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Cawing over Clark's imprudent watchdog proposal justified

BY VAUGHN PALMER, VANCOUVER SUN AUGUST 9, 2011

Premier Christy Clark has provoked a critical response over her plan to appoint a municipal auditor-general to offer unsolicited financial advice to local government.

Local government leaders fear the provincially appointed watchdog could encroach on their autonomy, second-guessing municipal councils on everything from accounting practices to policy objectives to taxation rates.

Those concerns are reflected in an 11-page background paper from the Union of B.C. Municipalities (UBCM), issued last week.

Clark promised to "create an office of the municipal auditor-general" during her bid for the leadership of the B.C. Liberal party, seizing on a proposal floated by the chamber of commerce and the small business community as a way to rein in local government spending and taxation.

After Clark won the leadership and assumed office as premier, the UBCM executive suggested the municipal auditor-general notion be referred to a "joint policy development process" between provincial and local government representatives.

But the B.C. Liberals rejected a joint process in favour of proceeding unilaterally. Further entreaties finally brought about a meeting between the UBCM executive and a provincial delegation led by cabinet minister Ida Chong, whose community, sport and cultural development bailiwick includes responsibility for local government.

The two-hour exchange on July 22 did little to alleviate local government concerns about the Clark proposal. Indeed, judging from the account included in the discussion paper, it may well have exacerbated them.

The UBCM executive, in its version of events, "expressed concern about the lack of consultation with local governments."

Chong replied that consultations were still ongoing and that the proposal was not nearly finalized. But she left no doubts with local government leaders that the Liberals intended to proceed with establishing the office of municipal auditorgeneral.

"The minister made it clear she was responsible for implementing the commitment made by the premier," says the UBCM paper. She was looking for input on "roles, duties and functions, to whom it should report and how it should be funded," not on whether it should be established.

The role, as characterized by the minister and her officials, would readily encroach into local government affairs.

The starting mandate would be to offer advice on best financial practices and to conduct performance auditing: "Whether money was spent with due regard for economic and efficiency [and] whether appropriate procedures are in place to measure and report on the effectiveness of government programs." Nor did local officials come away with any assurances that the auditor would be "precluded from a review of policy decisions" or from launching a full-blown "municipal taxation review." They also came up dry when they asked whether the Liberals would agree that the establishment of the auditor should proceed in "parallel" with another of Clark's promises, namely to "work with the UBCM to ensure that municipalities are properly funded and can provide the services British Columbians want from local government."

No dice. "The minister declined to make that commitment, stating a preference to ensure implementation of the auditor was not delayed by dealing with the more complex issue of local government funding."

After repeated rebuffs, UBCM president Barbara Steele and her executive felt compelled to pour out their frustrations in the background paper. "It should not be taken as questioning the need for local government accountability," the organization cautioned, but rather as the next step in a search for answers, starting with the following:

"What problem the municipal auditor-general is intended to solve. Whether the auditor is the best mechanism to resolve the problem. How work on the office is related to other municipal tax reform commitments made by the premier. How the office fits within the overall accountability system. What other options have been or would be considered."

Otherwise, it would appear that this is "a process that began with a solution rather than the identification of a problem to be addressed and an analysis of the options to resolve it."

As for the Liberal view that the office should have "independence and credibility" and be "cost-effective and accountable to the taxpayer," the UBCM fired back by citing some other worthy public policy principles:

"Respect for local government policy choices. Respect for jurisdiction. Build on existing systems. Maximize public accountability benefits while respecting local autonomy and recognizing local capacity."

Then there was the always relevant matter of the cost of setting up the office: "The approach carries a risk of creating a new public institution at considerable public cost which does not address the public policy problem it is intended to resolve."

Chong, for her part, is promising fuller consultations over the next few weeks, leading to a fullblown discussion of the work in progress at the UBCM convention in Vancouver at the end of September.

But in the absence of persuasive answers to some basic questions, local government leaders are right to balk at the premier's half-baked proposal.

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