



## AUDITOR GENERAL FOR LOCAL GOVERNMENT

ACCESSIBILITY • INDEPENDENCE • TRANSPARENCY • PERFORMANCE

---

# BACKGROUND

December 14, 2016

## CITY OF NELSON 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 City of Nelson’s human resources practices, policies and systems, examined documents and interviewed management, staff and elected officials.
- We included the City of Nelson and the City of Fernie, District of Port Edward, District of Squamish and District of Tofino in our audits on this topic. These local governments represented a cross-section of smaller local governments, in different locations and facing various pressures and challenges.
- The audit covered the period 2011 to 2015. All work on this audit was carried out during 2016.

### WHY WE CHOSE THIS TOPIC

- This topic was frequently mentioned as important by the local government representatives we consulted during our audit planning work.
- 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

- Nelson has done a good job of managing the risks it faces as a small local government with limited human resources capacity.

... more

- The City has a small, dedicated Human Resources (HR) Unit that functions effectively and provides guidance and advice across the organization on the delivery of core human resources services.
- Workforce planning in Nelson is strategic, innovative and creative, which positions the City well to manage a potential wave of retirements of experienced staff over the next five years.
- While the City's job orientation and training practices support employee growth and development, its performance management practices could be strengthened.
- Nelson is currently identifying a set of human resources performance measures. These should include indicators to inform more comprehensive human resources planning.

### **WHAT WE RECOMMEND**

- We have made 11 recommendations, most of which are for enhancements to already sound practices, as well as some areas for further improvement.
- Our recommendations cover three main areas:
  - Long-term strategic human resources planning
  - Staff training, skills development and performance appraisal
  - Human resources policies, documentation and administration

### **ABOUT THE AGLG**

- This is the second performance audit report issued by the AGLG on this topic, following the report on the District of Squamish, and the 20<sup>th</sup> overall audit report released by the office since its 2013 opening.
- The office will be releasing three additional reports on this topic over the next few months.
- The office is also working on two local government performance audits on the topic *"Local Government's Role in Ensuring Clean Drinking Water."*

### **CONTACT:**

Gordon Ruth  
Auditor General for Local Government  
Gordon.Ruth@aglg.ca  
604-930-7100  
www.aglg.ca