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NEWS RELEASE

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OFFICE OF AGLG RELEASES PERFORMANCE AUDIT REPORT ON SEHEL T

SURREY – A performance audit of the District of Sechelt’s capital procurement and asset management activities has found issues with how the District planned and procured contractors for two sampled projects, including the largest capital project ever undertaken by the District, acting Auditor General for Local Government (AGLG) Arn van Iersel said today.

“The report outlines concerns about some of the practices used by the District in planning and procuring these projects which exposed Sechelt to unnecessary risks,” said Mr. van Iersel. “The report also found that the District’s approach to capital asset management was in need of improvement.”

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 Sechelt’s Wastewater Treatment Plant Project (also known as the Water Resource Centre), as well as a smaller paving project.

The main issues AGLG auditors found with the sampled projects related to decision-making processes, Council direction and oversight, transparency and procurement practices. The report concludes that the District should act to improve its capital asset management and capital project planning and procurement practices. The report provides recommendations aimed at assisting the District in accomplishing this.

The audit’s eight recommendations include:

- Requiring the preparation of a business case before approving a capital project.
- Developing clear policy on the delegation of authority to Council committees.
- Enhancing the transparency of decision-making.
- Developing a conflict of interest policy.
- Making appropriate use of Sechelt’s senior staff in planning and monitoring projects.
- Undertaking a post-completion review of the wastewater treatment plant project.
- Strengthening its procurement policy.
- Developing a systematic approach to managing the District’s capital assets.

Mr. van Iersel said, “I sincerely want to thank the District of Sechelt for its cooperation throughout the audit process and its commitment to address the recommendations through an action plan. I’m encouraged by the District’s response to the report. Sechelt’s commitment to addressing the issues raised in our report makes me hopeful that the District will significantly improve its capital project planning and procurement and capital asset management practices.”

In addition to releasing the Sechelt audit report, the acting AGLG said the office will consider the preparation and release of 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 Sechelt audit report completes the audit process for the District. While the vast 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 that 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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