



AUDITOR GENERAL FOR LOCAL GOVERNMENT

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NEWS RELEASE

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OFFICE OF AGLG RELEASES PERFORMANCE AUDIT REPORT ON DAWSON CREEK CAPITAL PROCUREMENT AND ASSET MANAGEMENT

SURREY – A performance audit of the City of Dawson Creek’s capital procurement and asset management activities has found issues with how the City planned and managed one of the two projects reviewed, the Arts Centre Project, the acting Auditor General for Local Government (AGLG) Arn van Iersel said today.

“The report outlines concerns with how the City handled key aspects of this project” said Mr. van Iersel. “The report also found that the City’s capital asset management practices were in need of improvement.”

“We did find some good practices” said Mr. van Iersel. “They carried out capital projects procurement consistently with their policies and they made some progress toward the development of a capital asset management plan.”

The audit report, released today on the Office of the Auditor General for Local Government’s website (www.aglg.ca) describes the issues identified through a review of the Arts Centre Project (also known as the Calvin Kruk Centre for the Arts). The audit also reviewed the 92nd Ave Storm Drain Project.

The main issues AGLG auditors found with the Arts Centre Project related to decision-making, risk management, cost estimates and budgeting, Council oversight of the project design and the review committee. The audit also identified gaps in the City’s procurement policies. No significant issues were found with the 92nd Ave Storm Drain project.

The report concludes that the City should act to improve its capital asset management and capital project planning and procurement practices. The report provides seven recommendations aimed at assisting the City in accomplishing this:

- Requiring the preparation of a business case before approving significant projects.
- Identifying, assessing and mitigating the key risks (including risk management plans) of major capital projects before approval.

- Ensuring that capital project cost estimates and budgets include sufficient contingencies to protect against unexpected cost increases.
- Developing and implementing clear policies for delegating authority to council committees.
- Conducting a high level post-completion review of the Arts Centre project and making the review report public.
- Strengthening the city's procurement and conflict of interest policies.
- Enhancing its capital asset management practices.

Mr. van Iersel said, "I sincerely want to thank the City of Dawson Creek for its cooperation throughout the audit process. I'm encouraged by the City's response to the report and I am hopeful that the City will improve its capital project planning and procurement and capital asset management practices."

In addition to releasing the audit report, the acting AGLG said the office will soon be releasing an AGLG Perspectives booklet on capital asset management aimed at providing helpful advice and information to a wide range of local governments. When completed, this would be in addition to an AGLG Perspectives booklet released in 2014 on capital project planning and procurement.

The release of the Dawson Creek audit report completes the audit process for the City. While the majority of work on the audit was completed prior to the appointment of Mr. van Iersel as acting AGLG, he has reviewed the report and discussed its contents with AGLG staff and is confident it has been prepared to professional standards. Prior to being finalized, the report was also reviewed by the independent Audit Council, which has the statutory authority to provide the AGLG with comments to assist with the completion of each performance audit report.

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