

Report of the Auditor General of British Columbia

*To the Members of the Management Committee
on behalf of the Provincial Minister of Transportation, and
the Federal Minister of Transport:*

At the request of the Ministry of Transportation on behalf of the Management Committee, I have audited the Schedule of Detailed Expenditure Claims under the *Strategic Highway Infrastructure Program Agreement* against the eligible costs of the agreement (as defined in Schedule C of the agreement dated March 5, 2002 with Transport Canada) for the year ended March 31, 2003. This financial information is the responsibility of the management of the Ministry of Transportation. My responsibility is to express an opinion on this financial information based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, this schedule presents fairly, in all material respects, the detailed expenditure claims under the *Strategic Highway Infrastructure Program Agreement* for the year ended March 31, 2003 in accordance with the provisions of Schedule C of the agreement referred to above.

*Victoria, British Columbia
August 8, 2003*

Wayne Strelloff, CA
Auditor General

**CANADA/BRITISH COLUMBIA
STRATEGIC HIGHWAY INFRASTRUCTURE PROGRAM**

**Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2003**

Project Number	Project/Claim Description	Contract Number	Current Year Eligible Costs Claimed
1.1	5 Mile (Yoho) Bridge		
	1) Yoho Bridge replacement, upgrade & approach work ..	090MJ6333	6,554,743
	2) Bridge in-plant inspection services	155CS0309	-
	3) Environmental services	21563_Env_Summit_DF	42,391
	4) Utilities & signage.....	21563_Util_Yoho_Br	123,929
	Sub-total		6,721,063
1.2	Victoria Road		
	1) Upgrade 1.5km section of TCH	254MJ0235	1,408,191
	2) Utilities & signage.....	21562_Util_Vic_Road	46,629
	Sub-total		1,454,820
1.3	Woods Overhead		
	1) Replace Woods Overhead structure & upgrade 1.5km of TCH	254MJ0255	174,672
	2) Utilities & signage.....	21564_Util_Woods Ov	3,296
	3) Quality assurance	155CS0309 W	-
	4) Environmental services	21564_Env_Woods	1,000
	Sub-total		178,968
4.1	Highway 3/95		
	1) Climbing lanes and realignment of sections of Hwy3/95 & widening Peavine Bridge deck	254MJ0206	3,013,586
	2) Environmental services	31648_Environmental	10,660
	3) Utilities & signage.....	31648_Utilities	165,981
	Sub-total		3,190,227
5.1	South Peace Hill		
	1) Realignment & upgrade of section of Highway 97	354MJ0257	-
	2) Archaeological Overview Assessment.....	41161-1_Env	1,191
	3) Archaeological Investigation.....	41161-2_Env	11,160
	Sub-total		12,351
5.2	Cottonwood River Bridge		
	1) Realignment of bridge & road for the Cottonwood River Bridge.....	354MJ0252	531,508
	2) Utilities & signage.....	41232_Util_Cottonwood	14,776
	3) Environmental services	41232_Env_Cottonwood	54,490
	Sub-total		600,774
6.1	Blackwater/Shanley Passing Lanes		
	1) Upgrade 4.3km section of Highway 16.....	354MJ0366	1,216,620
	2) Utilities & signage.....	41377_Util_B/S P/L	4,600
	Sub-total		1,221,220
7.1	Environmental Assessment Costs		
	1) Environmental Consulting.....	Env_SHIP	32,986
	Sub-total		32,986
TOTAL			13,412,409

**CANADA/BRITISH COLUMBIA
STRATEGIC HIGHWAY INFRASTRUCTURE PROGRAM**

**Notes to the Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2003**

1. Purpose of this Statement

The Schedule of Detailed Expenditure Claims and accompanying notes has been prepared to disclose eligible costs incurred under the Strategic Highway Improvement Program Agreement between Canada and the Province of British Columbia signed on March 5, 2002. This Program facilitates the construction of highway trade route infrastructure in British Columbia through a 50/50 cost sharing arrangement for eligible costs.

2. Eligible Costs

The Agreement specifies "Eligible Costs" in Schedule C, at paragraph C.1.2, as "*all direct costs properly and reasonably incurred and paid solely and specifically by British Columbia, which have been invoiced against a contract for goods and/or services necessary for the due implementation of a Project approved under this agreement, including:*

- (a) the capital costs of constructing, rehabilitating or improving a highway;*
- (b) environmental assessment and screening costs;*
- (c) signing, lighting, highway markings and utility adjustments that in the opinion of the Management Committee have been reasonably and properly incurred and paid by British Columbia for the implementation of the Project;*
- (d) communication costs as specified in Schedule E, that are approved in advance by the Management Committee;*
- (e) all costs specified in subsections 10.1 and 10.2 that are approved in advance by the Management Committee; and*
- (f) audit costs as specified in Schedule D, that are approved in advance by the Management Committee."*

3. Basis of Accounting and Accounting Policies

The Schedule of Detailed Expenditure Claims has been prepared in accordance with Canadian generally accepted accounting principles for senior government. Expenditures are recorded at cost on an accrual basis. Costs included are net of any recoveries and net of GST.