



AUDITOR GENERAL FOR LOCAL GOVERNMENT

Update 2016/17

**Regional District Chairs and CAOs Forum
Victoria, BC**

March 29, 2016

Gordon Ruth, FCPA, FCGA

ACCESSIBILITY • INDEPENDENCE • TRANSPARENCY • PERFORMANCE

Purpose of the AGLG

- Conduct **Performance** audits of local government operations
- Provide objective information and relevant advice
- Assist local governments in their accountability to their communities
- Assist local governments in the stewardship of public assets and achievement of value for money
- Identify, develop and provide recommended practices

Audit Reports and Perspectives Booklets

Audit reports

Share strengths and areas for improvement and provide recommendations that assist the local government

Perspectives booklets

Designed to assist local governments and provide tools, advice, information resources, and recommended practices

Achievements to Date

20 Reports released

16 Performance Audit reports

– *Two more to follow shortly*

4 Perspectives Booklets

Audits and Perspectives Booklets Completed

City of Rossland

Part 1 *capital project procurement*

Part 2 *capital asset management*

Oversight of Capital Project Planning & Procurement

key considerations for local government council and board members

District of Sechelt

capital project procurement and capital asset management

Corporation of Delta

operational procurement

City of Dawson Creek

capital project procurement and capital asset management

Asset Management for Local Governments

key considerations for local government council, board members and staff to help you manage your infrastructure assets

District of North Vancouver

capital project procurement and capital asset management

City of Vernon

operational procurement



Audits and Perspectives Booklets Completed, cont.

Comox Valley Regional District

operational procurement

District of West Vancouver

operational procurement

City of Surrey

policing

City of Merritt

policing

City of Port Alberni

policing

Policing Services Performance Assessment

Improved oversight of policing services, enhance management of police agreements, police budget oversight.

City of New Westminster

policing

Improving Local Government Procurement Process

Improved processes through Procurement Policy Enhancements, Procurement Performance Metrics and Reporting, and Vendor Performance Management

City of Williams Lake

policing

Fraser-Fort George Regional District

operational procurement

City of Campbell River

capital procurement, asset management



Audits Underway – to be released shortly

City of Revelstoke

operational procurement

City of Cranbrook

*capital project procurement and
capital asset management*

Adding Value – 16 Audits Completed to March 16, 2016

- 5 on Policing Oversight
- 6 on Capital Procurement and or Asset Management
- 5 on Operational Procurement

In Total:

- In 15 of the 16 audits the response from the Council/ Board was overall positive
- 77 Recommendations were made; 75 were accepted

Adding Value – 4 Perspectives Series Booklets Completed

1. Oversight of Capital Project Planning and Procurement
2. Asset Management for Local Governments
3. Policing Services Performance Assessment
4. Improving Local Government Procurement Processes

Feedback Received from stakeholders:

- Internal audit shared with Council and Staff
- Municipal Auditor – shared with clients (government, *et al*)
- “A good place to start” – Mayor of small BC community
- LGMA and GFOA - building additional “procurement” tools off of the Perspective Series booklet(s)

Adding Value – Others Expanding on our Work

LEADING PRACTICES FOR CAPITAL AND OPERATIONAL PROCUREMENT

Representatives of the Government Finance Officers Association and the Local Government Management Association

The Auditor General for Local Government (AGLG) has completed four audits focusing on value for money in Operational Procurement and five audits on Capital Procurement Projects and Asset Management.

In addition, the AGLG has published two perspectives booklets, *Oversight of Capital Project Planning and Procurement* (April 2014) and *Improving Local Government Procurement* (January 2016), which outline leading practices in the area.

“Learn how to better implement these practices and build good decision-making processes for your Board or Council for your next capital or operational procurement.”

Responses from Local Governments on “Adding Value”

“...the Regional District was pleased to be chosen for this particular audit theme as the Regional District spends in the order of \$12 million dollars annually on goods and services”.

– Art Kaehn, Board Chair

“We operate in an environment of continuous improvement, so we welcomed the opportunity to have our procurement practices reviewed to identify areas where we can perform even better.”

– Jim Martin, Chief Administrative Officer

Excerpt from Media Release by Regional District of Fraser-Fort George

Responses from Local Governments on “Adding Value”

“Mayor and Council on behalf of the City of Dawson Creek would like to thank the Office of the AGLG for their recommendations included in the proposed final audit report. We agree with the Office’s objectives that strengthening British Columbian’s confidence in their local government stewardship of public assets and achieving greater value for money with due regard to economy, efficiency and effectiveness are critical components in achieving this objective. While we cannot change past experiences we can learn from them and as a group work collectively to improve systems that support our local government’s future decision making.”

**Excerpt from Summary of Comments from Dawson Creek City Council.
Report on Capital Procurement/Asset Management released July 2015**

Our Plan Moving Forward

- Release of last of pre-2016 audits early 2016/17
- Set realistic targets (scaled to capacity)
- Develop and implement 2016/17 audit plan:
 1. Drinking Water
 2. HR Risk in Small Communities

Fiscal 2016/17

- Consulted/incorporated feedback from UBCM on Audit Themes and Performance Measures proposed for Annual Service Plan
- Plan to release a combination of 5 audits/ Perspective Booklet(s), but may have other work in progress during fiscal year
- **Enhance engagement and awareness of our work and the mandate of the office** with local government stakeholders

Future Audits and Audit Planning

- Finalize audit plan and auditees for 2016/17
- Re-visiting our audit plan for 2017/18 and beyond
 - Want to ensure we focus on the highest priority areas
 - Will be using a risk based model for audit selection
- Will include consultation with stakeholders: Local Government (eg. Local Government Elected Reps, GFOA, UBCM etc.) and Business organizations

2016/17 Consultation on 2017/18/19 Audit Topics

- **Will build on past multi-phase process undertaken in 2013, but 2016/17 process still to be determined**
- Planning survey helped to determine audit topics – ranked according to risk. Survey sent to all went to all British Columbia CAOs - 102 responded
- Performance Planning workshop held– attendees from all sectors: business groups, local government
- Direct interviews held with CAO's, local government elected official's, LGMA and or GFOA reps and respective business groups
- Include a Regional focus this time



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QUESTIONS?

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