



# MEMBER RELEASE

September 19, 2011

**TO:** Mayor and Council | Chair and Board | Senior Staff  
**FROM:** Union of BC Municipalities Executive  
**RE:** **Municipal Auditor General Policy Paper**

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Attached is a Municipal Auditor General Policy Paper for consideration by the membership at Convention next week. The paper outlines our research findings in relation to the local government accountability system and Offices of Auditors General and Municipal Auditors General within Canada, and then sets out a number of considerations in relation to the proposed Office of the Municipal Auditor General (MAG) in BC. Finally, the paper describes a number of principles and framework statements that could guide continued work in relation to the initiative and makes a recommendation in this regard for consideration of the membership.

Given that there is no existing policy on a MAG, the paper seeks that policy direction from the membership. If endorsed, the recommendation will constitute a mandate from the membership to Executive and staff.

The Convention program includes a Municipal Auditor General plenary session on Tuesday, September 27, 2011, from 1:45 to 2:45 in Ballroom A/B at the Vancouver Convention Centre. During that session, Minister Chong and Ministry staff will provide an overview of their work to date on the initiative, and UBCM will discuss the Policy Paper. Debate on the Policy Paper will occur at the beginning of the resolutions session on Thursday morning.

We last communicated with the membership in late July with our release of a MAG Context Paper. At that time, we raised a number of questions about the MAG proposal. We asked those questions in order to understand how the MAG proposal fits into the bigger accountability picture and so that we could see what the Province was trying to achieve with the Office; in essence, we were trying to determine what problem a MAG was intended to address, and whether it was the right tool to fix that problem.

There has been much said about the MAG since that time, and what has been said has reinforced our views that this is an issue where all interested parties, including local governments, the Province, the public, and the business community, have considerable common ground. Everyone has spoken about the need for a strong accountability system and everyone is interested in demonstrating good value to the public.

What hasn't been clear, however, is whether everyone is talking about the same thing when they speak about a MAG, since many of the roles discussed are not typical of such offices. Of particular concern from a local government perspective were suggestions that a MAG should review policy decisions of local government, such as tax distribution policies, or decisions about what services or programs to offer and appropriate service levels for these.

No Auditor General in Canada considers the merits of provincial or federal government policies, nor do any of the existing Municipal Auditors General consider the merits of local government policy; to do so would be second guessing the policy decisions of the very persons who are elected to make these decisions. To provide this authority to a BC MAG would not only be a threat to local autonomy, but also be detrimental to the democratic process.

Also of concern to Executive were suggestions that, despite the Premier's commitment to fund the MAG provincially, local governments could expect to be paying for it once it was up and running.

We are pleased to report that Executive met with Premier Clark and Minister Chong on September 13 and raised a number of these concerns. In response to these concerns, Premier Clark was able to advise that the government's intentions are:

- for the BC MAG Office to operate within parameters typical of Auditors General for the federal and provincial governments, and ensure that it would be precluded from considering the merits of local government policies;
- to focus the work of the Office on value for money audits, with typical powers to make recommendations in relation to these audits. This would mean that as is the case for federal and provincial governments, it would be up to individual local governments to make choices about implementing those recommendations; and
- to fund the Office provincially.

Premier Clark also advised that the governance structure for the proposed Office was still under consideration, and invited UBCM to participate in the design of an appropriate structure.

These confirmations from the Premier have addressed many of the concerns raised by the Executive, and appear to be moving the proposal towards a model that better meets local government interests and needs.

The Policy Paper frames these issues and a range of others in the context of the types of things that should be considered in designing any changes to the local government accountability system. We look forward to receiving the direction of the membership on this issue at Convention.