

# AGLG

April 28, 2017

## AGLG Update

Southern Interior Local Government  
Association

ACCESSIBILITY • INDEPENDENCE • TRANSPARENCY • PERFORMANCE

# PRESENTATION OUTLINE



AUDITOR GENERAL FOR  
LOCAL GOVERNMENT

## ➤ MANDATE AND PURPOSE OF AGLG

Performance Audits vs. Financial Audits

## ➤ ADDING VALUE

Measuring our value

What we found in our audits

## ➤ THE FUTURE

Potential Audit Topics – 2017/18 forward

Follow up on audit work completed

## ➤ QUESTIONS?

# MANDATE AND PURPOSE OF AGLG



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- Conduct Performance audits of local government operations
- Provide objective information and relevant advice *to assist* local governments in their accountability to their communities for the stewardship of public assets and the achievement of value for money in their operations
  - Note: part of growth towards enhanced accountability and effectiveness in local governments



# MANDATE AND PURPOSE OF AGLG



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- Underlying this is an aim to go beyond audit to make a positive difference
- To do our work we need to communicate our findings to:
  - drive improvements  
We have no power to enforce the recommendations. Change is up to you!
  - share lessons from audits  
Other local governments learn from audits of others - “cross pollinate”

# PERFORMANCE VS. FINANCIAL AUDIT



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## FINANCIAL AUDIT:

- Focused on accuracy of financial statements (including notes)
- Legislated requirement
- Based on generally accepted accounting principles and standards
- Approach is standardized
- Educational background of auditors = accounting
- Output: opinion and management letter



## PERFORMANCE AUDIT:

- Focused on efficiency, effectiveness, economy, compliance
- Authority under AGLG Act
- Unique; criteria developed by auditor, based on research and best practices
- Approach varies for each topic
- Educational background of performance auditors is varied
- Output: report on findings and recommendations

# ADDING VALUE



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- Positive Feedback from stakeholders on audits
  - Rating of 3.6 out of five on value in recent CAO survey
- 27 reports completed; 23 audits and 4 Perspectives booklets
- Each audit has several recommendations, almost all were accepted
- Perspective Series booklets - positively received and requests for more
- Feedback from auditees on our audit work in 2016/17
  - Average of \*/5 for professional conduct
  - Average of \*/5 for satisfaction with audit report

\* Waiting for final results- tbd.

# THINGS WE FOUND...



## OPERATIONAL PROCUREMENT

- Gaps in policies & procedures
- All required improvements in conflict of interest policies
- Several findings of non-compliance with procurement policies
- Reporting recommended on key performance indicators for procurement
- Efforts to obtain best value were demonstrated in all local governments, but to varying degrees.

## POLICING OVERSIGHT

- Reasonable levels of understanding/ awareness of the 2012 Municipal Police Unit Agreement or the Police Act in 4 of 5 Local Governments (LGs).
- Opportunities exist to strengthen planning, priority setting & performance measurement in all 5 LGs.
- Cost containment opportunities for all 5 LGs.
- Good communication & positive working relationships between LGs and Police Services.

# THINGS WE FOUND...



## CAPITAL PROCUREMENT/ASSET MANAGEMENT

- Overall results were mixed.
- Opportunities to improve oversight & information for decision-making (in 3 of 5 LGs) with regard to capital project risks, financing and delegation of authority.
- Business case recommended for significant projects in 3 of 5 LGs.
- Two LG's were developing systematic approach to capital planning asset management, including an organization-wide capital asset management plan and long-term (>5 years) financial planning for capital investments.
- Opportunities in 3 LGs to develop a plan to ensure the availability of adequately trained staff to direct & undertake asset management activities.





# INHERENT HR RISKS WITHIN SMALL LOCAL GOVERNMENTS

## **HR Planning**

- Implement longer range planning from 3 to 5 years
- Identify mission critical skills and develop succession plans for these roles
- Ensure recruitment and selection process are adequately documented
- Ensure job descriptions reflect current requirements and qualifications



# INHERENT HR RISKS WITHIN SMALL LOCAL GOVERNMENTS

## **HR Management**

- Add more structure to orientation, training and development, and performance appraisal practices
- Take steps to ensure occupational health and safety program is in full compliance with all legislative and regulatory requirements
- Promote conflict of interest awareness and understanding
- Improve documentation practices

## **HR Administration**

- Review policies and procedures and address key gaps
- Ensure policies and procedures are readily accessible to employees
- Identify a few, meaningful HR indicators and use them to enhance HR practices

# POTENTIAL TOPICS 2017/18 FORWARD



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## Result of Extensive Consultation/Engagement Process in Fall 2016

- Asset Management and Project Management
- HR Management
- Governance
- Fire Protection Service
- **Water Supply and Distribution**  
*2 audits underway, add 1 more auditee and Perspectives Booklet*
- **Emergency Preparedness, business continuity, disaster recovery**  
*Considering now*
- Waste and sewage treatment
- Housing development, affordable housing
- Public Consultation and Engagement
- Procurement, contract management

# FOLLOW UP ON AUDIT WORK COMPLETED



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- Objective of a follow up audit is to assess the progress made in implementing the recommendations/local government action plan
- Looking to implement a process in 2017/18 for audits completed in previous years

# OVER TO YOU....



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- What have you found valuable about our audits and perspective booklets?
- How could they be improved so that you could get more out of them?
- If you've never used them – why?

# QUESTIONS?



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## CONNECT WITH US



The AGLG welcomes your feedback and comments. Contact us electronically using our website at [www.aglg.ca](http://www.aglg.ca) or email [info@aglg.ca](mailto:info@aglg.ca) to share your questions or comments.

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