



AUDITOR GENERAL FOR LOCAL GOVERNMENT

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NEWS RELEASE

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AGLG RELEASES REPORT ON SERIOUS ISSUES WITH CITY OF ROSSLAND

SURREY – A performance audit of the City of Rossland’s spending on capital projects between 2010 and 2012 has found examples where the City did not adequately protect the interests of its taxpayers, Auditor General for Local Government (AGLG) Basia Ruta said today.

In releasing a performance audit of Rossland’s capital project procurement practices, Ms. Ruta said, “In our view, the integrity of the capital procurement process in Rossland has been compromised and many of the transactions we reviewed did not meet the standards taxpayers would expect of their local government.”

The audit report, released today on the Auditor General for Local Government’s website (www.aglg.ca) says the auditors found a lack of management controls and monitoring of capital project procurement by City of Rossland staff and a lack of timely action by the City to fully address known serious problems. On the two large capital projects included in the audit, the report concludes the City did not receive value for money on the Rossland Arena Complex Roof Replacement Project and that it is not possible to determine whether or not the City got value for money on the Columbia/Washington Infrastructure Improvement Project.

In the cases reviewed for the audit, the AGLG found that Rossland City Council’s monitoring of procurement activities could be strengthened. The report says that, as of February 2014 when the audit was completed, some of the City’s policies and procedures still exposed Rossland taxpayers to substantial financial risk. The report says these issues are serious and require urgent attention, as the City remains vulnerable to a repeat of the problems that occurred in the projects reviewed for the audit.

“I appreciate the City of Rossland’s cooperation during the audit. I’m encouraged Rossland City Council is taking our findings and recommendations seriously by preparing an action plan that provides a starting point for improving its management of future capital project procurement,” said Ms. Ruta. In addition to releasing the Rossland report, the AGLG also released an additional

report today, the first installment of the AGLG Perspectives series. These booklets aim to provide helpful advice and other information to a wide range of local governments. The first booklet focuses on capital project planning and procurement and is aimed at local government council and board members.

The release of the Rossland audit report marks the first performance audit to be completed by the Auditor General for Local Government, an office that began operations in January 2013. Prior to being finalized, the report was reviewed by the independent Audit Council, which has the statutory authority in providing the AGLG with comments to assist with the completion of each performance audit report. The AGLG is currently working on 12 other local government performance audits focusing on capital and operational procurement which are expected to be published by the end of August 2014.

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