

NEWS RELEASE

For Immediate Release
2011PREM0154-001517

Office of the Premier
Ministry of Community, Sport and Cultural Development

Nov. 24, 2011

Surrey to host Auditor General for Local Government

SURREY – Getting the most value for money will be easier for local governments now that the Province is introducing legislation to establish an Office of the Auditor General for Local Government (AGLG), announced Premier Christy Clark today.

“This office will support the goals of the Families First Agenda by strengthening local government accountability and ensuring B.C. families receive the best possible return on investment for their taxpayer dollars,” said Premier Clark. “Enhanced stewardship of assets and service delivery means a better quality of life for British Columbians and that’s what we’re aiming for.”

The primary purpose of the AGLG would be to help local governments find efficiencies in spending and improve program effectiveness by providing neutral, non-binding advice. The AGLG’s role has been designed to maximize value for money by undertaking performance audits and providing information to assist local governments in choosing how best to respond to their communities’ priorities.

Like all auditors general, the AGLG would make recommendations for improvements, not impose solutions. It will be up to local governments to decide what action to take on any recommendations provided by the AGLG. Local governments’ ability to make policy decisions about taxation, land use and other services would not be restricted.

Premier Clark announced this morning that Surrey is the location of choice for the Office of the Auditor General for Local Government.

“This government is committed to being open, and the Auditor General for Local Government would provide British Columbians with the opportunity to access audit reports about the value they are getting for their money,” said Ida Chong, Minister of Community, Sport and Cultural Development. “The same reports would give local governments important information about how to streamline processes and identify the most efficient use of public funds, maximizing the use of taxpayer dollars.”

Chong is introducing the legislation in the House this afternoon.

A backgrounder follows.

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BACKGROUND

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Mandate of the Auditor General for Local Government

Auditor General for Local Government:

The Auditor General for Local Government Act (the Act), provides that the Auditor General for Local Government's (AGLG) core mandate is to:

- Conduct performance audits (also called "value-for-money" audits) in order to provide local governments with objective information and advice on achieving efficiencies in local government operations.
- Provide recommendations to the audited local government in the form of public reports.
- Issue recommended practices arising from performance audits.

Performance audits would:

- Investigate questions such as whether a service is undertaken as economically and efficiently as possible, whether a service is effective in achieving its intended results, and whether local governments are sufficiently monitoring their operations.
- Examine a specific local government operation – not the entirety of its operations.

A number of performance audits would be undertaken each year.

Performance audits would not:

- Call into question the merits of policy decisions or objectives of a local government.

The Act provides that the AGLG has scope to conduct performance audits of:

- Any municipality or regional district.
- The two boards providing water and sewerage/drainage services in Metro Vancouver.
- Corporations or other entities controlled by these local government bodies.

More local government bodies, such as the Islands Trust, could be added in the future through a regulation.

The Act states that the AGLG is to be appointed by the Province, based on a recommendation of an Audit Council. The AGLG's term is five years, with a maximum of two terms permitted.

The AGLG would:

- Prepare annual service plans laying out general objectives of the office in the upcoming year, including themes and priorities for performance audits.
- Have sole discretion in selecting performance audits to conduct, provided they are consistent with the priorities identified in the annual service plan.
- Provide non-binding recommendations to audited local governments in the form of performance audit reports.
- Ensure audited local governments and the Audit Council have the opportunity to comment on a draft performance audit report before it is published.
- Include in the final performance audit report a summary of any comments provided by an audited local government.
- Publish performance audit reports to make them publicly available.

- Publish other reports, such as reports on recommended practices arising from performance audits that may be relevant to local governments generally.
- Prepare and publish annual reports outlining results achieved by the AGLG's office in the previous year.

Audit Council:

The AGLG would report through an appointed Audit Council comprised of at least five individuals with relevant professional expertise in accounting, auditing, or local or provincial governance. Audit Council members would be appointed by the Province for a maximum term of three years.

The minister responsible for the Act would consult with local government, business and taxpayer interests in recommending individuals to appoint to the Audit Council.

The Audit Council would be responsible for:

- Recommending to the Province an individual to be appointed as the AGLG.
- Recommending to the Province suspension or removal of the individual serving as AGLG, if there were cause to do so.
- Reviewing and recommending changes to the AGLG's annual service plans.
- Providing the AGLG with comments on performance audit reports.
- Providing a statement on the AGLG's performance to be included in the AGLG's annual report.

Budget:

The Act provides that the Office of the AGLG is to be provincially funded. The AGLG would receive a salary comparable to those with similar roles in the B.C. government and to municipal auditors general in other provinces.

The Audit Council members would be paid per-meeting at a rate comparable to other board appointees.

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