

Report on Post-secondary Institutions 2025

Advanced Education

Report of the Auditor General
April 2026



**Auditor
General**
OF ALBERTA

Brandon Lundy, MLA
Chair
Standing Committee on Legislative Offices

On behalf of my office, I am transmitting the *Report on Post-secondary Institutions 2025* to the Members of the Legislative Assembly of Alberta, under the *Auditor General Act*.



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

Edmonton, Alberta
April 2026

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Related Reports:

- [Post-secondary Institution Report Card 2024 \(March 2025\)](#)
- [Post-secondary Institution Report Card 2023 \(March 2024\)](#)
- [Post-secondary Institution Report Card 2022 \(March 2023\)](#)
- [Post-secondary Institution Report Card 2021 \(February 2022\)](#)
- [Post-secondary Institution Report Card 2020 \(March 2021\)](#)

Appointed under Alberta's *Auditor General Act*, the Auditor General is the legislated auditor of the *Consolidated Financial Statements of the Province of Alberta* and most provincial agencies, boards, commissions, and regulated funds. The audits conducted by the Office of the Auditor General report on how government is managing its responsibilities and the province's resources. Through our audit reports, we provide independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is properly accounted for and provides value.

Report Highlights

We issued unqualified audit opinions on the 2025 financial statements of 20 post-secondary institutions

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Olds College improved the accuracy and timeliness of its financial reporting in 2025.

The college needs to demonstrate it can sustain improved processes and controls. p. 6

16 of 20

We have not identified significant weaknesses in preparing accurate and timely financial reporting in 16 of the institutions we audited over the past three years. p. 6

In addition, 16 institutions improved their cybersecurity incident response plan processes based on our examination recommendations. p. 6

2025 Recommendations

0

New
recommendations

4

Implemented
recommendations
p. 8

7 recommendations remain outstanding across three institutions p. 6

2 outstanding recommendations are older than three years p. 10



Why this is important to Albertans

Strong, sustainable financial reporting processes and internal controls improve management's decision-making ability and provide opportunities to use results analysis to communicate to Albertans the institution's performance and accountability for results. p. 2

About This Report

This report compiles the status of recommendations from our 2025 financial statement audits of 20 post-secondary institutions. It also includes a report card on each institution’s financial reporting processes and internal controls with comparative assessments from our 2024 and 2023 audits.¹

Boards and management need accurate, timely financial information year-round, not just at year-end. We see a direct correlation between a strong year-end process to prepare financial statements and the ability to prepare quality financial information throughout the year. Strong, sustainable processes improve management’s decision-making ability and provide opportunities to use results analysis to communicate to Albertans about the institution’s performance and accountability for results.

Consistent with our prior report cards, we evaluated the following key indicators of effective financial reporting processes and internal controls for each institution:

- quality of draft financial statements prepared for the board, as evidenced by the number of differences from public sector accounting standards our audit found
- time it took management to prepare draft year-end financial statements
- number, age, and nature of current and outstanding recommendations

A post-secondary institution could have a yellow or red status on the report card but still receive an unqualified audit opinion on its financial statements. This is because management can correct errors and disclosure deficiencies during the audit process. The number of errors and disclosure deficiencies we find in the draft financial statements indicates how effective internal controls are for preparing accurate financial statements.




We occasionally make observations to management at the end of our financial statement audits. The observations usually relate to less significant control weaknesses. If we make more than two observations about a particular institution, we may include a caution in the report card—typically related to financial statement accuracy.























































An effective control environment includes clear policies, well-designed processes and controls to ensure compliance, and secure information systems. Such control environments help provide timely, accurate financial and non-financial information to manage and govern the institution.

Our conclusion on the status of outstanding recommendations considers not just the number, but also the age and nature of the outstanding recommendations. See “Post-secondary Institutions: Summary of Recommendations” on page 10.

¹ Per *Post-Secondary Learning Act*, Section 71, the Auditor General is the auditor of the board of all public post-secondary institutions other than the Banff Centre.

The Report Card

-  Significant improvement is required
-  Improvement is required, but impacts on financial reporting are less significant
-  We have not identified significant weaknesses in the institution's control environment

Institution	Preparation of Financial Statements		Outstanding Recommendations
	Accuracy	Timeliness	
Alberta University of the Arts			
2025			
2024			
2023			
Athabasca University			
2025			
2024			
2023			
Bow Valley College			
2025			
2024			
2023			
Keyano College			
2025			
2024			
2023			
Lakeland College			
2025			
2024			
2023			
Lethbridge Polytechnic²			
2025			
2024			
2023			

² Previously Lethbridge College, name change effective July 2024.

Institution	Preparation of Financial Statements		
	Accuracy	Timeliness	Outstanding Recommendations
MacEwan University			
2025	●	●	●
2024	●	●	●
2023	●	●	●
Medicine Hat College			
2025	●	●	●
2024	●	●	●
2023	▲	●	▲
Mount Royal University			
2025	●	●	●
2024	●	●	●
2023	●	●	●
NorQuest College			
2025	●	●	●
2024	●	●	●
2023	●	●	●
Northern Alberta Institute of Technology			
2025	●	●	●
2024	●	●	●
2023	●	●	●
Northern Lakes College			
2025	●	●	●
2024	●	●	●
2023	●	●	●
Northwestern Polytechnic			
2025	●	●	●
2024	●	●	●
2023	●	●	▲

Institution	Preparation of Financial Statements		
	Accuracy	Timeliness	Outstanding Recommendations
Olds College			
2025	●	▲	◆
2024	▲	▲	◆
2023	◆	▲	◆
Portage College			
2025	●	●	●
2024	●	●	●
2023	●	●	●
Red Deer Polytechnic			
2025	●	●	●
2024	●	●	●
2023	●	●	●
Southern Alberta Institute of Technology			
2025	●	●	●
2024	●	●	●
2023	●	●	●
University of Alberta			
2025	●	●	●
2024	●	●	●
2023	●	●	●
University of Calgary			
2025	●	●	●
2024	●	●	●
2023	●	●	●
University of Lethbridge			
2025	●	●	●
2024	●	●	●
2023	▲	●	●

Report Card Summary

Preparation of Financial Statements

Unqualified audit opinions on financial statements of 20 post-secondary institutions

We issued clean (unqualified)³ audit opinions on the 2025 financial statements of 20 post-secondary institutions. Strong financial reporting processes and internal controls provide timely, reliable information for users of the financial statements. These processes also help institutions respond to unexpected events and report analyses of their performance.

Improvement at Olds College

Olds College continues to improve its financial reporting processes. College management prepared more accurate and timely financial reporting compared to recent years. It is important that the college sustain these improved financial reporting processes.

Continued progress is being made in improving operational processes based on our 2023 recommendations.⁴ We will assess implementation of these recommendations when management can demonstrate the improved processes are being sustained and operating effectively.

Financial reporting sustainability

All other 19 institutions we audit continue to sustain adequate processes to promptly prepare accurate financial statements. We have not identified significant weaknesses in preparing accurate and timely financial reporting at 16 of the institutions over the past three years.

Management and the board of governors of all institutions should continue to regularly monitor and test the financial reporting processes and internal controls they rely on to prepare accurate financial reporting. Strong processes improve operating efficiency and quality of data for decision-making.

Cybersecurity response

Over the past three years, we have examined each institution's cybersecurity incident response plans for completeness, application of roles and responsibilities, and regular testing. Having a proper incident response plan is a core component of cybersecurity risk management.

Sixteen institutions improved their processes based on our examination recommendations. These recommendations were reported only to management and not reported publicly due to possible security concerns.

Outstanding Recommendations

Audit findings and recommendations help management and boards evaluate and strengthen their processes. We encourage management and boards of governors to review reported audit findings and recommendations and challenge the effectiveness of their institution's processes.

We issued no new recommendations during the year. Three institutions have a total of seven outstanding recommendations, five of which are to **Olds College** and relate to its financial reporting and operational processes and controls.

One of the outstanding recommendations is to the **University of Calgary** to improve information and related technology (IT) access controls. Effective access controls are important in evolving cybersecurity risks.

³ Financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting standards.

⁴ *Annual Summary of Ministry Audit Work, Report of the Auditor General—November 2024*, pages 32-36.

The other outstanding recommendation is to **Bow Valley College** to improve procurement and contracting processes. The college needs to ensure its procurement of services is competitive, fair, cost-effective, and provides the best value for money.

Implemented recommendations

Lakeland College improved its processes around risk management and monitoring of cloud services.

Northwestern Polytechnic improved consistent applications of its procurement and contracting processes.

Olds College implemented processes to regularly reconcile its cash accounts and promptly investigate unreconciling items.

Audit Findings

IMPLEMENTED Recommendation

Olds College

IMPLEMENTED Recommendation:
Regularly reconcile cash accounts and investigate differences promptly

Context

In 2023,⁵ we recommended that the college improve cash reconciliation processes. We found that the college was not promptly reconciling its cash accounts and investigating unreconciling items. The college was exposed to the risk of inappropriate and unauthorized use of its cash.

Our current findings

The college has implemented our recommendation.

Management provided documentation demonstrating they promptly performed monthly bank reconciliation and investigated unreconciling differences throughout the year. Management also investigated and corrected all previously unreconciled amounts.

IMPLEMENTED Recommendation

Lakeland College

IMPLEMENTED Recommendation:
Monitor cloud service provider controls and ensure end-user controls are effective

Context

In 2023,⁶ we recommended that the college regularly evaluate the effectiveness of both the controls of the cloud service providers and its own end-user controls. We found that management reviewed specific exception reports from the cloud service provider but did not review the report on the effectiveness of the provider's controls. We also found that management did not assess the effectiveness of the end-user controls the college was required to have.

Our current findings

The college has implemented our recommendation.

Management provided documentation demonstrating the following processes were in place and operating effectively:

- implemented a process to annually review the system and organization controls (SOC) report for its cloud service providers to ensure these providers have an effective control environment. Any deviations or weaknesses are followed up by management to assess the impact on the overall control environment.
- identified relevant end-user controls that complement controls of the cloud service providers. Required end-user controls were implemented.

⁵ Report of the Auditor General—November 2024, page 34.

⁶ Report of the Auditor General—March 2023, page 8.

IMPLEMENTED Recommendation

Lakeland College

IMPLEMENTED Recommendation:
Develop, formalize, and document risk management processes related to cloud services

Context

In 2023,⁷ we recommended that the college develop, formalize, and document its risk management processes related to cloud computing services. We found that the college did not document its cloud computing risk assessments and did not update IT policies and procedures for the use of cloud service providers. We also found data classification was not completed, and the security standards were not defined and aligned with the sensitivity of data migrated.

Our current findings

The college has implemented our recommendation.

Management implemented a cloud computing risk assessment procedure that requires documenting a risk assessment for all existing and new cloud services. We observed documentation for a sample of cloud service providers, including management's risk assessment and mitigation controls. This included the types of services, security measures, backup processes, and risks related to privacy and service accessibility.

In addition, management implemented a cloud computing policy that provides guidance and expectations regarding the confidentiality, integrity, availability, security, and appropriate storage of the college's data. Management is also classifying its data and aligning it with corresponding security standards. The college will complete this for all data by 2026-2027.

IMPLEMENTED Recommendation

Northwestern Polytechnic

IMPLEMENTED Recommendation:
Improve consistent application of procurement and contracting processes

Context

In 2023,⁸ we recommended that the polytechnic consistently apply its procurement and contracting policy and processes. Management did not consistently follow its policies on request for proposal or sole source contracts. Without consistently following its policies, The polytechnic cannot demonstrate that its procurement practices are fair and equitable.

Our current findings

The polytechnic has implemented our recommendation.

Management increased awareness of procurement requirements and updated the policies to improve their procurement and contracting processes by clearly documenting the:

- acceptable methods of procurement and approvals based on the value of goods and services to provide clarity and consistency
- criteria for which a contract is required based on the type of transaction
- contract proposal review processes, including proper signing authority
- information required to support the contract award decision
- requirement that the project manager ensures work starts only after the contract is finalized

The updated policies have all required elements of a fair and equitable procurement and contracting process. Management has applied its improved process consistently on all procurements since May 2024.

⁷ Report of the Auditor General—March 2023, page 7.

⁸ Report of the Auditor General—March 2023, page 9.

Post-secondary Institutions: Summary of Recommendations

Institution	Status of Recommendations ⁹			Closed Recommendations					
	New	Outstanding	Total	Ready for Assessment	Not Ready for Assessment	> 3 Years ¹⁰	< 3 Years	Implemented	Changed Circumstance
Alberta University of the Arts	0	0	0	0	0	0	0	0	0
Athabasca University	0	0	0	0	0	0	0	0	0
Bow Valley College	0	1	1	0	1	0	1	0	0
Keyano College	0	0	0	0	0	0	0	0	0
Lakeland College	0	0	0	0	0	0	0	2	0
Lethbridge Polytechnic	0	0	0	0	0	0	0	0	0
MacEwan University	0	0	0	0	0	0	0	0	0
Medicine Hat College	0	0	0	0	0	0	0	0	0
Mount Royal University	0	0	0	0	0	0	0	0	0
NorQuest College	0	0	0	0	0	0	0	0	0
Northern Alberta Institute of Technology	0	0	0	0	0	0	0	0	0
Northern Lakes College	0	0	0	0	0	0	0	0	0
Northwestern Polytechnic	0	0	0	0	0	0	0	1	0
Olds College	0	5	5	2	3	2	3	1	0
Portage College	0	0	0	0	0	0	0	0	0
Red Deer Polytechnic	0	0	0	0	0	0	0	0	0
Southern Alberta Institute of Technology	0	0	0	0	0	0	0	0	0
University of Alberta	0	0	0	0	0	0	0	0	0
University of Calgary	0	1	1	1	0	0	1	0	0
University of Lethbridge	0	0	0	0	0	0	0	0	0
Total	0	7	7	3	4	2	5	4	0

⁹ Based on management representations to January 1, 2026.

¹⁰ We use older than three years (>3) as a performance measure for when we expect management to implement our recommendations. We update the three-year status at the beginning of each new fiscal year (April 1).

Detailed recommendation list (by report, newest to oldest)

Recommendation	When	Status
<p>BOW VALLEY COLLEGE</p> <p>REPORT ON POST-SECONDARY INSTITUTIONS 2024:</p> <p>Improve purchasing processes</p> <p>We recommend that Bow Valley College improve its purchasing policy and consistently apply it to all contracts.</p> <p>Consequences of not taking action: Good purchasing policies ensure the procurement of services is competitive, fair, cost-effective, and results in the right services delivered at the right place and at the right time. Without a complete purchasing policy which is consistently applied for all contracts, the college risks receiving substandard vendor performance and not the best value for money.</p>	<p>March 2025, p. 8</p>	<p>Not Ready for Assessment</p>
<p>OLDS COLLEGE</p> <p>ANNUAL SUMMARY OF MINISTRY AUDIT WORK:</p> <p>Improve process to record portfolio investments</p> <p>We recommend that Olds College improve its process to record endowment and non-endowment investments.</p> <p>Consequences of not taking action: Without effective processes to track, reconcile and record portfolio investment activities, management and the board will lack accurate information on whether portfolio investments meet required funding conditions and investment objectives, and provide sufficient liquidity for the college’s operations.</p>	<p>November 2024, p. 32</p>	<p>Ready for Assessment</p>
<p>OLDS COLLEGE</p> <p>ANNUAL SUMMARY OF MINISTRY AUDIT WORK:</p> <p>Improve process to account for conditional funding</p> <p>We recommend that Olds College improve its process to record revenue from funding with conditions.</p> <p>Consequences of not taking action: Without accurate and complete information to monitor activities related to conditional grants, the college may breach funding conditions requiring repayment back to funders. This may affect future contributions from those funders.</p>	<p>November 2024, p. 33</p>	<p>Ready for Assessment</p>

Recommendation	When	Status
<p>OLDS COLLEGE</p> <p>ANNUAL SUMMARY OF MINISTRY AUDIT WORK:</p> <p>Regularly monitor the condition of tangible capital assets</p> <p>We recommend that Olds College implement a process to monitor the condition and remaining useful life of tangible capital assets.</p> <p>Consequences of not taking action: Management will not be able to make appropriate short- and long-term capital planning and maintenance decisions without current information on the condition and expected useful remaining life of its tangible capital assets.</p>	<p>November 2024, p. 34</p>	<p>Not Ready for Assessment</p>
<p>OLDS COLLEGE</p> <p>ANNUAL SUMMARY OF MINISTRY AUDIT WORK:</p> <p>Improve financial reporting processes</p> <p>We again recommend that Olds College improve its financial reporting processes to:</p> <ul style="list-style-type: none"> • provide sufficient update training to staff of public sector accounting standards • ensure proper management oversight of the preparation of consolidated financial statements <p>Consequences of not taking action: Without effective financial reporting processes, there is a higher risk of financial reporting errors.</p>	<p>Repeated November 2024, p. 35</p> <p>› Originally reporting March 2021, p. 10</p>	<p>Not Ready for Assessment</p> <p>Recommendation is older than three years</p>
<p>UNIVERSITY OF CALGARY</p> <p>REPORT ON POST-SECONDARY INSTITUTIONS 2023:</p> <p>Improve user access controls over terminated employees</p> <p>We recommend that the University of Calgary improves its network access controls over terminated employees.</p> <p>Consequences of not taking action: Unless management promptly removes terminated employees' network access, the university risks unauthorized access to its systems.</p>	<p>March 2024, p. 8</p>	<p>Ready for Assessment</p>

Recommendation	When	Status
<p>OLDS COLLEGE</p> <p>REPORT ON POST-SECONDARY INSTITUTIONS 2019:</p> <p>Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Olds College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p> <div style="border: 1px dashed black; padding: 5px;"> <p>Consequences of not taking action: Without effective internal controls, institutions increase exposure to financial errors, financial loss, and reputational damage. The Board of Governors may not get the information from management it requires to exercise proper oversight.</p> </div>	<p>December 2019, p. 7</p>	<p>Not Ready for Assessment</p> <p>Recommendation is older than three years</p>



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