



AUDITOR GENERAL FOR LOCAL GOVERNMENT

ACCESSIBILITY • INDEPENDENCE • TRANSPARENCY • PERFORMANCE

BACKGROUND

March 30, 2017

DISTRICT OF TOFINO PERFORMANCE AUDIT REPORT

WHAT WE AUDITED

- The performance audit was on the topic, *“Managing the Inherent Risks of Limited Human Resources within Small Local Governments.”*
- We reviewed the District of Tofino’s human resources (HR) practices, policies and systems, examined documents and interviewed management, staff and elected officials.
- We included the District of Tofino along with the City of Fernie, City of Nelson, District of Port Edward and District of Squamish in audits on this topic. These local governments represented a cross-section of smaller local governments in B.C.
- The audit covered the period 2011 to 2015. All audit work was carried out during 2016.

WHY WE CHOSE THIS TOPIC

- Local government representatives we consulted during our audit planning work frequently identified this topic as an important one.
- Most local governments in British Columbia are small and may face challenges in effectively managing their human resources.
- Labour costs are a big part of local government expenditures and effective human resources management can have a big impact on both the effectiveness of program delivery and financial results.

WHAT WE FOUND

- Tofino, a small local government with largely informal human resources practices and no dedicated human resources capacity, has done a good overall job of managing most of the key human resources risks that it faces.
- The District has challenges in attracting and retaining staff and turnover in key positions was significant over the period covered by the audit. Tofino responded with a range of strategies, including improving business processes and streamlining, hiring locally,

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providing District-owned staff accommodation, focusing on staff training and promoting from within the organization.

- Carrying out core HR functions in a largely decentralized way, the District has built a good foundation to ensure the effective management and administration of HR services such as staff recruitment and selection, training and development, performance management and occupational health and safety.
- Areas where the District could enhance its practices include developing operational service levels and quality standards to help inform workforce planning and staffing and to assist in measuring operational effectiveness.

WHAT WE RECOMMEND

- We have made 13 recommendations aimed at helping the District of Tofino to improve its human resources practices.
- Our recommendations are in three main areas:
 - **Human resources planning** – Six recommendations in areas of planning, staff recruitment, succession planning and other areas.
 - **Human resources management** – Five recommendations dealing with employee training and development, performance appraisal and other areas.
 - **Human resources administration** – Two recommendations on performance measurement and HR-related policies and procedures.

ABOUT THE AGLG

- This is the fifth performance audit report issued by the office of the AGLG on this topic, following reports on Squamish, Nelson, Fernie and Port Edward. It is the 27th overall report released by the office since its 2013 opening.
- This is the office's final audit report on this topic for the current fiscal year.
- The office is also working on two local government performance audits on the topic "*Local Government's Role in Ensuring Clean Drinking Water.*"

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