving—to our list of community activities, which includes the CPA Canada Mentorship Program for Indigenous Students, the United Way Campaign, and Edmonton & Area Corporate Challenge. Through this new program, several OAG teams dedicated their time to supporting community organizations. One team of volunteers partnered with Root for Trees to plant 324 new trees and shrubs near Fort Edmonton Park. Another group donned gardening gloves and trowels to help care for the historic grounds at the John Walter Museum. Other groups put their hours and effort to social organizations dedicated to serving the needs of Edmonton’s most vulnerable populations. As Holly DeBelser explained, “we picked the Bissell Centre because we really wanted to support people in our community who may not be as lucky as we are.” In total, through the Day of Giving program, 45 OAG staff dedicated 360 hours to these worthy causes.



Financial Results Overview

The 2024–2025 budget for the office was \$29.6 million, unchanged from the prior year. It was necessary to make structural changes, such as changes to our staffing model, focusing on recruitment of more junior level staff to manage within the approved budget. We also made strategic choices to restrict travel for work and training, and reduce our use of contracted professional services for administrative activities.

We ended the year with a small shortfall of \$187,000 (less than one per cent of our budget). The office received supplemental funding from the Standing Committee on Legislative Offices to cover this shortfall in 2025–2026. This supplemental funding will also cover the unforeseen costs related to the special examination of Alberta Primary and Preventative Health Services and AHS procurement (see note 5 in financial statements, page 31).

The office maintained high standards for financial stewardship and, once again, obtained a clean external audit opinion which adds credibility to our financial reporting.

Operating Expenditures

Expenditure	Budget	Actuals	Prior Year
Salaries and employee benefits	\$20.7 million	\$21 million	\$20.2 million
Variance analysis:			
Total salaries and employee benefits exceeded budget by \$250,000 (1%). The impact of the unbudgeted general salary increase—consistent with adjustments given to provincial public service employees—was offset by our decision to focus recruitment efforts primarily on hiring into entry level positions.			
Compensation costs rose \$750,000 (4%) from the prior year, driven by salary increases related to merit adjustments and the general salary increase.			

Expenditure	Budget	Actuals	Prior Year
Agent and contracted professional services	\$6.7 million	\$6.9 million	\$7 million
	Variance analysis: Agent and contracted professional services exceeded budget by \$250,000 (4%) primarily due to unexpected audit work related to the restructuring of Alberta Health Services (AHS) and the special examination of Alberta Primary and Preventative Health Services and AHS procurement. We also hired more temporary audit professionals than planned to cover internal staff vacancies during the busy financial statement audit season. These increases were partially offset by our decision to reduce the use of contracted services for administrative activities. These costs were \$100,000 (1%) lower than the prior year mainly because we had more junior auditors on staff during the busy season this year so we did not need as much temporary audit staff services as last year.		
Information systems and technology	Budget	Actuals	Prior Year
	\$880,000	\$729,000	\$761,000
	Variance analysis: Information systems and technology operating costs were \$150,000 (17%) under budget and \$30,000 (4%) lower than the prior year. The primary driver was a shift for the year from cloud-based to on-premises hardware to manage data. Additional savings were realized through the negotiation of multi-year contracts and service agreements, along with a one-time licensing charge reduction.		
Professional membership fees and development	Budget	Actuals	Prior Year
	\$550,000	\$520,000	\$542,000
	Variance analysis: Professional membership fees and development were \$30,000 (5%) under budget and \$20,000 (4%) lower than prior year as we had a one-time reduction in one of our office memberships.		

Expenditure	Budget	Actuals	Prior Year
Facilities and equipment	Budget	Actuals	Prior Year
	\$420,000	\$351,000	\$356,000
	Variance analysis: Facilities and equipment were under budget by \$70,000 (17%), and \$5,000 (2%) lower than prior year, mainly due to savings from a renewed contract, deferred replenishment of supplies, and reduced printing.		
Travel and communications	Budget	Actuals	Prior Year
	\$325,000	\$224,000	\$256,000
	Variance analysis: Travel costs were \$100,000 (31%) below budget and \$30,000 (12%) lower than prior year due to intentionally reduced travel for on-site audit visits, training, and conferences.		

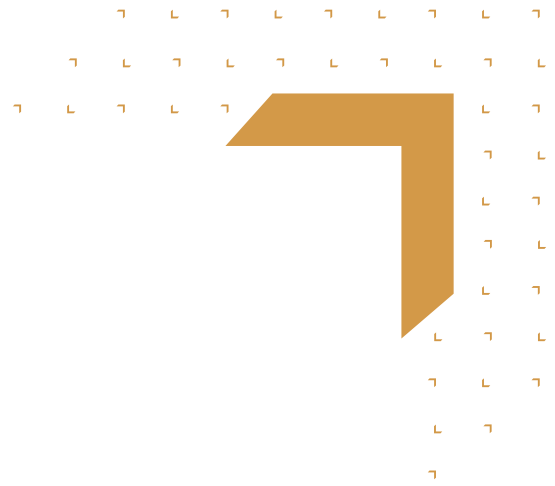
Capital Investments

Budget	Actuals	Prior Year
\$30,000	\$69,000	\$95,000
Variance analysis: Capital investments were above budget by \$40,000 (130%) primarily due to the purchase of on-premises hardware to manage data, which was originally budgeted under Information Systems and Technology operating expenses as a cloud-based solution.		



CFE Graduates

Becoming a CPA, or chartered professional accountant, is not easy. It begins with an undergraduate degree and then 30 months of experience as an articling student, with course work and examinations. The hard work culminates in the Common Final Exam, or CFE, which takes place annually each fall. At the OAG, we understand how difficult this journey is, not only because many of us have been there ourselves, but because we walk alongside our articling students as their mentors and trainers. In September 2024, members of our auditing teams gathered outside examination centres in Edmonton and Calgary to cheer our colleagues on as they completed the CFE. Congratulations to Evan Oslund, Long Jin, Rachel De Luna, Nilakshi Sarker, Eugene Santiago, and Yared Beyin for passing this significant milestone, and bringing so much talent and dedication to the OAG team.



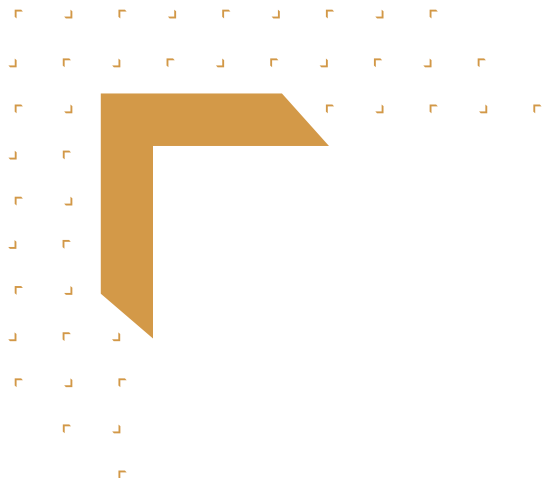
Management's Responsibility for Financial Reporting

The financial statements of the Office of the Auditor General, including the performance measures, are the responsibility of office management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it considers most appropriate in the circumstances to ensure that the financial statements are presented fairly in all material respects. The performance measures and related targets match those included in the office's 2024-2025 business plan. The performance information is reliable, agrees with the underlying source data, methodologies are clearly set and applied consistently for the current and prior year's results.

The office maintains control systems designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the relevance and reliability of internal and external reporting, and compliance with authorities. The costs of control are balanced against the benefits, including the risks that the control is designed to manage. The financial statements, including performance measure results, have been audited by St. Arnaud Pinsent Steman, Chartered Professional Accountants, on behalf of the members of the Legislative Assembly.

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General of Alberta

Edmonton, Alberta
October 2025



Office of the Auditor General

Financial Statements March 31, 2025

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ST. ARNAUD PINSENT STEMAN

CHARTERED PROFESSIONAL ACCOUNTANTS
AN ASSOCIATION TO PRACTISE CHARTERED PROFESSIONAL ACCOUNTANCY

Daniel J. St. Arnaud, CPA, CA ▪
John H.C. Pinsent, FCPA, FCA, ICD.D ▪
Benardus C. Steman, CPA, CA, CFA ▪
JAM Accounting Group LLP ◻

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly

Opinion

We have audited the financial statements of the Legislative Assembly of Alberta Office of the Auditor General, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, statement of change in net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Legislative Assembly of Alberta Office of the Auditor General as at March 31, 2025, and its financial performance, its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Legislative Assembly of Alberta Office of the Auditor General in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Legislative Assembly of Alberta Office of the Auditor General's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Legislative Assembly of Alberta Office of the Auditor General's financial reporting process.

(continues)

1653 – 91 Street SW ▪ Edmonton, AB T6X 0W8
Phone: (780) 448-0399 ▪ Fax: (780) 468-6400 ▪ www.sps-ca.ca

* An Association to Practise Chartered Accountancy ** Operates as a Professional Corporation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Legislative Assembly of Alberta Office of the Auditor General's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Legislative Assembly of Alberta Office of the Auditor General's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Legislative Assembly of Alberta Office of the Auditor General to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

JAM Accounting Group LLP

Edmonton, Alberta
July 22, 2025

JAM Accounting Group LLP
Chartered Professional Accountants



Office of the Auditor General of Alberta
Statement of Operations
Year Ended March 31, 2025

	2025		2024
	Budget	Actual	Actual
Expenses by line of business			
Financial statement auditing ¹	\$ 20,855,000	\$ 21,875,920	\$ 21,059,459
Performance auditing ²	8,935,000	8,048,840	8,289,567
Cost of operations	<u>\$ 29,790,000</u>	<u>\$ 29,924,760</u>	<u>\$ 29,349,026</u>

The accompanying notes and schedules are an integral part of these financial statements.

¹ Financial statement audits include assurance provided on financial statements, reporting on management's financial reporting processes and controls, compliance with authorities and legislation.

² Performance audits examine the economy, efficiency and effectiveness of government programs and processes to provide assurance they are working as intended.

Office of the Auditor General of Alberta
Statement of Financial Position
As at March 31, 2025

	<u>2025</u>	<u>2024</u>
Financial asset		
Accounts receivable	\$ -	\$ 1,831
Liabilities		
Accounts payable and accrued liabilities	2,228,590	2,581,447
Accrued vacation pay	<u>2,992,125</u>	<u>3,095,359</u>
	<u>5,220,715</u>	<u>5,676,806</u>
Net debt	<u>(5,220,715)</u>	<u>(5,674,975)</u>
Non-financial assets		
Tangible capital assets (Note 3)	483,644	601,405
Prepaid expenses	<u>131,683</u>	<u>204,677</u>
	<u>615,327</u>	<u>806,082</u>
Net liabilities	<u>\$ (4,605,388)</u>	<u>\$ (4,868,893)</u>
Net liabilities at beginning of year	\$ (4,868,893)	\$ (4,103,881)
Cost of operations	(29,924,760)	(29,349,026)
Net financing provided from General Revenues	<u>30,188,265</u>	<u>28,584,014</u>
Net liabilities at end of year	<u>\$ (4,605,388)</u>	<u>\$ (4,868,893)</u>

The accompanying notes and schedules are an integral part of these financial statements.

Office of the Auditor General of Alberta
Statement of Change in Net Debt
Year Ended March 31, 2025

	2025		2024
	Budget	Actual	Actual
Cost of operations	\$ (29,790,000)	\$ (29,924,760)	\$ (29,349,027)
Acquisition of tangible capital assets	(30,000)	(69,046)	(94,915)
Amortization of tangible capital assets	200,000	186,807	204,415
Decrease/(increase) in prepaid expenses		72,994	(66,735)
Net financing provided from General Revenues		<u>30,188,265</u>	<u>28,584,014</u>
Decrease/(increase) in net debt		<u>454,260</u>	<u>(722,248)</u>
Net debt at beginning of year		<u>(5,674,976)</u>	<u>(4,952,728)</u>
Net debt at end of year		<u><u>\$ (5,220,716)</u></u>	<u><u>\$ (5,674,976)</u></u>

The accompanying notes and schedules are an integral part of these financial statements.

Office of the Auditor General of Alberta

Statement of Cash Flows

Year Ended March 31, 2025

	2025	2024
Operating transactions		
Cost of operations	\$ (29,924,760)	\$ (29,349,026)
Non-cash included in net operating results:		
Amortization and write-down of tangible capital assets	186,807	204,415
	(29,737,953)	(29,144,611)
Decrease in accounts receivables	1,831	4,657
Decrease/(increase) in prepaid expenses	72,994	(66,735)
(Decrease)/increase in accounts payable and accrued liabilities	(352,857)	669,783
(Decrease)/increase in accrued vacation pay	(103,234)	47,807
Net cash used by operating transactions	(30,119,219)	(28,489,099)
Capital transactions		
Acquisition of tangible capital assets	(69,046)	(94,915)
Financing transactions		
Net financing provided from General Revenues	30,188,265	28,584,014
Net cash provided (used)	-	-
Cash and cash equivalents beginning of year	-	-
Cash and cash equivalents end of year	\$ -	\$ -

The accompanying notes and schedules are part of these financial statements.

Office of the Auditor General of Alberta
Notes to the Financial Statements
Year Ended March 31, 2025

Note 1 Authority and Purpose

The Auditor General is an officer of the Legislature operating under the authority of the *Auditor General Act*, Chapter A-46, Revised Statutes of Alberta 2000. General Revenues of the Province of Alberta fund both the cost of operations of the Office of the Auditor General and the purchase of tangible capital assets. The all-party Standing Committee on Legislative Offices reviews and approves the office's annual budget, and also appoints the independent auditor for the office's financial statements.

The Office of the Auditor General provides independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is spent properly and provides value. The auditor general is the legislated auditor of the consolidated financial statements of public sector boards, agencies, commissions, and regulated funds. The results of the office's work are included in the public reports of the auditor general presented to the Legislative Assembly.

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards. PS 3450 Financial instruments standard has no material impact on the financial statements of the office, which is why there is no statement of remeasurement gains and losses.

Other pronouncements issued by the Public Sector Accounting Board that are not yet effective are not expected to have a material impact on future financial statements of the office.

(a) Expenses

Expenses are reported on the accrual basis of accounting. The office's expenses either directly incurred or incurred by others:

Directly incurred

Directly incurred expenses are those costs incurred under the authority of the office's budget as disclosed in Note 5. Pension costs included in directly incurred expenses comprise employer contributions to multi-employer plans. The contributions are based on actuarially determined amounts that are expected to provide the plans' future benefits.

Incurred by others

Services contributed by other entities in support of the office's operations are not recognized and are disclosed in Note 7.

Note 2 continued

(b) **Tangible capital assets**

Tangible capital assets are recorded at historical cost less accumulated amortization. Amortization begins when the assets are put into service and is recorded on a straight-line basis over the estimated useful lives of the assets as disclosed in Note 3.

(c) **Net debt**

Net debt indicates additional cash that will be required from General Revenues to finance the office's cost of operations to March 31, 2025.

(d) **Cost of operations**

Statement of operations summarizes the allocation of operating expenses between our two core lines of business, equivalent to reporting by major programs required by Canadian public sector accounting standards. Expenses by object are disclosed in Schedule 1.

(e) **Future changes in accounting standards**

On April 1, 2026, the office will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

PS 1202 Financial Statement Presentation

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

Note 3 Tangible Capital Assets

	Computer hardware and software	Furniture and workplace enhancements	2025 Total	2024 Total
Estimated useful life	3-5 years	10 years		
Historical cost				
Beginning of year	\$ 1,746,925	\$ 1,050,186	\$ 2,797,111	\$ 2,860,076
Additions	69,046	-	69,046	94,915
Disposals	(257,806)	(26,295)	(284,101)	(157,880)
	<u>1,558,165</u>	<u>1,023,891</u>	<u>2,582,056</u>	<u>2,797,111</u>
Accumulated amortization				
Beginning of year	1,369,805	825,901	2,195,706	2,149,171
Amortization expense	140,609	46,198	186,807	204,415
Disposals	(257,806)	(26,295)	(284,101)	(157,880)
	<u>1,252,608</u>	<u>845,804</u>	<u>2,098,412</u>	<u>2,195,706</u>
Net book value at March 31, 2025	<u>\$ 305,557</u>	<u>\$ 178,087</u>	<u>\$ 483,644</u>	
Net book value at March 31, 2024	<u>\$ 377,120</u>	<u>\$ 224,285</u>		<u>\$ 601,405</u>

Note 4 Benefit Plans

The office participates in multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,845,956 for the year ended March 31, 2025 (2024 \$1,770,605). The office is not responsible for future funding of the plan deficits other than through contribution increases.

At December 31, 2024, the Management Employees Pension Plan reported a surplus of \$1,865,997,000 (2023 surplus \$1,316,313,000), the Public Service Pension Plan reported a surplus of \$6,473,956,000 (2023 surplus \$4,542,500,000) and the Supplementary Retirement Plan for Public Service Managers reported a deficit of \$25,325,000 (2023 deficit \$21,343,000).

The office also participates in a multi-employer Long Term Disability Income Continuance Plan. At March 31, 2025, the Management, Opted Out and Excluded Plan reported a deficit of \$775,000 (2024 deficit \$6,855,000). The expense for this Plan is limited to the employer's annual contributions for the year.

Note 5 Budget

The following table compares the office's actual expenditures, excluding non-voted amounts such as amortization, to the budget:

	<u>Voted budget</u>	<u>Actual</u>	<u>Over expended</u>
Operating expenditures	\$ 29,590,000	\$ 29,737,953	\$ 147,953
Capital investments	<u>30,000</u>	<u>69,046</u>	<u>39,046</u>
	<u>\$ 29,620,000</u>	<u>\$ 29,806,999</u>	<u>\$ 186,999</u>

The overage resulted from unplanned interim audit work on the Alberta Health Services (AHS) reorganization, including the addition of one Health agency—Recovery Alberta, and the examination of procurement and contracting processes at Alberta Health and AHS. The office covered the shortfall by encumbrance into next year's budget and received related supplemental funding approval for 2025–26 on June 24, 2025.

Note 6 Contractual Obligations

Contractual obligations are obligations of the office to others that will become liabilities in the future when the terms of the contracts or agreements are met.

As at March 31, 2025, the office had the following contractual obligations:

	<u>2025</u>	<u>2024</u>
Audit agent and consulting contracts, and equipment operating lease	<u>\$ 15,249,083</u>	<u>\$ 14,818,956</u>

Estimated payment requirements for the unexpired terms of these contractual obligations are as follows:

2026	\$ 6,641,832
2027	4,706,164
2028	3,104,886
2029	<u>796,201</u>
	<u>\$ 15,249,083</u>

Note 7 Expenses Incurred by Others

The office had transactions with other Government of Alberta entities for which no consideration was exchanged. The amounts for the following transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	<u>2025</u>	<u>2024</u>
Expenses incurred by Alberta Infrastructure office premises	<u>\$ 1,058,588</u>	<u>\$ 1,042,224</u>
Expenses incurred by Service Alberta and Red Tape Reduction financial services	<u>\$ 61,000</u>	<u>\$ 49,000</u>
Expenses incurred by Technology and Innovation technology services	<u>\$ 189,000</u>	<u>\$ 166,000</u>
Expenses incurred by Legislative Assembly Office independent auditor's fee	<u>\$ 29,500</u>	<u>\$ 29,500</u>
Expenses incurred by Public Service Commission Government of Alberta Learning Center	<u>\$ 2,626</u>	<u>\$ 1,814</u>

Note 8 Approval of the Financial Statements

These financial statements were approved by the Auditor General on July 22, 2025.

Schedule 1—Expenses—Directly Incurred Detailed by Object

Year Ended March 31, 2025

	2025		2024
	Budget	Actual	Actual
Expenses			
Personnel			
Salaries and employee benefits	\$ 20,745,000	\$ 20,990,149	\$ 20,236,006
Agent and contracted professional services	6,670,000	6,923,858	6,992,580
	27,415,000	27,914,007	27,228,586
Supplies and services			
Information systems and technology	880,000	728,951	761,435
Professional membership fees and development	550,000	519,982	542,149
Facilities and equipment	420,000	350,575	356,282
Travel and communications	325,000	224,438	256,159
	2,175,000	1,823,946	1,916,025
Operating expenditures	29,590,000	29,737,953	29,144,611
Amortization of tangible capital assets	200,000	186,807	204,415
Cost of operations	\$ 29,790,000	\$ 29,924,760	\$ 29,349,026

Office of the Auditor General of Alberta
Schedule 2—Salary and Benefits Disclosure
Year Ended March 31, 2025

The table below summarizes the salary and benefits of the office leadership team:

	2025				2024
	Base salary	Cash benefits ¹	Non-cash benefits ²	Total	Total
Auditor General	\$ 300,931	\$ 23,895	\$ 81,363	\$ 406,189	\$ 359,794
Assistant Auditor General ³	212,970	30,948	53,179	297,097	252,234
Assistant Auditor General ⁴	212,970	22,507	51,481	286,958	279,145
Assistant Auditor General ⁵	212,970	-	51,033	264,003	249,339
Assistant Auditor General ⁶	212,970	-	50,209	263,179	251,038
Business Leader ⁷	196,229	-	45,559	241,788	223,280
	<u>\$ 1,349,040</u>	<u>\$ 77,350</u>	<u>\$ 332,824</u>	<u>\$ 1,759,214</u>	<u>\$ 1,614,830</u>

¹ Cash benefits include cashed out vacation and vehicle allowances. No bonuses were paid in 2025.

² Non-cash benefits include the office's share of all employee benefits, and contributions or payments made on behalf of employees including Canada pension plan, employment insurance, employer pension plan, supplementary retirement plans, health care, dental coverage, group life insurance, short-term and long-term disability plans, Workers' Compensation Board premiums, professional memberships and fair market value of parking.

Office Leadership Team responsibilities as at March 31, 2025:

³ Advanced Education, Arts, Culture & Status of Women, Education, Immigration and Multiculturalism, Jobs, Economy and Trade, Offices of the Legislature, Tourism and Sport

⁴ Affordability and Utilities, Energy and Minerals, Environment and Protected Areas, Health, Mental Health and Addiction

⁵ Agriculture and Irrigation, Children and Family Services, Forestry and Parks, Indigenous Relations, Justice, Municipal Affairs, Public Safety and Emergency Services, Seniors, Community and Social Services

⁶ Executive Council, GoA Consolidated Financial Statements, Infrastructure, Service Alberta and Red Tape Reduction, Technology and Innovation, Transportation and Economic Corridors, Treasury Board and Finance, Pensions

⁷ Audit Practice

Office of the Auditor General of Alberta

Schedule 3—Performance Measures Summary

Year Ended March 31, 2025

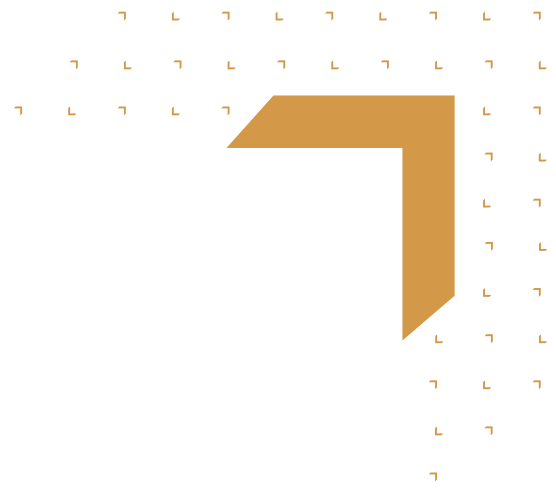
Performance measures ¹	Actual 2023	Actual 2024	Target 2025	Actual 2025
Audit staff retention rate ²	87%	77%	Over 80%	72%
Assessment of compliance with the Chartered Professional Accountants (CPA) Alberta practice review standards for the office’s audits ³	No assessment	No assessment	Compliance	Result pending
Percentage of recommendations accepted for implementation ⁴	100%	100%	100%	100%
Percentage of resources dedicated to performance audits	29%	28%	35%	27%
Issue timely Independent Auditor's Report on the Consolidated Financial Statements of the Province of Alberta	June 17, 2022	June 21, 2023	June 30, 2024	June 20, 2024

¹ The progress and results of additional measures related to our business plan priorities and outcomes will be included in our 2024–25 Results Report.

² This measure replaced the previous "staff turnover rate" effective 2024-25.

³ The practice review is carried out every three years. CPA conducted an assessment in February 2025 and is expected to release the result in Fall 2025.

⁴ Acceptance for implementation does not include audit recommendations accepted in principle or under review by ministries.



Appendix A: Independent Audit Opinions

During our 2024–2025 fiscal year, we conducted 96 statutory financial statement audits of the Province of Alberta, its agencies, boards and commissions, and regulated funds. Our independent audits provide assurance on the accuracy and completeness of the financial reporting of the following entities and ensures accountability on the expenditure of public resources. The following is the list of entities for which we issued independent auditor's opinions between April 1, 2024 and March 31, 2025.

Legislative Assembly Office and Offices of the Legislative Assembly

- Legislative Assembly Office
- Office of the Chief Electoral Officer
- Office of the Child and Youth Advocate
- Office of the Ethics Commissioner
- Office of the Information and Privacy Commissioner
- Office of the Ombudsman
- Office of the Public Interest Commissioner

Regulated Funds

- Alberta Heritage Foundation for Medical Research Endowment Fund
- Alberta Heritage Savings Trust Fund
- Alberta Heritage Scholarship Fund
- Alberta Heritage Science and Engineering Research Endowment Fund
- Alberta Risk Management Fund
- Alberta School Foundation Fund
- Human Rights Education and Multiculturalism Fund
- Land Stewardship Fund
- Post-closure Stewardship Fund
- Provincial Judges and Applications Judges Reserve Fund

- Supplementary Retirement Plan Reserve Fund
- Technology Innovation and Emissions Reduction Fund
- Victims of Crime and Public Safety Fund

Government Organizations

- Agriculture Financial Services Corporation
- Alberta Energy Regulator
- Alberta Enterprise Corporation
- Alberta Foundation for the Arts
- Alberta Indigenous Opportunities Corporation
- Alberta Innovates
- Alberta Investment Management Corporation
- Alberta Pensions Services Corporation
- Alberta Securities Commission
- Alberta Social Housing Corporation
- Alberta Utilities Commission
- Canadian Energy Centre
- Gainers Inc.
- Invest Alberta Corporation
- Natural Resources Conservation Board
- Travel Alberta

Crown-Controlled SUCH Sector Organizations

Universities

- Alberta University of the Arts
- Athabasca University
- MacEwan University
- Mount Royal University
- University of Alberta
- University of Calgary
- University of Lethbridge

Colleges

- Bow Valley College
- Keyano College
- Lakeland College
- Medicine Hat College
- NorQuest College
- Northern Lakes College
- Olds College
- Portage College

Technical Institutes

- Lethbridge Polytechnic (formerly Lethbridge College)
- Northern Alberta Institute of Technology
- Northwestern Polytechnic
- Red Deer Polytechnic
- Southern Alberta Institute of Technology

Alberta Health Services and Other Health Entities

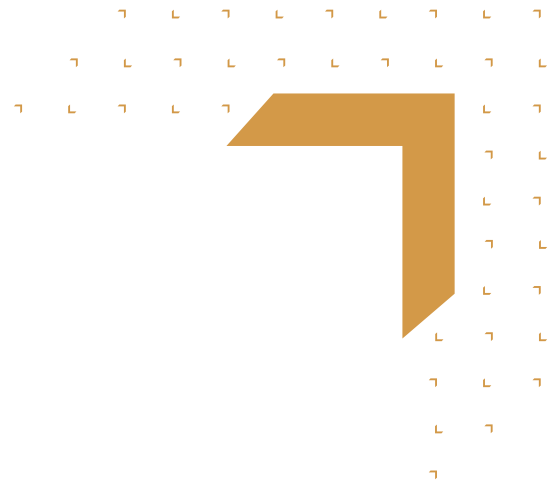
- Alberta Health Services
- Alberta Precision Laboratories Ltd.
- Capital Care Group Inc.
- Carewest
- Health Quality Council of Alberta

Commercial Enterprises

- Alberta Gaming, Liquor and Cannabis Commission
- Alberta Petroleum Marketing Commission
- ATB Financial, and its following subsidiaries:
 - ATB Insurance Advisors Inc.
 - ATB Investment Management Inc.
 - ATB Private Equity LP
 - ATB Securities Inc.
- Credit Union Deposit Guarantee Corporation

Other Entities

- Alberta Teachers' Retirement Fund Board
- Government Employees' Group Extended Medical Benefits Plan and Prescription Drug Plan Trust
- Government of Alberta Dental Plan Trust
- Health Spending Account Plan and Flexible Spending Account Plan
- Improvement Districts' Trusts (Improvement Districts 4, 9, 12, 13, 24 and 25)
- Kananaskis Improvement District
- LAPP Corporation
- Local Authorities Pension Plan
- Long-Term Disability Income Continuance Plan-Bargaining Unit
- Long-Term Disability Income Continuance Plan-Management, Opted Out and Excluded
- Management Employees Pension Plan
- Office of the Public Guardian and Trustee, Estates and Trusts
- Provincial Judges and Applications Judges (Registered and Unregistered) Pension Plans
- PSPP Corporation
- Public Service Management (Closed Membership) Pension Plan
- Public Service Pension Plan
- SFPP Corporation
- Special Areas Trust Account
- Special Forces Pension Plan
- Supplementary Retirement Plan for Public Service Managers
- Workers' Compensation Board



Appendix B: Committee Support

We thank all Members of the Legislative Assembly and committee members for their commitment to have our work acted upon.

Standing Committee on Public Accounts

In most Canadian jurisdictions, including Alberta, the reports of the legislative auditor are referred for review to a Public Accounts Committee (PAC). The committee is comprised of elected members of the legislature from all political parties. PAC is a significant part of the financial accountability cycle of government. The committee is concerned with value for money in the administration of government policy, rather than policy itself, and it assists the Assembly in holding the government to account for spending taxpayers' money and for stewardship over public funds. It also helps to make sure the government accounts for its operating policies and actions and for its management and use of public funds.¹

We work as a trusted advisor to the Standing Committee on Public Accounts in its review of government spending. The committee uses the Auditor General's reports to examine how government has accounted for, and used, public funds, and how it is acting on our recommendations.

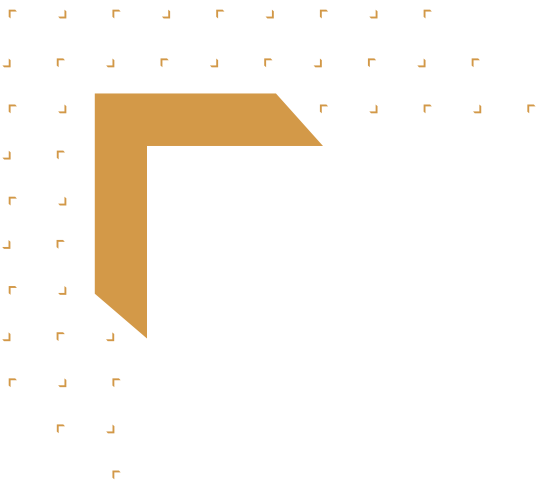
Standing Committee on Legislative Offices

On behalf of all members of the Legislative Assembly, among other things, this committee reviews the budget and annual audited financial statements of our office.

Provincial Audit Committee

Under the *Auditor General Act*, a Provincial Audit Committee is appointed in an advisory role to the government and the Auditor General. The committee reviews and advises government officials regarding the Province's Consolidated Financial Statements. The committee also reviews and advises the Auditor General on matters related to our reports to the Legislative Assembly prior to tabling.

¹ A Guide to Strengthening Public Accounts Committees, CCAF-FCVI and CCPAC, 2010.



Appendix C: Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

The *Public Interest Disclosure (Whistleblower Protection) Act* requires that the auditor general, as the office’s chief officer under this legislation, report annually on the following parts under the *Act*:

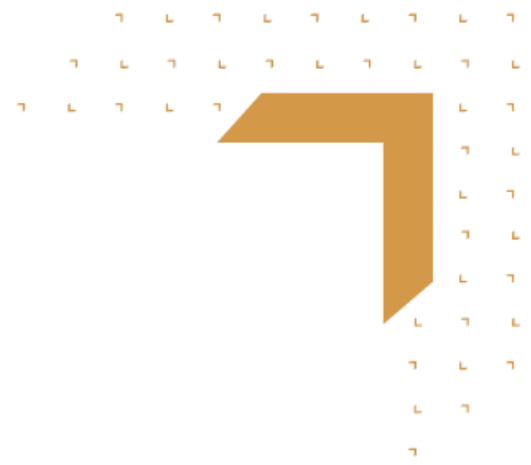
Disclosures Received and Related Reporting

Fiscal year April 1, 2024 to March 31, 2025

Disclosures received	Disclosures acted on	Disclosures not acted on	Investigations commenced	Findings of wrongdoing*	Disclosures closed
None	n/a	n/a	None required	None	n/a

*Details for each finding of wrongdoing (if any)

Description of wrongdoing	Recommendations made	Corrective actions taken	If no corrective actions taken, reasons why not
n/a	n/a	n/a	n/a



Appendix D: Methodology for Performance Measures

Measure	Methodology
Audit Staff Retention Rate	We track the headcount of audit staff who remain with the office as a percentage of total audit staff headcount. Departures include voluntary and involuntary, such as resignations, terminations, and contract expirations.
Issue the Independent Auditor's Report for the province's consolidated financial statements on time	Date of issue of the Auditor's Report on the province's consolidated financial statements.
Percentage of costs (resources) dedicated to performance audit	Costs include the hours charged to a performance audit multiplied by the hourly rate for each staff member on the project plus direct costs (e.g. travel, experts).
Percentage of the auditor general's recommendations accepted for implementation	Includes all recommendations from publicly issued reports, including those arising from financial statement audits and performance audits, during the period April 1, 2024 to March 31, 2025.
Chartered Professional Accountants (CPA) Alberta practice review standards	CPA Alberta reviews are conducted every three years and provide assurance that our audit practice is comprehensive and complies with the rigorous standards of the profession.



oag.ab.ca

Contact us:
info@oag.ab.ca
780.427.4222

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