

Bring on the municipal auditor general

BY ELIZABETH JAMES, SPECIAL TO NORTH SHORE NEWS AUGUST 17, 2011

AFTER a decade of broken election promises, British Columbians were not prepared to take the harmonized sales tax on trust.

Instead, the HST became a lightning rod for all of the other betrayals by B.C. Liberal politicians. The cynicism has carried over to such an extent that many people distrust pretty well everything they hear from politicians, union management, big business and the media.

This is especially true close to home, as municipal governments and unelected boards escalate taxes and spending, seemingly without check.

So when an idea comes along that promises to hold local governments more accountable, it is unlikely to encounter opposition on the street.

Rarely do we hear positive news from Victoria, but Premier Christy Clark's proposal for a municipal auditor general is supportable - provided there's no political interference.

Mirrored along the lines of the provincial auditor general, and under the auspices of the Ministry of Community, Sport and Cultural Development, Clark's idea is that the new office would be an initiative of her Families First agenda.

Well! Look at the feathers fly.

The proposal is not going down well at the Union of British Columbia Municipalities, where the lack of trust displayed by the executive members may exceed our own, albeit for different reasons.

Addressed to mayors, councils, regional boards and senior staff throughout the province, UBCM president Barbara Steele, a 13-year councillor in the City of Surrey, has distributed two member releases and a background document: the UBCM Municipal Auditor General Context Paper. It's funny how fast politicians can move sometimes, isn't it?

The executive summary opens with a volley that suggests a municipal auditor general would be a solution to a problem not yet identified.

Then it asks Minister Ida Chong for "clarity about what gaps there are in the existing accountability system," and wonders, "if there are gaps, whether a MAG is the best corrective action."

Perhaps you and I can assist with the clarity part.

Currently, after-the-fact municipal financial statements are prepared by the chief financial officer as part of an annual report, and attested to by external professional auditors such as KPMG, Deloitte, Ernst & Young or PriceWaterhouseCoopers.

So far, so good. But as West Vancouver resident Garrett Polman noted, under the current system " . . .

the same departments that perform a service do the review, so there's a certain conflict of interest."

From an accountability perspective, this process is ineffective:

First, the mandate of the external auditor is not to discuss policies but simply to review the material presented by the CFO, attest to the fact that the numbers are accurate, and that the statements meet the requirements of GAAP - generally accepted accounting principles.

Secondly, the reports are not intended to assess value for money, or to make recommendations about the appropriateness of expenditures or projects.

Thirdly, the current "robust accountability system" claimed by the UBCM context paper is a laugh. Indeed that claim alone warrants a municipal auditor general - whether the appointment is a dedicated office or an extension of the work of the provincial auditor.

In the unlikely event you cannot cite your own examples, here are some reasons why:

West Vancouver's existing accountability mechanisms have been powerless to prevent a 45 per cent increase in operating expenses - and thanks to David Marley and ITAC for continuing to sound the alarm.

Nor did existing accountability mechanisms stop the District of North Vancouver from parlaying a \$6-million library building replacement into an attractive but costly \$40-million town centre without a new referendum.

No robust system challenges TransLink ridership numbers - especially with respect to the Canada Line, where base ridership was merely transferred from cancelled bus routes.

Nor have municipalities challenged the cost-benefit ratio of TransLink's multiple-use U-Pass program.

Worse still is the lack of TransLink accountability with respect to airport employee ridership, where about 80 per cent of approximately 25,000 employees can park their cars near a SkyTrain station for \$50/month and then ride back and forth to YVR free of charge.

Gordon Campbell once said the Canada Line would take 200,000 cars off the road. Did municipal accountability demand a business case for that?

So there you have it, UBCM; a few gaping holes our robust system cannot fill.

Let's bring on that municipal auditor general.

Trust us, Madam Premier; he or the newly-available Sheila Fraser would be cheap at the price.

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