

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, 2026**

Brandon Lundy, MLA
Chair
Standing Committee on Legislative Offices

On behalf of my office, I am pleased to transmit our *Results Report for the year ended March 31, 2026*, to the Members of the Legislative Assembly of Alberta. I also wish to acknowledge and thank Doug Wylie, Alberta's 11th Auditor General, whose term concluded during this reporting period.

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, 2026.



Phillip D. Peters FCPA, FCA, KC
Auditor General of Alberta

Edmonton, Alberta
September 2026

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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.

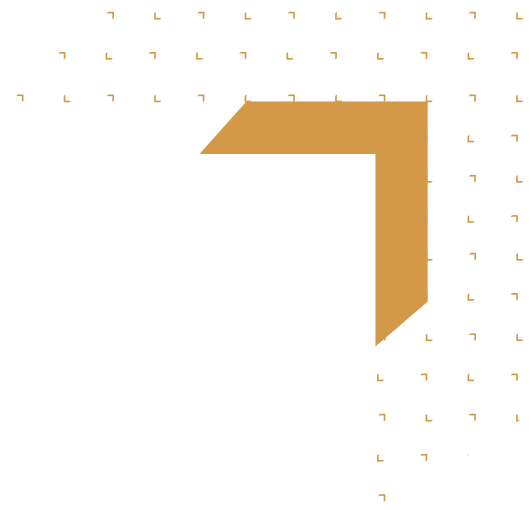


W. Doug Wylie, FCPA, FCMA, ICD.D

Thank you to Doug Wylie, Alberta's 11th Auditor General

Throughout Doug Wylie's 37-year career with the office, he emphasized the importance of public sector accountability and its role in a healthy democracy. Under his leadership, the office delivered impactful audit work while enhancing its effectiveness by improving how audits are planned, conducted, and communicated to Albertans. He advocated for stronger public sector performance reporting that emphasizes outcomes and results, not just activities and spending. His approach reinforced the values of independence, transparency, and evidence-based analysis. The office continues to build on this work.

Doug's eight-year term concluded in the weeks following this reporting period. Thank you, Doug, for your service to Albertans and for your contribution to the office's mandate. We wish you every success in what comes next and recognize the lasting impact of your work on public sector auditing.



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Office of the Auditor General of Alberta Results Report 2025–2026

Key messages from the Office Leadership Team

Welcome

The *Office of the Auditor General of Alberta 2025–2026 Results Report* provides an overview of our work and achievements from April 1, 2025 to March 31, 2026.

Guided by our commitment to the public good, we provide independent audits and insights that promote accountability, transparency, and effective stewardship of public resources. Our work supports Members of the Legislative Assembly of Alberta in their oversight role and helps government organizations make informed decisions.

This report highlights our progress against planned priorities, summarizes completed audits and assessments of the implementation of prior recommendations, and provides an overview of our operational activities.

Independent Assurance and Oversight

We are pleased to report that our office conducted a total of 100 financial audits, including the audit of the *2024–2025 Consolidated Financial Statements of the Province of Alberta*. In addition, we released five performance audits, including *An Examination of Community Laboratory Services*, which focused on Alberta Health Services' (AHS) processes for awarding and managing the contract with DynaLIFE. We also continued our examination of procurement and contracting processes at Health and AHS. Details on completed audits and work underway are available on our website.

Operational Stewardship

Our office focused on two core desired outcomes: supporting and developing our people and maximizing the value of our audit work. We pursued these priorities through targeted strategies that strengthened staff engagement and capability while supporting the efficient delivery of high-quality audits.

The office remained focused on prudent use and oversight of its financial resources. During the year, the office required an additional \$4 million to support increased audit work related to the restructuring of the government health portfolio, the procurement and contracting processes examination, government-wide salary market adjustments, and the replacement of our end-of-life audit software. Despite these significant changes to our operations, we managed our costs and met our approved budget for the year. We also received a clean external audit opinion on our financial statement reporting for the year ended March 31, 2026.

With Appreciation

Ensuring accountability and transparency in government is a shared responsibility within our democratic system. We thank the Members of the Public Accounts Committee, the Standing Committee on Legislative Offices, and all Members of the Legislative Assembly for their oversight, leadership, and commitment to public accountability.

We also recognize the audit entities we engage in our work. Auditing across a complex and diverse government environment relies on co-operation, collaboration, and a shared commitment to accurate and timely reporting. We thank them for their efforts.

This results report reflects the work of the people behind it. On behalf of the Office Leadership Team, we thank the team of professionals whose dedication and expertise give our work its credibility and impact for Albertans.



Our Vision, Values, and Mission

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

(April 1, 2025 to March 31, 2026)

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

Ajaypaul Gill	Diana Potapovich	John Nodado	Nabeel Rehman	Saketh Krishnan
Alisha Singh	Dilraj Grewal	Jonalyn Lagnason	Naila Tahir	Salima Moorji
Allan Nguyen	Doug Wylie	Karen Hunder	Najib Alamyar	Samantha Bernard
Amanda Liang	Doug Zurbrigg	Karen Schmidt	Nancy Wang	Sandra Hughes
Amy Prenc-Perry	Edna Wang	Karen Zoltenko	Natalie Tran	Sandra Obeng-Asiaw
Ana Kottke	Ellen Gao	Karl Capupus	Nelson Robe-From	Satnam Gill
Anita Medeiros	Emily Basinal	Ken Freier	Nicole Greenwald	Scott Loder
Anna Flores	Emmanuel Ssebatya	Kevin Li	Nikolina Maljevic	Shania McKay
Annie Chan	Eric Leonty	Kevin Lourenco	Nilakshi Sarker	Shawn Dineen
Annie Yeung	Ethan Yamulky Janela	Kim Lyttle	Nina Ocampo	Sofia Malinao
Anoop John	Eugene Santiago	Kiran Shahid	Norilyn Santos	Stephen Dawe
Anterpreet Bawa	Evan Oslund	Laurel Wang	Omer Ahmad	Steve Fedorchuk
Arlene DeLuca	Faezeh Moeini	LeeAnn Garbe	Pablo Binas	Steve Power
Arsalan Malik	Fahad Khan	Licette Galorio	Palvinder Bagri	Susan Qi
Ayan Affi	Farouk Penddah	Lisa Bishop	Pamela Appelman	Tanja Misita
Ayesha Qayoom	Fay Ramler	Lisa LaRocque	Pamela Hlewka	Tatiana Mironas
Brad Ireland	Fong-Yee Tsai	Lori Trudgeon	Patty Hayes	Taylor Collins
Brock Fraser	Fouad Kamel	Loulou Eng	Pavanveer Flora	Taylor Donovan
Bryce Co	Gillian Haney	Lulu Qian	Phil Minnaar	Tej Deol
Byron Ofner	Gurminder Mander	Madison Gillies	Phil Peters	Theo Kim
Cam Funnell	Haider Abrar	Manya Gupta	Philip Benade	Thi Nguyen
Carissa Cervania	Hamza Rizwan	Marcela Sullato	Precious Babale	Tim Hanson
Carla Schwabe	Hannie Quiambao	Marcela Zicha	Princess Reyes	Tim Lamb
Carmen Misal	Harman Sahota	Mark Wright	Priscilla Franklin-Lamping	Upneet Khokher
Cecilia Lorenz	Heather van Straaten	Martina Galkiewicz	Rachel De Luna	Uwa Aiyanyor
Cheryl Lalonde	Holly DeBelser	Matthew Cardoza	Ram Chepuri	Vishwa Patel
Cheryl Schneider	Ibi Power	Matthew Hicks	Ram Rajoo	Wade Knittig
Christopher Michell-Viret	Ice Ng	Maureen Manning	Rhonda Wakal	Wafaa Abuoun
Christopher Zindi	Iris Wen	Maysa Taha	Ria Abbi	Wayne Morgan
Chunmei Lin	Jackie Di Lullo	Medley Russell	Richard Caag	Yared Beyin
Colin Semotiuk	Jamie Hon	Michael Hoffman	Robert Burgess	Yassir Madih
Daniella Nathaniel	Jaspreet Gill	Michelle Fleming	Robert Driesen	Zachery Turner
Danijel Fajic	Jeline Lee	Mohamed Jarrah	Rosanna DiAntonio	Zackery Petruniak
Darci Cowan	Jessica King	Mona Haftshayjani	Ruslana Krasivska	Zan Wang
David Dias	Jey Naicker	Monica Jeske	Ruth Schneidmiller	Zineb Filali
	Jingyi Li	Mydhel Ebor		Zoya Zahir

Our Year By the Numbers



**Audit reports
completed:**

112

(2024-2025: 115)

Costs dedicated to
performance audit vs.
financial statement audit:

28% : 72%

(2024-2025: 27%: 73%)

**New recommendations
accepted by government:**

17

(2024-2025: 26)



**Public
inquiries:**

440

(2024-2025: 227)

**Recommendations
implemented by
the government:**

18

(2024-2025: 17)

Approved budget 2026:

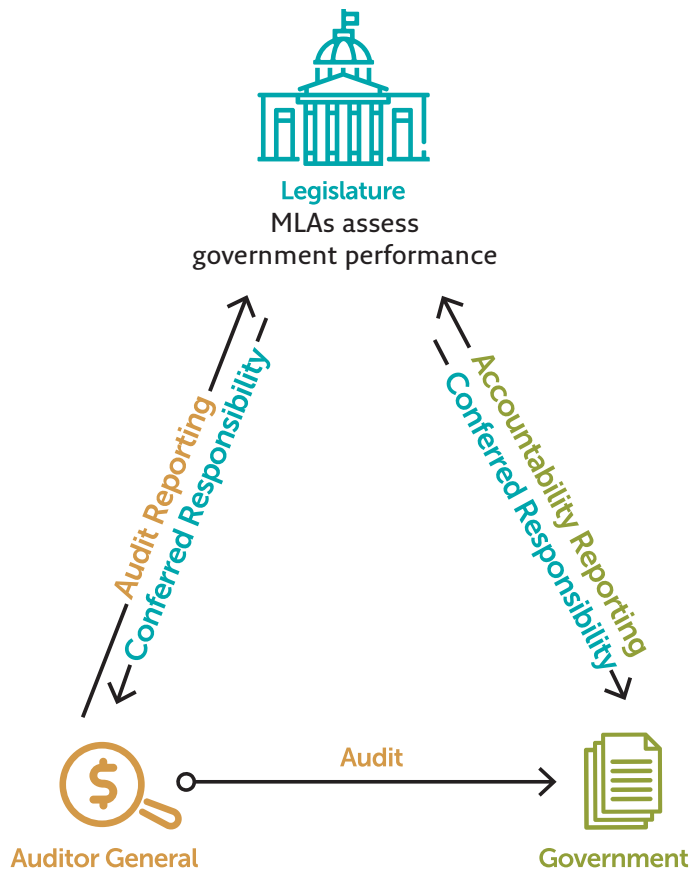
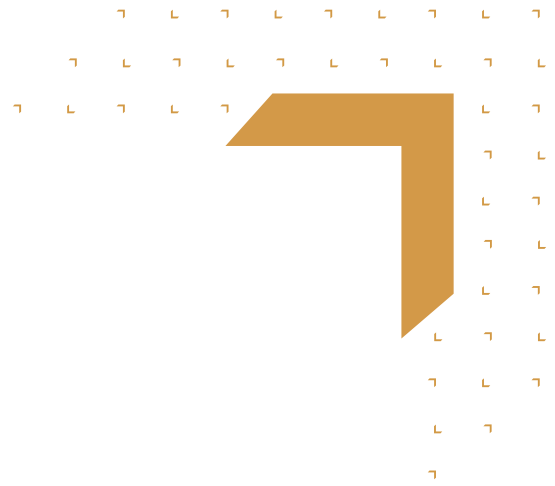
\$34.3M

(2024-2025: \$29.6M)

Total government expenses we audited:

\$74.2B

(2024-2025: \$70.4 billion)



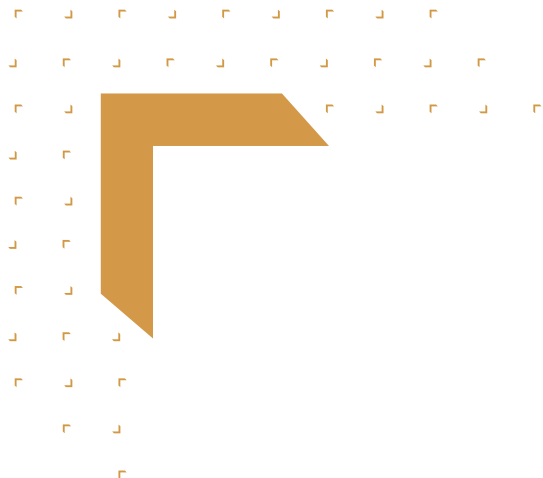
About Legislative Auditing

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 and what was achieved. 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 Work

Financial Statement Audits

Our core responsibility is to provide independent and credible audits of the province's consolidated financial statements and the financial statements of most provincial agencies, boards, commissions, and regulated funds. These audits assure Albertans that financial information is reliable and fairly presented in accordance with applicable accounting standards. We also take a forward-looking approach by identifying significant risks, obligations, and liabilities that the province—and Albertans—should understand.

Performance Audits and Other Examinations

As Alberta's independent legislative auditor, our office has a unique vantage point on how government programs and services are designed and delivered. We use this perspective to identify opportunities for improvement and to conduct audits that support better outcomes for Albertans. Performance audits and other examinations assess how effectively, efficiently, and economically programs operate. We examine whether processes are well-designed, functioning as intended, and providing reliable information to support sound decision-making. Our findings help decision-makers strengthen systems, improve results, and enhance public trust.

Assessments of Implementation

When government accepts our recommendations, responsibility for implementing them belongs with the entity's management. We review management's implementation plans and provide feedback on whether the proposed actions are likely to achieve the intended outcome of the recommendation. When management advises that they have implemented a recommendation, we conduct an assessment to determine whether they have executed their implementation plan and meaningful improvement has been achieved.

This is not a re-audit. Management must demonstrate what actions they have taken and provide evidence that the changes are operating effectively. If management provides sufficient, appropriate documentation, we assess the recommendation as implemented. If not, we repeat the recommendation until the necessary improvements are in place.



Operational Priorities

Priority 1: Engage and Support Our People

Desired Outcome

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

Recruiting, developing, and retaining the right people is a key priority for our office. We achieve our desired outcome through a combination of having the right level of staff for the work we expect to do and retaining those staff long-term. Retention is key to developing experienced, highly skilled staff to deliver on our mandate.

Critical Areas of Focus for 2025–2026

1. Recruit and develop talented staff

- › Focus on recruiting Chartered Professional Accountant (CPA) students by emphasizing the unique career experiences we offer
- › Develop and mentor staff by implementing strategies to develop talent from within and plan for succession
- › Update performance management processes to support staff development

2. Build community

- › Leverage opportunities to build cohesive teams, keep staff engaged and informed, and celebrate staff excellence
- › Encourage staff participation in volunteer opportunities to give back to the community

Our Results

This year, our audit staff retention rate was 81 per cent, exceeding our 80 per cent target:

Measure—Met	Target	Actuals	Prior Year
Audit staff retention rate	> 80%	81%	72%

Audit staff retention improved significantly compared to last year. This improvement was driven primarily by government actions to resolve market compensation gaps that we adopted for our employees. In addition, staff reported that participating in office events had been a positive experience that supported stronger connections with colleagues and the office. The Alberta Public Service's decision to end hybrid work arrangements, which our office followed, also increased opportunities for in-person interaction.

While we achieved our target retention rate, we remain 12 audit professionals short of our desired full staff complement. With vacancies filled throughout the year, we keep an eye on our turnover rate, budget, and overall full-time equivalents, while considering the trade-offs of a recruiting strategy that balances senior audit experience alongside junior and in-training roles. Recruiting experienced staff, especially to do performance audits, continues to be challenging, as the work requires a specialized and unique skill set. To meet this challenge, we will continue our long-term strategy of recruiting junior staff and developing their capabilities to fill these roles over time. Achieving our retention target supports this approach by preserving the talent we invest in and strengthening our future workforce capacity.

Recruit and develop talented staff

With a focus on building strong public sector audit expertise, we offer comprehensive training at every stage of a staff member’s career—from articling CPA students to senior audit professionals. As a recognized CPA training office, we are proud to contribute to the audit profession. We are equally proud of our people, whether they stay and grow within our organization or go on to become respected leaders across the public and private sectors.

Auditors must understand complex accounting standards and know how to apply them in real situations. These skills are in high demand, creating strong competition for qualified audit professionals. This makes it challenging to attract and retain the people we need and requires us to plan ahead to ensure we have the right expertise in place.

Recruitment of CPA students

In alignment with our business plan initiative to recruit CPA students by highlighting the unique career experiences we offer, we continued our targeted recruitment efforts at post-secondary institutions this year. We enhanced our on-campus presence by showcasing the distinctive career opportunities available within our office. During visits to the University of Alberta, MacEwan University, and NAIT, we increased awareness of public sector auditing and promoted career opportunities with our office.

The office also participated in an accounting career panel hosted by the University of Alberta. The panel provided an opportunity for students to meet and engage with a variety of employers in the accounting field, while highlighting the unique career path available within our office.

This year, our target was to recruit 34 audit staff and we hired 22 (2024: target 47; hired 29). While last year’s recruitment efforts were most successful in filling entry-level audit positions through post-secondary institutions, this year we achieved greater success recruiting experienced candidates into senior roles, primarily because we could offer more competitive compensation packages.

Development and mentoring of staff

Consistent with our business plan initiative to develop and mentor staff and plan for succession, we continued to invest in building talent from within. Given the complexity and sensitivity of our work, it is essential that our staff have the specialized skills required to perform effectively. Our office offers a comprehensive curriculum of interpersonal and technical training tailored to the unique needs of public sector auditors.

During 2025-2026, course offerings included topics such as refreshers in Public Sector Accounting Standards (PSAS) and Canadian Auditing Standards (CAS), distilling audit findings, external performance reporting, leadership skills, and cybersecurity. We also developed training to support the implementation of our new audit software, scheduled for rollout in 2026-2027. New hires participated in internal courses covering the fundamentals of public sector auditing. In addition, our audit leaders dedicated significant time to mentoring staff and provided on-the-job learning opportunities to support ongoing professional development.

Our training program provides opportunities for designated staff to complete the annual professional education requirements needed to maintain their designations. We generally target a minimum of 40 hours of formal and informal training per year.² Similar to prior years, all audit staff achieved this target.

As a CPA training office, we are committed to supporting the next generation of accounting professionals. Approximately one-third of our staff complement participate in the program at various stages. We had 49 CPA articling students this year, compared to 50 last year. Seventy-five per cent of our first-time writers passed the Common Final Examination (CFE), exceeding our target of the national average of 70 per cent.³ We are proud of our students' achievements. The CPA program is challenging and the CFE represents a major milestone on the path to earning a CPA designation.

Update of performance management processes

In support of our initiative to update our performance management processes to better support staff development, we made initial progress this year by assessing current approaches and identifying opportunities for improvement.

Our goal is to provide meaningful, two-way performance conversations informally throughout the year and formally twice a year that support both individual growth and organizational success. In 2025-2026, all staff received formal feedback; however, we did not consistently meet timelines due to competing audit priorities.

We will continue to assess options to refine our approach in the coming year, with a focus on improving feedback timeliness and quality. Over the next few years, we will also explore opportunities to enhance efficiency through automation and other enhancements.

Strengthening these processes will help ensure our performance management approach supports employee development and career growth, and aligns with our broader talent and succession planning objectives.



Proud to Celebrate a Professional Milestone

Celebrating our successful Common Final Examination (CFE) writers is an annual tradition at our office—one we take great pride in. This milestone reflects years of sustained effort, discipline, and resilience, as CPA candidates balance work with professional study.

Our office plays an important role in that journey. Experienced staff support articling students as mentors, coaches, and reviewers, sharing knowledge and encouragement throughout the process. Their success reflects both individual commitment and collective support.

We are pleased to congratulate Fahad Khan, Princess Reyes, and Satnam Gill on this significant achievement. Their success marks not only an important milestone in their professional journey but also strengthens the expertise and capacity of our office.

² We are developing a new performance measure for 2026-2027: Average hours of professional development per audit staff member.

³ [CPA Canada 2025 Pass Rates Released](#) | [Gevorg CPA](#).

Build community

In addition to fostering individual development, providing opportunities for our staff to work and learn together is vital to staff retention. This directly supports our ability to complete our work—especially complex audits, which rely heavily on experienced staff and managers.

To support our initiative to build cohesive teams, keep staff engaged and informed, and celebrate staff excellence, we created opportunities for staff to connect with leadership and each other through a mix of formal and informal initiatives. We met our target to host at least two activities this year to bring all staff together. These activities provided opportunities to share updates, such as progress on the procurement of our new audit software, recognize professional milestones and staff contributions, and participate in team-building activities.

This year, we also refreshed our internal website (portal) as planned. It now provides greater functionality, enabling us to enhance regular communication with staff and share and store corporate information more effectively.

By supporting a range of employee-led and organization-supported initiatives, we advanced our goal of encouraging staff involvement beyond their day-to-day roles. Staff participated in mentorship, recruitment, and volunteer activities, fostering collaboration while contributing to organizational priorities and the broader community. Our social committee continued to play an important role in strengthening workplace culture by organizing inclusive and well-attended events, including seasonal celebrations, team competitions, and wellness activities.

Staff consistently report that these formal and informal touchpoints help them feel more connected to their colleagues and the organization, contributing positively to engagement and retention.



Recognizing Exemplary Leadership and Service

A commitment to integrity, service, and the public interest is central to our office's work. Phillip D. Peters, FCPA, FCA, KC was recognized as a 2026 Fellow of the Chartered Professional Accountants (FCPA), one of the profession's highest honours.

Both a CPA and a lawyer, and recipient of the King's Counsel designation, Phil has strengthened the office's independence, transparency, and credibility. Since joining in 2017, he has advanced ethics practices, established frameworks that continue to guide our work, contributed to professional standards in Canada and internationally, and played a key role in complex audit matters.

Phil's contributions extend beyond the profession. Through long-standing service with BGC Big Brothers Big Sisters of Edmonton and other community initiatives, he has demonstrated a strong commitment to mentorship and giving back. Phil believes the CPA profession carries a responsibility to serve others and strengthen the public good, noting that "helping others navigate complexity and uncertainty has always given my work purpose."

Phil was appointed the 12th Auditor General of Alberta and assumed the role on April 29, 2026.

Priority 2: Maximize the Value of Our Products

Desired Outcome

Audit work that is valued by Members of the Legislative Assembly and Albertans

Our aim is to deliver timely, high-quality financial statement audits and performance audits with efficiency and professionalism. We are committed to meeting the best practices of legislative auditing and professional standards. Members of the Legislative Assembly and Albertans can be confident that our work is non-partisan and independent—grounded in objectivity, guided by evidence, and focused on presenting the facts with clarity and integrity.

Given the complexity and different components involved in delivering our audit work, we assess results using several performance measures and one indicator.

Critical Areas of Focus for 2025–2026

1. Deliver timely and efficient audits

- › Understand and respond to changing audit needs to inform our audit and resourcing plans
- › Procure new audit software to ensure audit service continuity

2. Prepare relevant and reliable reports

- › Continuously improve clarity of our public reports
- › Ensure we meet professional standards

Our Results

Deliver timely and efficient audits

Understand and respond to changing audit needs

We met our target to issue our independent audit opinion for the *2024–2025 Consolidated Financial Statements of the Province of Alberta* by the June 30, 2025 reporting timeline set by the government.

Measure—Met	Target Deadline	Actuals	Prior Year
Issue the Independent Auditor’s Report for the <i>2024–2025 Consolidated Financial Statements of the Province of Alberta</i> on time ⁴	Annually by June 30	June 18, 2025	June 20, 2024

The detailed results of the audit of the *2024–2025 Consolidated Financial Statements of the Province of Alberta*, along with our annual summary of ministry audit work, is available in our December 2025 report.⁵

The timely and efficient completion of our audits and meeting the government’s timeline depend on promptly receiving accurate and complete information from audit entities. Also, when we identify process weaknesses, we must perform additional audit procedures. This year, four ministries and six entities faced significant challenges preparing quality financial information or had process weaknesses that required additional audit work. Four other entities did not prepare their financial statements on time, resulting in incomplete audits at year-end.

We spent approximately 5,200 additional hours at a cost of approximately \$700,000 beyond what we originally planned on these financial statement audits. This was primarily achieved through higher-than-normal overtime to ensure we still met the province’s June 30 target timeline. However, this approach is not sustainable.

⁴ This results report covers the period of April 1, 2025 to March 31, 2026. The results of our audit of the *2025–2026 Consolidated Financial Statements of the Province of Alberta*, which is completed in 2026–2027, will be highlighted in next year’s results report.

⁵ [Audit of the 2024–2025 Consolidated Financial Statements of the Province of Alberta / Annual Summary of Ministry Audit Work—Report of the Auditor General—December 2025.](#)

We discussed the importance of delivering accurate, complete, and timely financial information with audit entities to support planning for next year. We also provided observations and recommendations for improvement.

As outlined in our business plan, effective audit and resource planning requires us to understand and respond to evolving audit needs. This presents challenges when government creates new organizations or restructures existing organizations during the year, requiring revisions to our audit approach.

Since July 2024, the government has established nine new health-related entities, each requiring an annual audit. While not statutorily required to be the auditor of these new entities, our office accepted the ministerial appointments for each one in the public interest. As the auditor of the province and many related government organizations, we are well positioned to perform this work efficiently and consistently. During the year, we completed the first audit of one new health entity for the year ended March 31, 2025 and began audits of the remaining entities. For the year ending March 31, 2027, we will complete audits of all of the nine new health entities. This is in addition to the four health entity audits we currently conduct. Looking ahead to the year ended March 31, 2028, we may also be asked to audit seven new primary care corridors established by government in September 2026. This will further increase our financial statement audit workload.

Understanding and continuously responding to evolving areas of risk in the public sector also informs the nature and scope of our performance audits and other examinations. This year, we fell just short of our target of dedicating 30 per cent of our resources towards these projects.

Measure—Not Met	Target	Actuals	Prior Year
Percentage of costs (resources) dedicated to performance audits, other examinations and assessments of implementation	30%	28%	27%

In 2025–2026, we spent:

- \$9.7 million, or 28 per cent of our total expenditures, conducting performance audits, other examinations, and assessments of implementation for recommendations previously issued (2024–2025: \$8.1 million; 27 per cent)
- \$24.5 million, or 72 per cent of our total expenditures, completing 100 financial statement audits (2024–2025: \$21.9 million; 73 per cent; 96 audits)

The primary drivers of increased overall costs compared to last year relate to compensation increases to align our staff with Alberta Public Service employees, and increased agent and contracted professional services to complete additional audit work in the health sector (see page 18–19).

We fell short of our target for several reasons.

As noted earlier, while we had success recruiting staff again this year, we were still short of experienced staff to conduct performance audits. Our ability to deliver a greater volume of performance audits will be limited until our long-term strategy to develop experienced performance auditors yields results. For this reason, we adjusted our target for 2025–2026 to 30 per cent, down from the 35 per cent we targeted in previous years.

We also experienced significant delays and challenges obtaining information and, in one case, were denied access to information required to complete our work. The *Auditor General Act*⁶ entitles us to access the records necessary to perform our duties. Significant information delays result in work stoppages, making it difficult to complete planned performance audits on schedule.

⁶ [Auditor General Act](#), Section 14: Access to Information.

As a result, this year we only completed five of the ten performance audits we had planned to release (2024–2025: 7 of 11). Completed projects included our *Examination of Community Laboratory Services (Contract with DynaLIFE)* and four reports with recommendations on topics such as AHS public performance reporting, provincial child care subsidies and grants, and accessibility to post-secondary education. These reports are available on our website.⁷

Work continued on the remaining five projects during 2025–2026, including our examination of procurement and contracting processes at Health and AHS. We plan to release these reports in 2026–2027.

When delays and denials of information arise, audit teams must spend additional time working with management to get the information. We estimate this added approximately 6,800 hours at a cost of \$1.5 million to our performance audits and examinations this year.

On the financial statement side, we needed more resources to complete the additional audit work related to the new entities in the health sector. Incremental audit costs related to the new health audits totalled approximately \$1 million for 2025–2026. Increasing demand for financial statement audits makes it difficult to achieve our 30 per cent performance audit target.

Procure new audit software

We met our business plan target to procure new audit software to ensure the continuity of audit services. Information technology tools are essential to completing complex audits efficiently and effectively. This year, we completed a comprehensive review and selection process to replace our 25-year-old audit software. Software-related costs incurred this year were under budget; most costs will be incurred in 2026–2027 when the software is implemented.

The new software will provide opportunities to improve the efficiency of our financial statement audits by streamlining how we carry out our work through a comprehensive, integrated risk analysis. Once fully implemented, we will explore opportunities to reduce the cost of completing government financial statement audits for Albertans.



Building Connections Through Corporate Challenge

Each spring, staff connect through Edmonton and Area Corporate Challenge activities—experiences that bring people together in ways everyday work cannot.

These events highlight teamwork, creativity, and a willingness to try something new. They offer a chance for shared success away from the desk and build camaraderie that carries back into the workplace, no matter the outcome.

Corporate Challenge also reflects our commitment to community. Through initiatives such as blood donation and acts of kindness, we come together to contribute to something larger—demonstrating our shared values of trust, respect, diversity of thought, teamwork, and growth.

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

Prepare relevant and reliable reports

Continuously improve clarity of our public reports

Our work delivers the greatest value when our reports are clear and our recommendations are understood, accepted, and implemented in a timely manner.

Measure—Met	Target	Actuals	Prior Year
Percentage of the Auditor General’s recommendations accepted for implementation	100%	100%	100%

We achieved our target of full acceptance, with government agreeing to all 17 new recommendations issued in 2025–2026. While our goal is 100 per cent acceptance, we recognize that government may not always agree with every recommendation.

This year, we continued to focus on improving the clarity of our reports by emphasizing plain language and the accessible presentation of audit findings. We reinforced these practices through our communications approach and report release activities.

We monitor public engagement with our reports on our website to assess whether we are meeting the informational needs of Albertans. We aim to increase public engagement each year. In 2025–2026, we met this target as traffic to report-related pages on our website increased significantly. The most-viewed report received over 3,800 views—more than double the views received by the most-viewed report in the prior year.

We also saw increased direct engagement with our work. Our email subscriber list grew to 1,241 (a 99 per cent increase from the previous year), driven largely by our fall report releases and by consistently encouraging audiences to subscribe through our social media channels, news releases, and correspondence with individuals who contacted our office. Public and media inquiries nearly doubled to 522 total inquiries, many of which included audit suggestions, reflecting increased awareness and engagement with our work.

Together, these metrics suggest that our reports are reaching a broader audience while highlighting the continued need to clearly communicate the office’s mandate. We use these results to better understand the issues of greatest interest to Albertans as we plan future performance audit work.

Indicator	Actuals	Prior Year
Number of recommendations not implemented within three years	12	8

Depending on the complexity of the underlying issues, audit entities generally take one to three years to implement a recommendation. This year, 12 of the 112 outstanding recommendations were more than three years old (2024–2025: 8 out of 112). Unimplemented recommendations can leave entities exposed to risk. When implementation timelines extend beyond what an entity had planned, we meet with them to understand the reasons for delay and to confirm that the recommendation is still relevant.

While we consider three years to be a reasonable implementation period, we have no control over management’s actual timelines. Given the increase in recommendations outstanding for more than three years, we will consider enhancing our future reporting to Albertans and the Public Accounts Committee by identifying instances where audit entities do not have implementation plans for outstanding recommendations. The absence of a comprehensive implementation plan is one of the primary causes of implementation delays.

Once an entity advises us that a recommendation has been implemented, we conduct an assessment of implementation to determine whether the entity can demonstrate that the improvement is both effective and sustained. This year, we spent \$0.9 million⁸ to complete seven assessments covering 23 outstanding recommendations (2024–2025: \$1.2 million; 12 assessments; 19 recommendations).

⁸ \$0.9 million is included in the \$9.7 million total for our performance audit line of business.

The time required and cost incurred to complete each assessment vary depending on the complexity of the recommendations, how efficiently we receive the required information from the audit entity, and whether we repeat any recommendations.

This year, we concluded that 18 of the 23 recommendations assessed were implemented by the respective audit entity and we repeated two recommendations due to inaction. Three audit entities informed us they would not implement three previously accepted recommendations, which is not part of the normal process and required additional time for us to work through. When an entity informs the Auditor General that it no longer intends to implement a previously accepted recommendation, we categorize the recommendation as “Not Implemented.” It remains part of our total outstanding recommendations list as a reminder of areas where management has chosen not to improve operational process and internal control deficiencies.

We cannot set a target for how many assessments we will complete in a year because timing is dictated by audit entity readiness. However, we aim to finish assessments within six months of being notified that an entity is ready. In 2025–2026, we experienced significant delays and challenges obtaining the required information for three of the seven assessments. In one case, we were denied access to information needed to complete our work. We estimate the delays and denial of information added approximately 960 hours at a cost of \$170,000 across the assessments we worked on. To increase efficiency in the future, we will not start an assessment until the audit entity provides all information required to demonstrate implementation.

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

Meet professional standards

Albertans and Members of the Legislative Assembly can be confident that our work is reliable and meets professional standards.

Our office is registered with Chartered Professional Accountants (CPA) Alberta as both an audit office and a training office. As part of its oversight role, CPA Alberta conducts practice reviews of registered firms every three years to ensure they comply with professional standards.

Measure—N/A	Target	Actuals	Prior Year
Chartered Professional Accountants (CPA) Alberta practice review	Compliance	Not an assessment year	Compliance

Although this was not a formal practice review year for us, we performed internal quality reviews of our audit files. These reviews help maintain the quality of our audit files and the reliability of our work. Results are reported to the office’s internal Quality Advisory Committee and shared with office leadership.

When new professional accounting or auditing standards are introduced or revised, we assess their impact, train our staff, and update our audit plans accordingly. In fiscal 2026–2027, significant changes will be made to the conceptual framework that supports financial reporting in the public sector. Effective April 1, 2026, all public sector entities must adopt the new framework and reporting model.

Over the past year, we provided training to our staff on these new requirements and began working with the entities we audit to prepare for the transition. Our goal is to help ensure a smooth, well-planned, and efficient implementation of these changes.

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



Celebrating Early Career Excellence

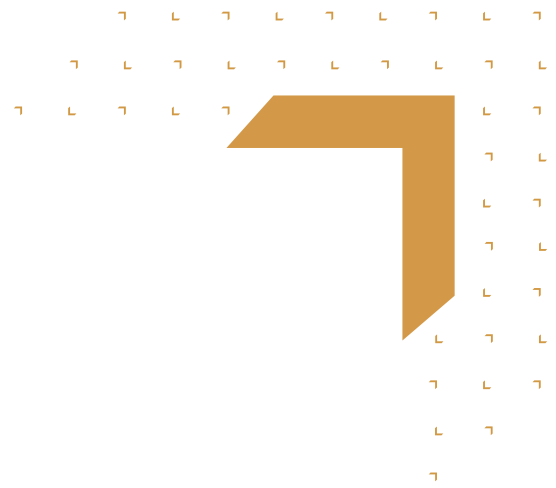
Taylor Collins' leadership in advancing audit excellence and commitment to mentorship and community service have distinguished him early in his career.

As an Audit Manager, he has led complex audits across key sectors, contributing to improvements in programs affecting Albertans and strengthening the quality of our work. In recognition of these contributions, he received CPA Alberta's 2026 Early Achievement Award.

Taylor's impact extends beyond his audit work. Through the office's participation in the CPA Canada Mentorship Program for Indigenous Students, he has mentored high school students, supporting their interest in the profession and future career paths. He has also mentored auditors internationally through the Canadian Audit and Accountability Foundation, strengthening audit practices and accountability frameworks. Within the community, his leadership with the Parkland Food Bank has improved governance and supported expanded initiatives.

Taylor believes in purposeful contribution. To him, volunteering is most rewarding when it helps others grow, builds confidence, and creates lasting impact—even through small actions.

Through his professional and community efforts, Taylor demonstrates a strong commitment to service, continuous learning, and strengthening the organizations and communities he serves.



Financial Results Overview

The office's approved 2025–2026 budget originally totalled \$30.2 million, comprising \$30.18 million for operating expenditures and \$30,000 for capital investments. During the year, the office requested and received an additional \$4.1 million in supplementary funding to support health audit work, procure new audit software, and fund compensation increases aligned with the Alberta Public Service. We ended the year with a small surplus of \$40,000, representing less than one per cent of our \$34.3 million approved budget. Further details are provided in Note 5 and Schedule 1 of our financial statements.

The office maintained high standards of financial stewardship and received a clean external audit opinion, adding credibility to our financial reporting. The summary analysis below compares actual expenditures with approved funding, including supplementary funding, and with prior year-end results.

Operating Expenditures

Expenditure	Approved Funding	Actual	Prior Year
Salaries and employee benefits	\$22.7 million	\$22.9 million	\$21 million
Variance analysis: Salaries and employee benefits aligned with approved funding. Compensation costs increased by \$1.9 million (9%) compared to the prior year, primarily due to salary increases we implemented to align with Alberta Public Service employees.			
Agent and contracted professional services	Approved Funding	Actual	Prior Year
	\$9.3 million	\$9.2 million	\$6.9 million
Variance analysis: Agent and contracted professional services aligned with approved funding. Costs were \$2 million (29%) higher than the prior year, primarily due to services required to support our examination of procurement and contracting processes at Alberta Health and AHS, the new health sector financial statement audits, and one new ATB-related audit.			

Expenditure	Approved Funding	Actual	Prior Year
Supplies and Services	\$2.2 million	\$2.0 million	\$1.8 million
Variance analysis: Supplies and services were below budget by \$0.2 million (9%) due to intentional reductions in training and audit-related travel to manage budget pressures. Costs were \$0.2 million (11%) higher than the prior year, primarily due to price increases for IT licence renewals.			

Capital Investments

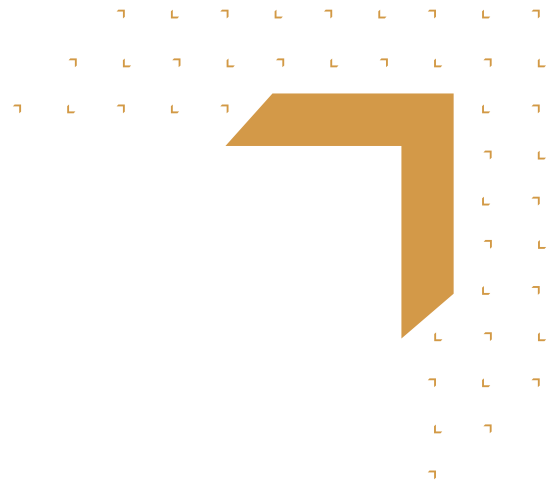
Approved Funding	Actual	Prior Year
\$30,000	\$0	\$69,000
Variance analysis: We chose not to proceed with planned computer hardware acquisitions and office furniture replacements to alleviate budget pressures.		



Strengthening Community Connections Through Day of Giving

In its second year, our Day of Giving initiative continues to strengthen our connection to the communities we serve while supporting teamwork across the office. The initiative gives staff an opportunity to volunteer with community organizations.

This year, staff supported a range of causes. In one activity, teams partnered with the City of Edmonton's Root for Trees program to help expand the urban forest by planting trees. Other staff volunteered with United Way, assembling Kid Kits for families in need. Teams also sorted food and pet food donations at Edmonton's Food Bank, helping ensure essential items reach those who need them most.



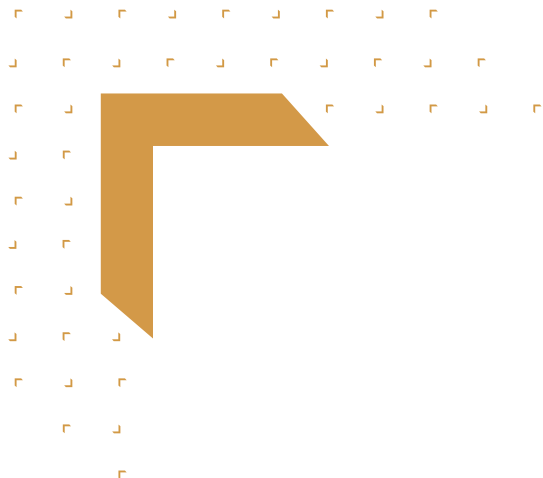
Management's Responsibility for Financial Reporting

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 2025-2026 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.

Phillip D. Peters FCPA, FCA, KC
Auditor General of Alberta

Edmonton, Alberta
September 2026



Office of the Auditor General

Financial Statements March 31, 2026

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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, 2026, 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, 2026, 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)

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* 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
June 26, 2026

JAM Accounting Group LLP
Chartered Professional Accountants

Office of the Auditor General of Alberta
Statement of Operations
Year Ended March 31, 2026

	2026		2025
	Budget (Note 5)	Actual	Actual
Expenses by Line of Business (Note 2(b) and Schedule 1)			
Financial statement auditing ¹	\$ 21,235,900	\$ 24,539,699	\$ 21,875,920
Performance auditing ²	9,101,100	9,680,875	8,048,840
Total expenses	30,337,000	34,220,574	29,924,760
Net Cost of Operations	\$ (30,337,000)	\$ (34,220,574)	\$ (29,924,760)

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, 2026

	2026	2025
Liabilities		
Accounts payable and other accrued liabilities	\$ 3,435,356	\$ 2,228,590
Accrued vacation pay	3,283,373	2,992,125
	<u>6,718,729</u>	<u>5,220,715</u>
Net debt	<u>(6,718,729)</u>	<u>(5,220,715)</u>
Non-financial assets		
Tangible capital assets (Note 3)	304,721	483,644
Prepaid expenses	146,602	131,683
	<u>451,323</u>	<u>615,327</u>
Net liabilities	<u>\$ (6,267,406)</u>	<u>\$ (4,605,388)</u>
Net liabilities at beginning of year	\$ (4,605,388)	\$ (4,868,893)
Cost of operations	(34,220,574)	(29,924,760)
Net financing provided from General Revenues	<u>32,558,556</u>	<u>30,188,265</u>
Net liabilities at end of year	<u>\$ (6,267,406)</u>	<u>\$ (4,605,388)</u>

Contractual obligations (Note 6)

Approval of financial statements (Note 8)

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, 2026

	2026		2025
	Budget (Note 5)	Actual	Actual
Cost of operations	\$ 30,337,000	\$ (34,220,574)	\$ (29,924,760)
Acquisition of tangible capital assets (Note 3)	(30,000)	-	(69,046)
Amortization of tangible capital assets (Note 3)	155,000	178,923	186,807
(Increase)/decrease in prepaid expenses		(14,919)	72,995
Net financing provided from General Revenues		32,558,556	30,188,265
(Increase)/decrease in net debt		(1,498,014)	454,261
Net debt at beginning of year		(5,220,715)	(5,674,976)
Net debt at end of year		<u>\$ (6,718,729)</u>	<u>\$ (5,220,715)</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, 2026

	2026	2025
Operating transactions		
Cost of operations	\$ (34,220,574)	\$ (29,924,760)
Non-cash included in net operating results:		
Amortization and write-down of tangible capital assets	<u>178,923</u>	<u>186,807</u>
	(34,041,651)	(29,737,953)
Decrease in accounts receivables	-	1,831
(Increase)/decrease in prepaid expenses	(14,919)	72,994
Increase/(decrease) in accounts payable and accrued liabilities	1,206,766	(352,857)
Increase/(decrease) in accrued vacation pay	<u>291,248</u>	<u>(103,234)</u>
Cash applied to operating transactions	<u>(32,558,556)</u>	<u>(30,119,219)</u>
Capital transactions		
Acquisition of tangible capital assets	<u>-</u>	<u>(69,046)</u>
Financing transactions		
Net financing provided from General Revenues	<u>32,558,556</u>	<u>30,188,265</u>
Net cash provided (used)	<u>-</u>	<u>-</u>
Cash and cash equivalents beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents end of year	<u>\$ -</u>	<u>\$ -</u>

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

Office of the Auditor General of Alberta

Notes to the Financial Statements

Year Ended March 31, 2026

Note 1 Authority and Purpose

The Office of the Auditor General (the Office) operates under the authority of the *Auditor General Act*, Chapter A-46, Revised Statutes of Alberta 2000. The General Revenue Fund of the Province of Alberta covers cost of the Office. The Standing Committee on Legislative Offices approves the Office's annual budget and appoints the independent auditor of its financial statements.

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 Office conducts audits to assess how government manages its responsibilities and the province's resources. Through its audit reports, the Office provides 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. Where unmitigated risks or opportunities for improvement are identified, the Auditor General makes recommendations and assesses the implementation of accepted recommendations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Office of the Auditor General and for which the Auditor General is accountable.

The Office operates within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board, Minister of Finance. All cash disbursements made by the Office are paid from the Fund. Net financing provided from general revenues is comprised of all cash disbursements made.

(b) Basis of Financial Reporting

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.

Tangible capital assets

Tangible capital assets are recognized at cost less accumulated amortization on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged when the tangible capital asset is put into service.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and workplace enhancements	5 – 10 Years
Computer hardware and software	3 – 5 Years

Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

(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, 2026.

(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.

On April 1, 2029, the Office will adopt PS 3251 – Employee Benefits.

- **PS 3251 – employee benefits**

This standard will replace and consolidate two old standards, PS 3250 – Retirement benefits and PS 3255 – Post-employment benefits, Compensated Absences and Termination Benefits. The application of the standard will improve the understandability of the financial reporting of employee benefits and provide better information for accountability purposes.

On April 1, 2030, the Office will adopt the amendments to PS 3150 – Tangible Capital Assets.

- **PS 3150 – tangible capital assets**

The amendments standardize capital asset accounting by incorporating Government Not for Profit standards, clarifying recognition and disclosure requirements related to collections, works of art and historical treasures.

Management is currently assessing the impact of the conceptual framework and these standards on the financial statements.

Note 3 Tangible Capital Assets

	Computer hardware and software 3-5 years	Furniture and workplace enhancements 10 years	2026 Total	2025 Total
Estimated useful life				
Historical cost				
Beginning of year	\$ 1,558,165	\$ 1,023,891	\$ 2,582,056	\$ 2,797,111
Additions	-	-	-	69,046
Disposals and write-downs	(422,473)	(494,925)	(917,398)	(284,101)
	<u>1,135,692</u>	<u>528,966</u>	<u>1,664,658</u>	<u>2,582,056</u>
Accumulated amortization				
Beginning of year	1,252,608	845,804	2,098,412	2,195,706
Amortization expense	137,930	40,993	178,923	186,807
Disposals and write-downs	(422,473)	(494,925)	(917,398)	(284,101)
	<u>968,065</u>	<u>391,872</u>	<u>1,359,937</u>	<u>2,098,412</u>
Net book value at March 31, 2026	<u>\$ 167,627</u>	<u>\$ 137,094</u>	<u>\$ 304,721</u>	
Net book value at March 31, 2025	<u>\$ 305,557</u>	<u>\$ 178,087</u>		<u>\$ 483,644</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 \$2,070,872 for the year ended March 31, 2026 (2025 \$1,845,956). The office is not responsible for future funding of the plan deficits other than through contribution increases.

At December 31, 2025, the Management Employees Pension Plan reported a surplus of \$2,101,798,000 (2024 surplus \$1,865,997,000), the Public Service Pension Plan reported a surplus of \$7,706,238,000 (2024 surplus \$6,473,956,000) and the Supplementary Retirement Plan for Public Service Managers reported a deficit of \$61,574,000 (2024 deficit \$25,325,000).

The office also participates in a multi-employer Long Term Disability Income Continuance Plan. At March 31, 2026, the Management, Opted Out and Excluded Plan reported a surplus of \$90,000 (2025 deficit \$775,000). The expense for this Plan is limited to the employer's annual contributions for the year.

Note 5 Budget

The budget reported in the Statement of Operations is based on the original budget estimates approved by the Standing Committee on Legislative Offices on December 12, 2024. The following table presents a comparison of the Office's actual expenditures, excluding non-voted amounts such as amortization, to the final approved budget:

	Budget	Actual	(Unexpended)/ Over expended
Operating expenditures			
Original budget	\$ 30,182,000		
Approved supplementary funding	<u>4,057,000</u>		
	34,239,000	\$ 34,041,651	\$ (197,349)
Capital investments	<u>30,000</u>	-	(30,000)
	34,269,000	34,041,651	(227,349)
Adjustment			
Budget encumbrance from 2025	<u>(187,000)</u>	-	187,000
	<u>\$ 34,082,000</u>	<u>\$ 34,041,651</u>	<u>\$ (40,349)</u>

The details of the approved supplementary funding are provided in the footnotes to Schedule 1—Expenses—Directly Incurred Detailed by Object.

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, 2026, the office had the following contractual obligations:

	2026	2025
Audit agent and consulting contracts, and equipment operating lease	<u>\$ 20,940,685</u>	<u>\$ 15,249,083</u>

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

2026-27	\$ 7,241,228
2027-28	6,604,143
2028-29	4,773,149
2029-30	2,104,115
2030-31	<u>218,050</u>
	<u>\$ 20,940,685</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.

	2026	2025
Expenses incurred by Alberta Infrastructure office premises	<u>\$ 1,105,502</u>	<u>\$ 1,058,588</u>
Expenses incurred by Service Alberta and Red Tape Reduction financial services	<u>\$ 74,000</u>	<u>\$ 61,000</u>
Expenses incurred by Technology and Innovation technology services	<u>\$ 162,000</u>	<u>\$ 189,000</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>\$ -</u>	<u>\$ 2,626</u>

Note 8 Approval of Financial Statements

These financial statements were approved by the Auditor General on June 26, 2026.

Office of the Auditor General of Alberta

Expenses – Directly Incurred Detailed by Object

Year Ended March 31, 2026

	2026			2025	
	Budget	Adjustments ¹	Authorized Funding	Actual	Actual
Expenses					
Personnel					
Salaries and employee benefits	\$ 21,075,000	\$ 1,610,000	\$ 22,685,000	\$ 22,902,086	\$ 20,990,149
Agent and contracted professional services	6,917,000	2,417,000	9,334,000	9,146,804	6,923,858
	27,992,000	4,027,000	32,019,000	32,048,890	27,914,007
Supplies and services					
Information systems and technology	880,000	30,000	910,000	907,889	728,951
Professional membership fees and development	625,000	-	625,000	521,097	519,982
Facilities and equipment	385,000	-	385,000	346,087	350,575
Travel and communications	300,000	-	300,000	217,688	224,438
	2,190,000	30,000	2,220,000	1,992,761	1,823,946
Operating expenditures	30,182,000	4,057,000	34,239,000	34,041,651	29,737,953
Amortization of tangible capital assets	155,000	-	155,000	178,923	186,807
Budget encumbrance from 2025		(187,000)	(187,000)	-	-
Cost of operations	\$ 30,337,000	\$ 3,870,000	\$ 34,207,000	\$ 34,220,574	\$ 29,924,760

¹ Adjustment includes:

- **Supplemental estimate approved** on June 24, 2025, for:
 - Contract audit specialist and legal service fees for procurement and contracting examination at Alberta Health and Alberta Health Services
 - Contract agent fees for the financial statement audits related to the Alberta Health Services reorganization (year ended March 31, 2025)
 - 50% of the unanticipated General Increase in employee compensation as determined by the Public Service Commission
- **Budget encumbrance** from 2024–25 for agent and contracted professional services, funded by the above approved Supplemental Estimate in 2025–26
- **Supplemental estimate approved** on December 12, 2025, for:
 - Salary market adjustments for Opted-out and Excluded and management employees, as determined by the Public Service Commission
 - Contract agent fees for restructuring of Alberta Health Services, new Health entities, and new Alberta Treasury Branches subsidiary
 - Replacement of end-of-life audit software

Office of the Auditor General of Alberta
Salary and Benefits Disclosure
Year Ended March 31, 2026

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

	2026				2025
	Base Salary ¹	Cash Benefits ²	Non-cash Benefits ³	Total	Total
Auditor General	\$ 312,884	\$ 6,023	\$ 86,110	\$ 405,017	\$ 406,189
Assistant Auditor General ⁴	231,920	-	57,551	289,471	297,097
Assistant Auditor General ⁵	231,920	-	59,214	291,134	286,958
Assistant Auditor General ⁶	231,920	-	58,731	290,651	264,003
Assistant Auditor General ⁷	231,920	58,384	59,108	349,412	263,179
Business Leader ⁸	220,100	-	54,933	275,033	241,788
	<u>\$ 1,460,664</u>	<u>\$ 64,407</u>	<u>\$ 375,647</u>	<u>\$ 1,900,718</u>	<u>\$ 1,759,214</u>

¹ Base salary includes regular salary.

² Other cash benefits include cashed out vacation and vehicle allowances. No bonuses were paid in 2026.

³ 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, 2026:

⁴ Advanced Education, Arts, Culture & Status of Women, Education and Childcare, Jobs, Economy, Trade & Immigration, Offices of the Legislature, Tourism and Sport

⁵ Affordability and Utilities, Energy and Minerals, Environment and Protected Areas, Hospital & Surgical Health Services, Mental Health and Addiction, Primary & Preventative Health Services

⁶ Agriculture and Irrigation, Children and Family Services, Forestry and Parks, Indigenous Relations, Justice, Municipal Affairs, Public Safety and Emergency Services

⁷ 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, Investments

⁸ Audit Practice

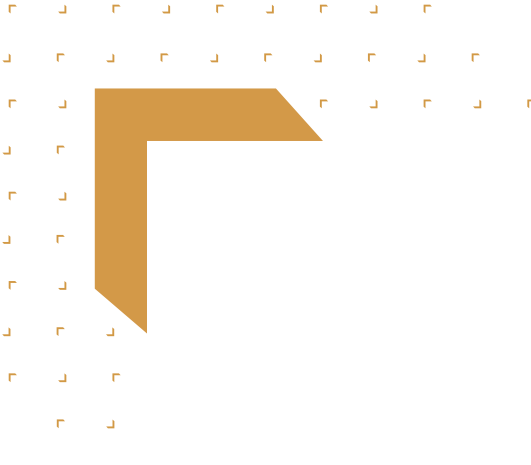
Office of the Auditor General of Alberta
Performance Measures Summary
 Year Ended March 31, 2026

Performance measures ¹	Actual 2024	Actual 2025	Target 2026	Actual 2026
Audit staff retention	77%	72%	Over 80%	81%
Assessment of compliance with the Chartered Professional Accountants (CPA) Alberta practice review standards for the office's audits of financial statements ²	No assessment	Compliance	No assessment	No assessment
Per cent of recommendations accepted for implementation ³	100%	100%	100%	100%
Per cent of resources dedicated to performance audits	28%	27%	30%	28%
Issue timely independent Auditor's Report on the Consolidated Financial Statements of the Province of Alberta	June 21, 2023	June 20, 2024	June 30, 2025	June 18, 2025

¹ The progress and results of additional measures related to our business plan priorities and outcomes will be included in our 2025–26 Results Report.

² The practice review is carried out every three years. An assessment is expected to be conducted in February 2028.

³ Acceptance for implementation does not include audit recommendations accepted in principle or under review by ministries.



Appendix A: Independent Audit Opinions

As of March 31, 2026, the Office of the Auditor General was the legislative auditor of the following entities.

Consolidated Financial Statements of the Province of Alberta

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 Fund Opportunities Corporation
- 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
- Civil Forfeiture 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 Ltd.
- 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
- Northern Alberta Institute of Technology
- Northwestern Polytechnic
- Red Deer Polytechnic
- Southern Alberta Institute of Technology

Health entities

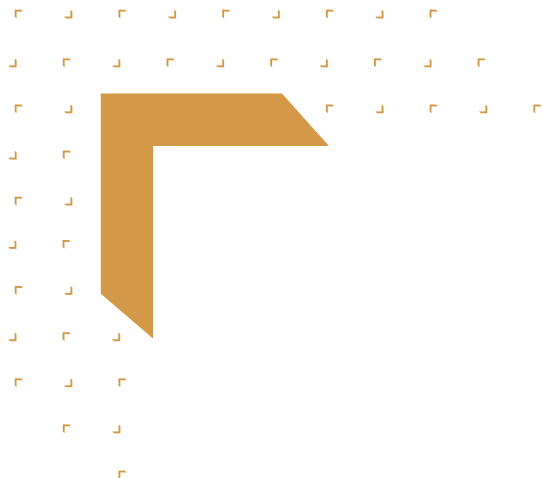
- Acute Care Alberta
- Alberta Health Services
- Alberta Precision Laboratories Ltd.
- Assisted Living Alberta
- Canadian Centre of Recovery Excellence
- Cancer Care Alberta
- Capital Care Group Inc.
- Carewest
- Emergency Health Services
- Give Life Alberta
- Health Quality Alberta
- Health Shared Services
- Primary Care Alberta
- Recovery 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 Private Equity II, LP
 - ATB Securities Inc.
 - ATB Capital Markets Corp.
- Credit Union Deposit Guarantee Corporation

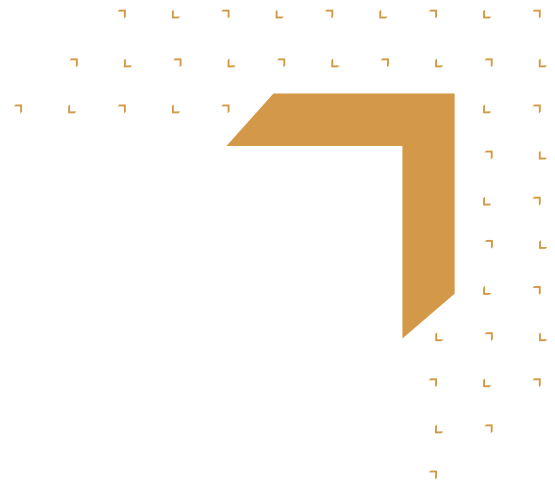
Other entities

- 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: Performance Measure and Indicator Methodology

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 separations, such as resignations, terminations, and contract expirations
Issue timely Independent Auditor’s Report on the 2024-2025 Consolidated Financial Statements of the Province of Alberta	Based on date of issue for the Independent Auditor’s Report on the 2024-2025 Consolidated Financial Statements of the Province of Alberta
Percentage of resources (costs) dedicated to performance audits, other examinations and assessments of implementation	Costs include the number of hours charged to a performance audit, examination and assessment of implementation multiplied by the hourly rate for each staff member on the project, plus direct costs (e.g. travel, agent, and contracted professional services)
Percentage of recommendations accepted for implementation	Includes all recommendations accepted by audit entities from publicly issued reports, including those arising from financial statement audits, performance audits, and other examinations during our fiscal year
Assessment of compliance with Chartered Professional Accountants (CPA) Alberta practice review standards	CPA Alberta practice reviews are conducted every three years and provide assurance that our audit practice is comprehensive and complies with the rigorous standards of the profession
Indicator	Methodology
Number of recommendations not implemented by government within three years	Includes all recommendations from publicly issued reports, including those arising from financial statement audits, performance audits, and other examinations that have not been implemented within three years of their issuance



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, 2025 to March 31, 2026

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



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