



BC PST Pulse: Recent Patterns, Statistical Sampling, and GenAI

Jennifer Muirhead, Erin Jensen, Natalia Krizbai

March 16, 2026

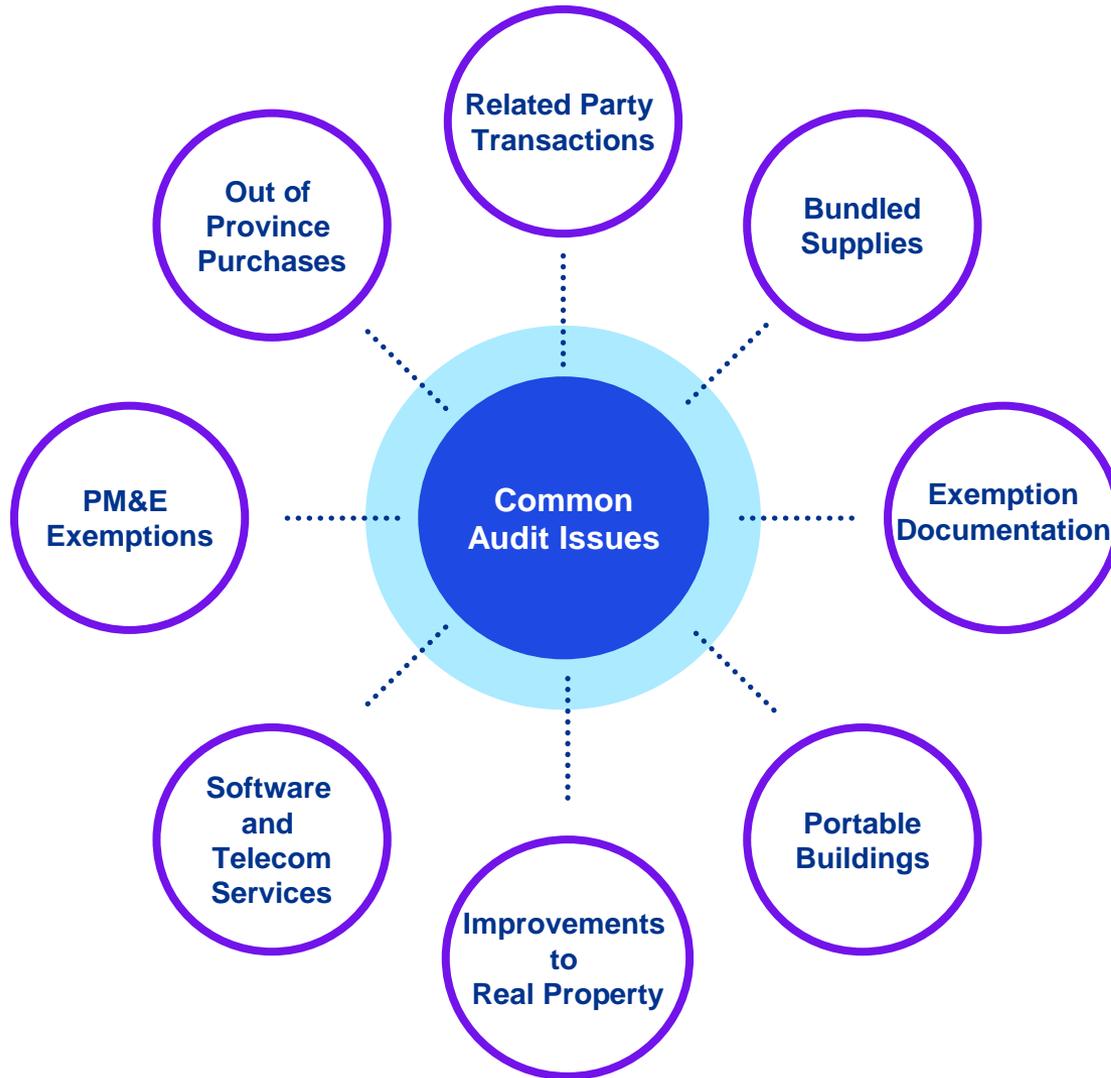
Agenda

01	BC PST Pulse: Recent Patterns	Jennifer Muirhead
02	BC PST Pulse: Statistical Sampling	Erin Jensen
03	BC PST Pulse: GenAI	Natalia Krizbai

01

**BC PST Pulse:
Recent Patterns**

BC PST Pulse: Recent Audit Patterns

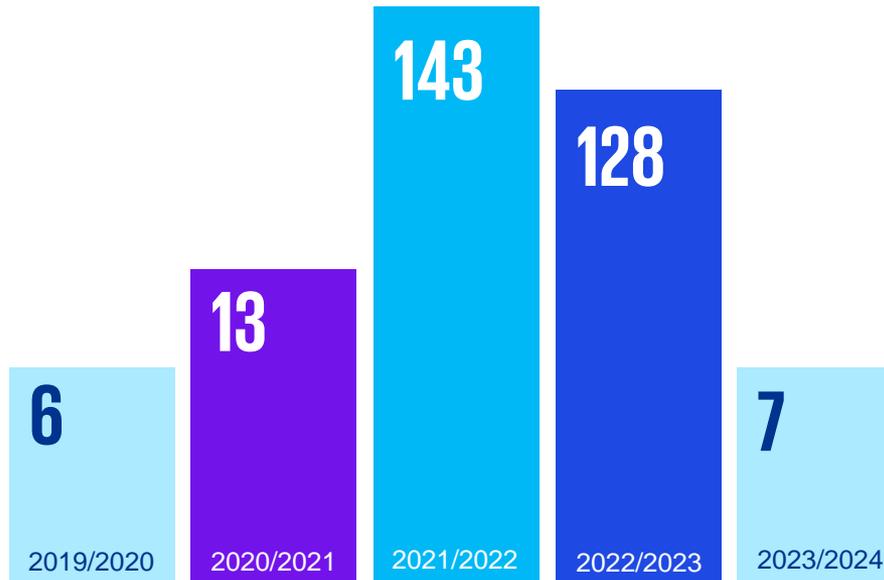


BC PST Pulse: Recent Refund Patterns



BC PST Pulse: Recent Appeals Patterns

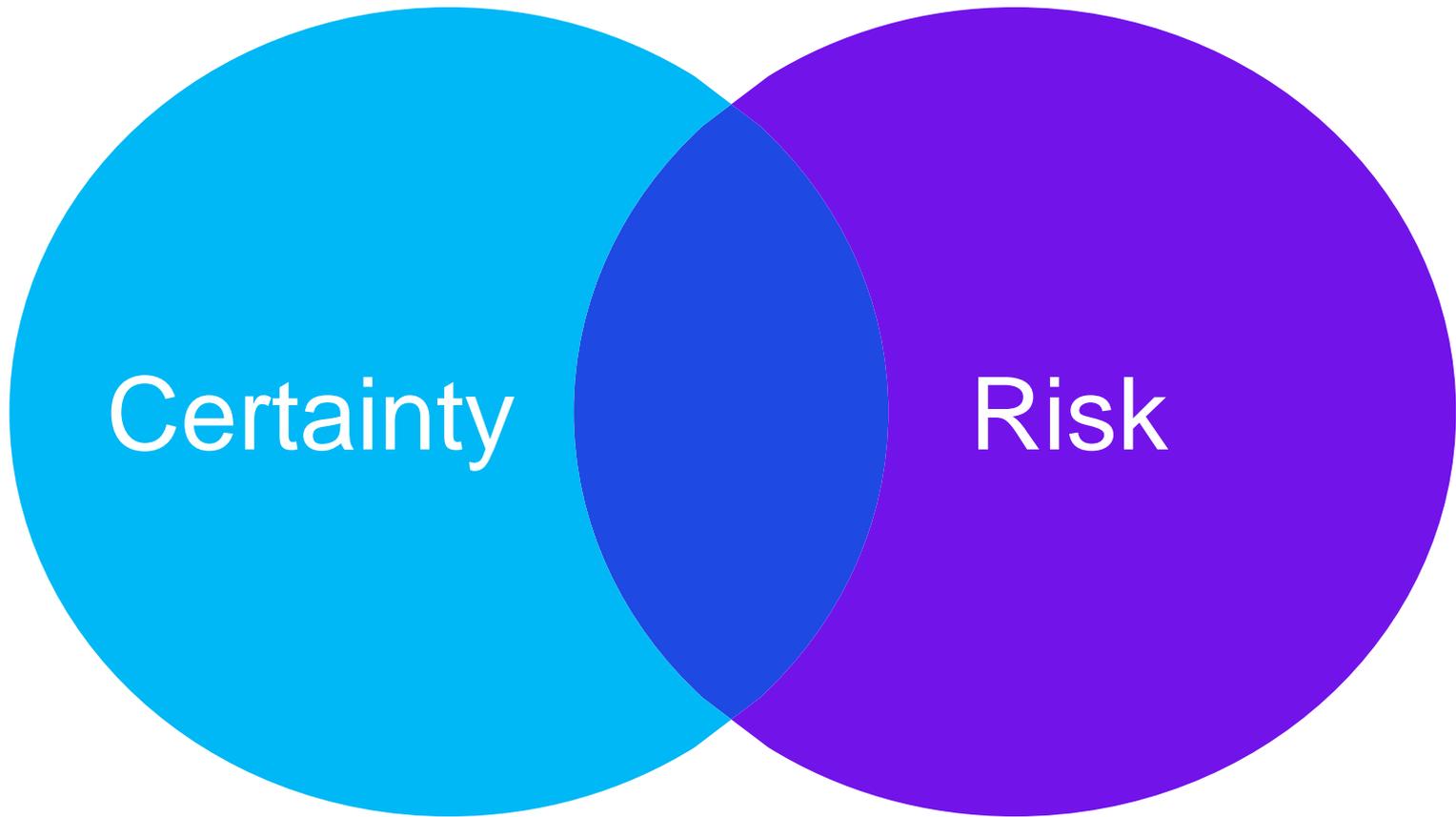
297 appeals completed in FY2023/2024 (April 1, 2023 to March 31, 2024)



Source: FOI Request FIN-2024-41534

<https://www2.gov.bc.ca/enSearch/detail?id=7AFDBC16F15F42E289E9F7DDB0F80C40&recorduid=FIN-2024-41534>

BC PST Pulse: The Trade-off



02

**BC PST Pulse:
Statistical
Sampling**

Today's 3 takeaways (what matters in an audit)

1. What auditors ask for + where risk gets set
2. Why outcomes swing wildly
3. How to protect your audit: practical steps before testing begins



BC audit methodologies — why sampling shows up

BC has typically used the following methodologies in its audits:

Substantive Review (Capital Purchases)

- Direct examination of selected transactions to verify tax compliance without extrapolation
- Targets high-value purchases (e.g., capital assets) where transaction volume is manageable

Sample Review (Operating Purchases)

- Used to audit high volumes of (typically) lower-value transactions (non-capital)
- Results are extrapolated to untested transactions

Block Sampling

- Transactions from a representative period (e.g., a months) are audited
- Results are extrapolated to the full audit period.

Statistical Sampling

- Selects a representative subset using computer algorithms
- Results are extrapolated across the entire audit period.



Why BC uses it (and what they'll say in the audit)



Minimizes Disruption to Taxpayers

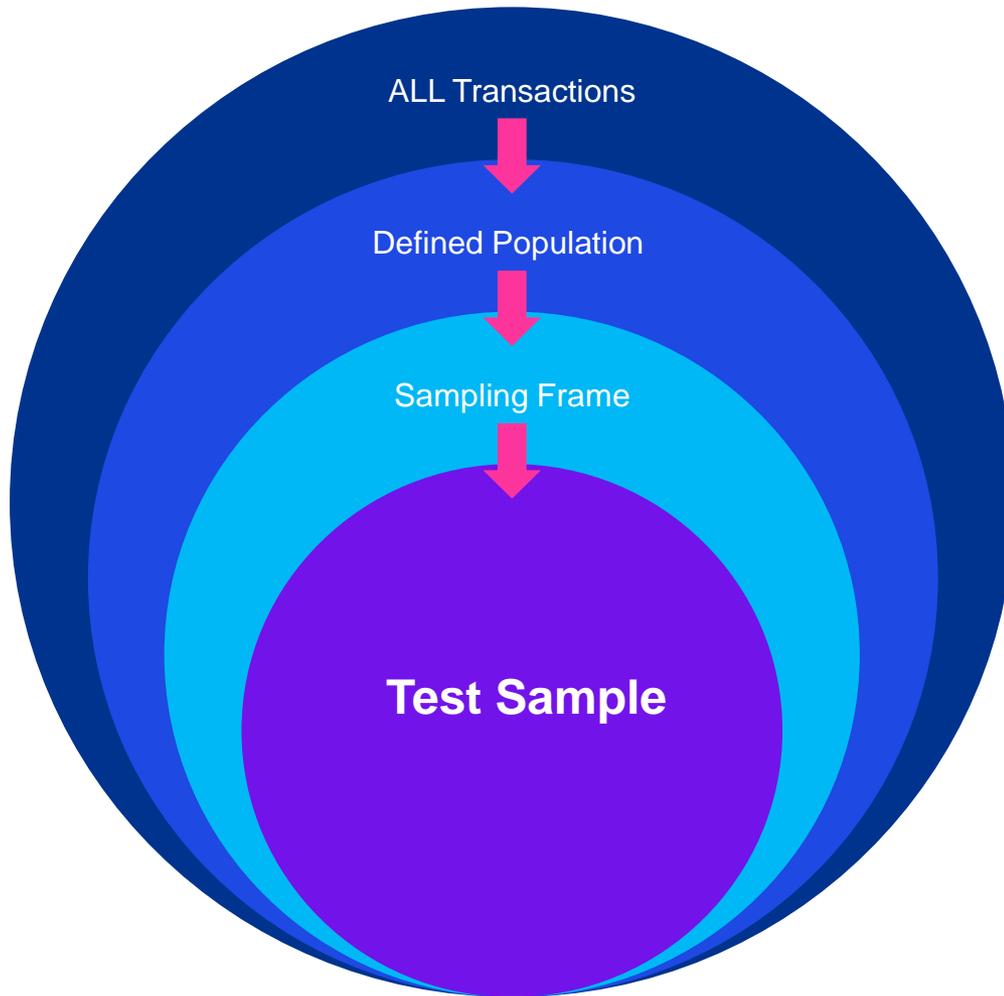
- Fewer transactions and records required
- Less operational disruption during the audit



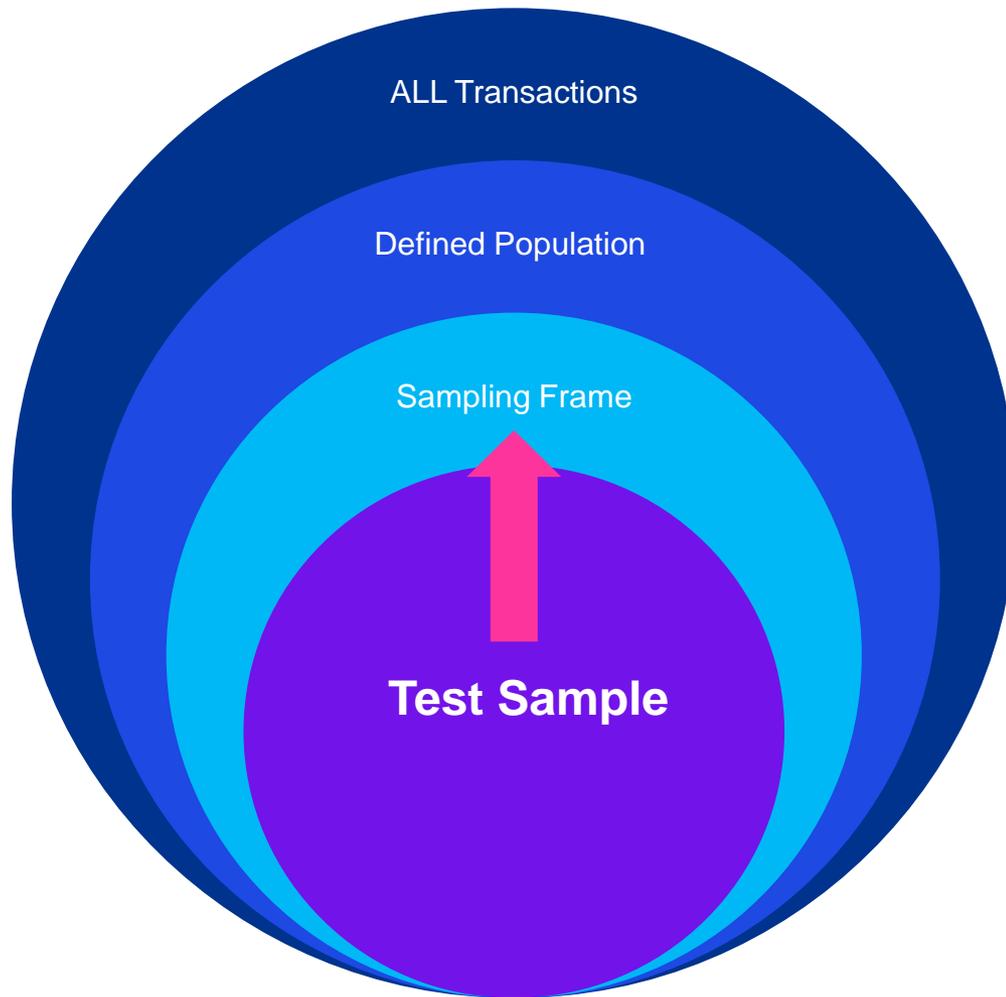
Generates “Representative” Error Rates & Assessments

- Sample error rates are assumed to reflect the full population
- Used to calculate assessments for the entire audit period

What auditors will ask you for (and why it matters)



What auditors will ask you for (and why it matters)



TSEP report — what to request, what it tells you

Core outputs

What it tells you: Relative size of the sample and confidence in the results

Population size • Sample size • Confidence level • Precision target

Sampling design

What it tells you: What BC will extrapolate and where risk sits

Sampling frame • Strata thresholds • Transactions per stratum • Sample size by stratum •

Fully tested vs sampled

Diagnostics

What it tells you: Whether small error could scale into large dollar assessments

Variability • Coefficient of variation • Distribution shape

Confirms

What it tells you: How BC will apply the sample results — before any invoices are reviewed

Population the results will be extrapolated to • Transaction types included • How errors will scale •

Sensitivity to small errors

How to navigate: controls before testing begins

Before testing begins:

- ☑ Request transactions in the sampling frame
- ☑ Review GL accounts and identify invalid accounts
- ☑ Remove invalid transactions from the frame and sample
- ☑ Request a larger sample size
- ☑ Lower the top-stratum threshold (reduce extrapolation)
- ☑ Add strata if ranges are broad

After the first request for information:

Focus on *all* transactions, including low-value items

03

**BC PST Pulse:
GenAI**

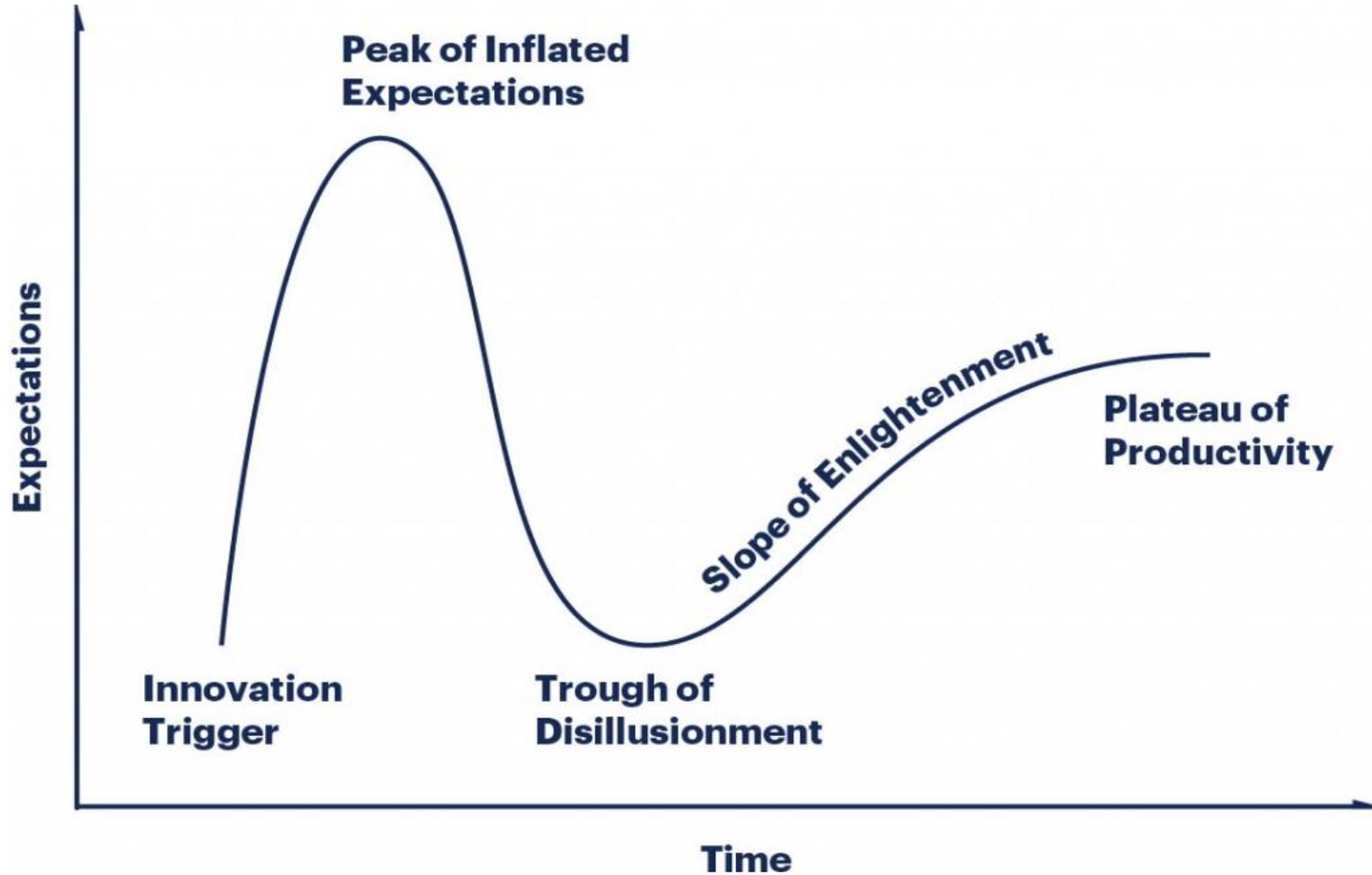
From Hype to Professional Advantage: *Why This Moment Matters*

Opportunity, not disruption

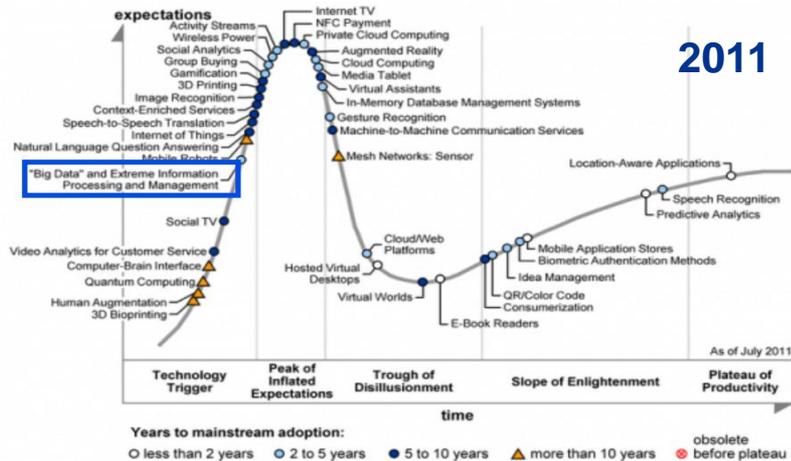
Why AI Feels Confusing Right Now



How we got here – Gartner Hype Cycle



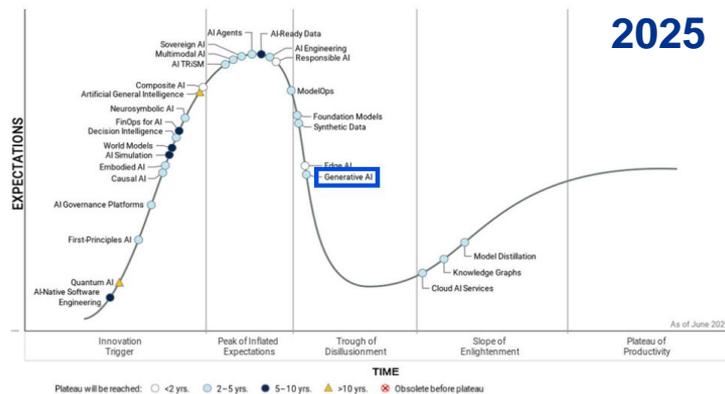
Generative AI Didn't Appear Overnight



A decade of AI & machine learning



Sudden visibility ≠ Sudden maturity



Capability arrived before readiness

Gartner.

Where we are now — GenAI meets reality

Hype Cycle for Generative AI, 2025

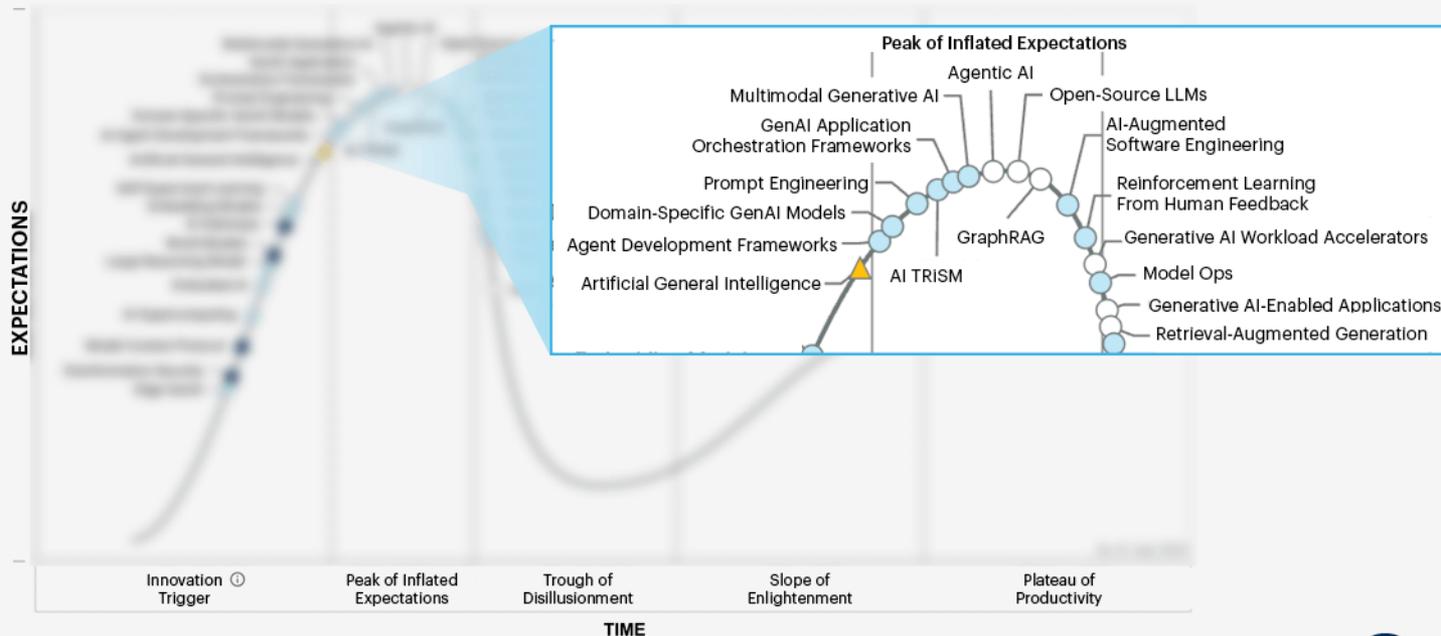
Plateau will be reached:

○ < 2 yrs.

● 2-5 yrs.

● 5-10 yrs.

▲ >10 yrs.



Source: Gartner
© 2025 Gartner, Inc. and/or its affiliates. All rights reserved. CTMKT_3881100

Gartner

From Demos to Discipline

THEN

- Experiments
- Excitement
- Pilots

NOW

- Governance
- Data
- Skilled practitioners

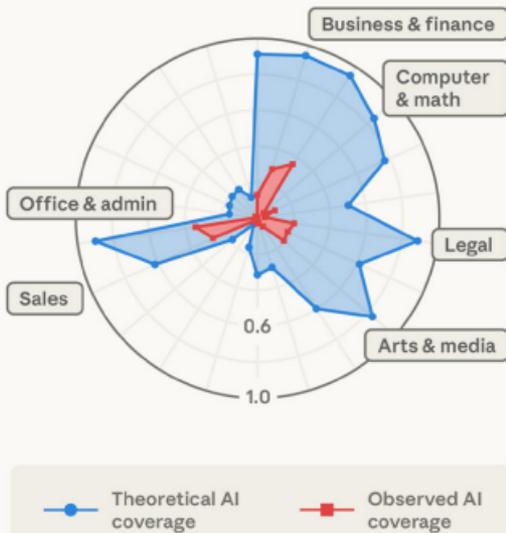
The fear — “Is this going to take my job?”

Let’s look at the evidence...

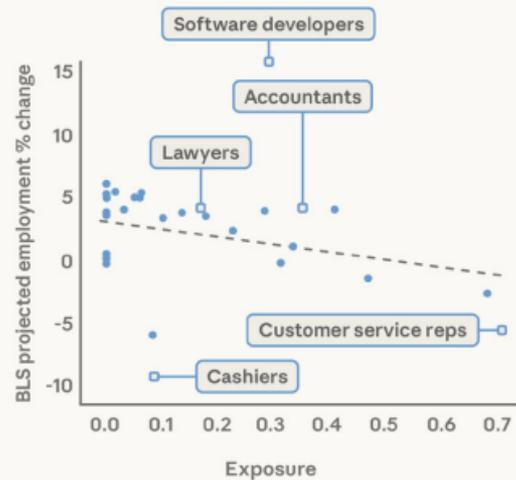
What AI Is Doing — and What It Isn't (Yet)

Labor market impacts of AI: A new measure and early evidence

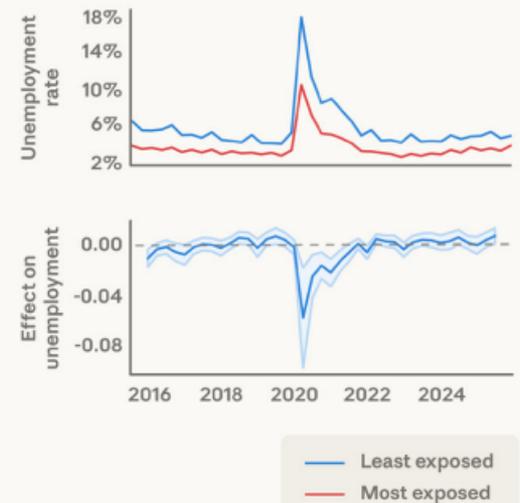
Most measures of AI exposure focus on what's theoretically possible. But there's a large gap between capability and deployment. We compared theoretical LLM capability to actual automated usage across occupations.



Jobs with higher observed coverage are projected to grow less over the next decade.



We find limited evidence that AI has affected unemployment so far. But there are early signs that hiring of younger workers has slowed in exposed occupations.



How Much Time Do We Actually Have?

When might we achieve AGI? ⓘ

2031

(80% confidence: 2027 – 2045)

Our combined forecast estimates AGI will arrive in 2031, as of March 10, 2026.

AGI Timeline Forecasts ⓘ

Median year predictions from multiple forecasting sources.



Data sources: Metaculus, Manifold, Kalshi

Download data 2060 Full Log Linear

80% confidence interval: 2027–2045

Median estimate: 2031

The Risk Isn't Replacement — It's Irrelevance

**Professionals who can't leverage AI
will be outpaced by those who can**

Why You're Exactly Where You Should Be

Being early to the professionalization phase is how careers compound

Demos - Setting the stage

Brief Description Example 1

Mining Chemicals

- Simple human prompt
- Complex analysis of operational use
- Simple tax analysis
- BC's administrative application consistent with Legislation
- Output: Complex memo in Word

Brief Description Example 2

Gas Plant Control Eq

- Sophisticated Copilot prompt
- Complex analysis of operational use
- Simple analysis
- BC's administrative application competes with Legislation
- Output: Simple tax determination

Brief Description Example 3

Real Property contract

- Sophisticated human prompt
- No analysis of operational use
- Complex analysis
- BC's administrative application competes with Legislation
- Output: Excel table

Demos - Setting the stage

Brief Description Example 1

Mining Chemicals

- Simple human prompt
- Complex analysis of operational use
- Simple tax analysis
- BC's administrative application consistent with Legislation
- Output: Complex memo in Word

Brief Description Example 2

Gas Plant Control Eq

- Sophisticated Copilot prompt
- Complex analysis of operational use
- Simple analysis
- BC's administrative application competes with Legislation
- Output: Simple tax determination

Brief Description Example 3

Real Property contract

- Sophisticated human prompt
- No analysis of operational use
- Complex analysis
- BC's administrative application competes with Legislation
- Output: Excel table

Demos - Setting the stage

Brief Description Example 1

Mining Chemicals

- Simple human prompt
- Complex analysis of operational use
- Simple tax analysis
- BC's administrative application consistent with Legislation
- Output: Complex memo in Word

Brief Description Example 2

Gas Plant Control Eq

- Sophisticated Copilot prompt
- Complex analysis of operational use
- Simple analysis
- BC's administrative application competes with Legislation
- Output: Simple tax determination

Brief Description Example 3

Real Property contract

- Sophisticated human prompt
- No analysis of operational use
- Complex analysis
- BC's administrative application competes with Legislation
- Output: Excel table



Thank you



Jennifer Muirhead

Partner
403-691-8291
jennifermuirhead@kpmg.ca



Erin Jensen

Partner
403-615-0194
ejensen@kpmg.ca



Natalia Krizbai

Senior Manager
403-691-7925
nataliakrizbai@kpmg.ca



kpmg.com/ca

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Document Classification: KPMG Confidential