



Business Council of
British Columbia

July 12, 2011

Via Email: Don.Fast@gov.bc.ca
(Original to Follow by Mail)

Mr. Don Fast
Deputy Minister
Ministry of Community, Sport and Cultural Development
PO Box 9490 Stn Prov Gov't
Victoria BC V8W 9N7

Re: Proposed Office of Municipal Auditor General

The Business Council of British Columbia (BCBC), established in 1966, is an association representing approximately 250 large and medium-sized enterprises engaged in business in British Columbia. Our members are drawn from all major sectors of the provincial economy. Taken together, the corporate members and the associations affiliated with the Business Council are responsible for approximately one-quarter of all jobs in British Columbia.

As part of her leadership campaign platform, Premier Christy Clark signalled her intention to establish a Municipal Auditor General (MAG). It is our understanding that your Ministry is now in the process of examining the potential role and scope of this office. With this in mind, the Business Council offers the following input on characteristics we believe are essential for the new office to succeed.

Perhaps most importantly, the MAG should be independent of any government control, including local government. To be effective in its review of municipal finances the office needs to be insulated from all government and political influence. Independence is also essential for the office to be impartial and unbiased. We support Premier Clark's suggestion that the MAG be part of the Auditor General's office. The new office should be endowed with a modest staff and perhaps headed by an Assistant Auditor General as the lead on municipal functions.

It is important that the MAG be empowered to provide clear and forceful recommendations when appropriate. In this regard, we believe the mandate of the office needs to go well beyond simply identifying issues and providing benchmarks. Transparency is also a necessary foundation, which means all the analysis and work coming from the MAG should be available to residents and stakeholders.



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While it is possible to envision a wide scope of duties for the MAG office, we believe its primary functions should flow from its mandate to review municipal finances. Value for money audits should be a top priority. The MAG ought to have the authority to review both municipal spending and taxation. From the Business Council's perspective a complete municipal audit process entails examining both revenue and spending activity. How revenue is raised, how it is spent, and the relative tax burden on residents, utilities, commercial businesses and heavy industry are matters of particular importance. An advantage of in-depth reviews by an independent office is it is possible to identify situations where taxation rates are out of line with other municipalities while also affording recognition of unique circumstances of individual municipalities.

With only modest resources we would anticipate that the MAG would conduct a limited number of audits each year. Initially these could be done on a random basis within regional groupings or size categories of municipalities. Once well established, the office's mandate could be expanded to examine issues and concerns brought forward by the public or stakeholder groups.

Another useful role for the office would be the provision of benchmarks and best practices. Routinely sharing such information in reports would provide opportunities for municipalities to evaluate their performance and learn what other municipal jurisdictions are doing to help deliver high quality services in the most cost effective manner.

Finally, we believe it is imperative that the MAG also have oversight of BC's regional districts. The oversight role of the Auditor General is especially relevant for regional districts because they are funded by local taxpayers but in many cases are not directly accountable to voters.

We believe it is in the best interest of all parties – residents, municipalities and businesses – to have a strong and effective Municipal Auditor General. Municipal taxes and fees as well as the infrastructure and services provided by municipalities and regional districts are important elements in business location decisions as well as in the overall quality of life of local residents. The Business Council believes the MAG's mandate should also recognize the need to secure BC's position as a competitive jurisdiction.

Yours sincerely,

Original signed by
Greg D'Avignon

Greg D'Avignon
President and Chief Executive Officer

KP/vjc