

# Auditor-general for municipalities will help cities cut costs

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The City of Vancouver's 9,000 employees help make it one of the world's most livable cities, its website tells us. Maybe so, but with an annual payroll of \$672.3 million, they also help make it one of the most expensive. Out of every 100 people who work in the city, three are municipal employees.

Now, every one of these jobs may be vital for the proper functioning of government and delivery of essential services. And we agree employees should be paid market value when it comes to salaries and benefits.

But we can't be certain that's the case because no third party with the appropriate expertise has examined the city's organizational structure, policies and finances to make that judgment. The city collects and spends \$1 billion every year, most of it contributed by taxpayers, with little oversight or accountability.

Over the last decade, spending has increased at double the rate of inflation and population growth. And wages and benefits are far in excess of similar jobs in the private sector.

Vancouver is not alone in facing budget challenges; most other B.C. municipalities are in similar straits.

This is why Premier Christy Clark's proposal to establish an auditor-general for municipal governments is so badly needed and long overdue. From the outside looking in, an auditor-general can help municipalities find cost efficiencies city staff might overlook, being unable to see the forest for the trees, so to speak.

Consider the case of BC Hydro. Despite having an army of some of the smartest people on the planet, the Crown corporation needed outside help to pinpoint policies, practices and procedures that were unnecessarily adding to costs and forcing up electricity rates for consumers. What the panel of civil servants assigned to the task uncovered now seems obvious, but the problems went undetected until the review released last week brought them to light.

It found that the utility was overstaffed by as many as 1,200 people, that the number of employees had soared by more than 40 per cent from 2006 until 2010, that Hydro has 650 engineers, six times the number in the Ministry of Transportation, and that 142

people worked in internal and external communications for a staff of 6,000, compared with 187 for the government's entire complement of 28,000. Overtime costs were higher than the industry standard and nearly every employee received performance bonuses, amounting to \$42 million in 2010. Savings from staff costs alone would amount to \$175 million over three years and help reduce the electricity rate increase by nearly half.

The review also took aim at policies arising from the Clean Energy Act that limited BC Hydro's flexibility, adding to its burden and forcing up rates, and offered recommendations on a host of governance, operational, regulatory and structural issues.

Rather than welcome the valuable assistance that an experienced outsider can bring to the municipal budget exercise, the Union of B.C. Municipalities has expressed concern about the province's lack of consultation with local governments and charged that the appointment of a municipal auditor-general would encroach on local autonomy. But cities have no autonomy constitutionally, they are creations of the province. In any case, far from being an adversary, the auditor-general is an adviser, helping municipalities - and the taxpayers they serve - obtain value for money.

As for efficiency, well, Vancouver Mayor Gregor Robertson told us during an editorial board meeting before his election that he agreed with the dictum that you can always find fiveper-cent fat.

Auditors-general at the federal and provincial levels are applauded for their work from all sides of the political spectrum. They are advocates for the careful management of taxpayers' money. They are courageous warriors against waste. They are heroes. Why wouldn't a municipal auditor-general receive the same approbation?

A municipal auditor-general of the calibre, say, of Cheryl Wenezenki-Yolland (CMA, FCMA), one of the triumvirate that led the BC Hydro review, and a former comptroller-general who has tackled TransLink, BC Ferries and the Vancouver School Board, would ensure that the job would be well done.

In fact, The Sun would be inclined to nominate her for the position.

The question is not whether municipal government needs an auditor-general, but why it has taken so long to get one. It's about time.