



NEWS RELEASE

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**Auditor general: BC Hydro can improve fraud risk management
of the estimated \$16-billion Site C project**

VICTORIA – BC Hydro has not established a fraud risk management program for the Site C dam and hydroelectric energy project, although it has some elements in place, concludes [a new report](#) from the Office of the Auditor General.

The office makes five recommendations to improve fraud risk management for the Site C project, focussing on implementing policy and investigation procedures, staff training, regular assessments, and evaluating effectiveness.

Site C is the largest and most expensive infrastructure project in B.C.'s history, with an estimated cost of \$16 billion. The Global Infrastructure Anti-Corruption Centre says fraud risk increases with the size and complexity of large infrastructure projects because it becomes harder to compare costs and detect corrupt practices.

“Fraud can be costly, financially and reputationally, so effective fraud risk management is essential,” says Auditor General Michael Pickup. “The good news is that there are many ways to identify and respond to fraud risk and it starts by designing and implementing a comprehensive fraud risk management program.”

The audit report calls on BC Hydro to fully implement the fraud risk policy it introduced for Site C in January 2022, and to provide fraud training to all staff.

In addition, BC Hydro did not perform fraud risk assessments for Site C until after the audit began, and the report recommends it conduct regular assessments in the future.

“Robust fraud risk management on Site C could enhance the existing risk management culture and benefit other projects,” Pickup said. “It could also support BC Hydro’s reputation as a careful builder and provider of hydroelectric energy.”

The audit did not investigate or look for instances of fraud at Site C and did not include any aspects of the project unrelated to fraud risk management.

Site C, on the Peace River in northeastern B.C., is scheduled for completion in 2025, and BC Hydro says it will supply enough electricity to power 450,000 homes annually.

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