



**Union of Nova Scotia
Municipalities**

The Bridgetown Experience:

Understanding Risk Management

Fall Conference

November 7, 2013

Westin Hotel, Halifax

Agenda

- ❖ **Bridgetown Challenge: What the Province Discovered (2011)**
- ❖ **Stepping Stone: Interim Council/CAO**
- ❖ **Moving Forward: Elected Council/
Hired CAO**
- ❖ **Discussion Questions**

Part 1

Bridgetown Challenge: What the Province Discovered (2011)

Presented by Paul Wills

Municipal Advisor

Service Nova Scotia & Municipal Relations

The Town

- ❖ Council resigned en masse on May 31st, 2011
- ❖ Financial problems
- ❖ Potential misappropriation of funds

The Province

- ❖ The Province committed to provide:
 - Leadership and stability
 - Municipal Relations staff were on site weekly
 - Assistance and advice to Town staff and Council

The Appointments

- ❖ On June 8th, 2011:
 - Bob Fowler appointed as Mayor
 - Anna Allen and James Thurber as Town Councilors
 - Darrell Hiltz as Chief Administrative Officer (CAO)

Additional Commitments

- ❖ Service Nova Scotia and Municipal Relations paid the cost of the Council and CAO
- ❖ Ordered a forensic audit paid for by the Province

Simple Questions

- ❖ Significant increases in unpaid accounts
(tax and sewer in 2005 - \$31,580)
(water in 2005 - \$39,107)
- ❖ What were the amounts in 2011?

Simple Questions

- ❖ What were the amounts in 2011?
(tax and sewer - \$453,357) \$31,580
(water - \$343,447) \$39,107
- ❖ **Tax and Sewer increase of 1436%**
- ❖ **Water increase of 878%**

The Results

- ❖ Providing More Training
- ❖ Scrutinizing Financial Statements
- ❖ Reviewing Municipal Auditors
Registration Process
- ❖ Tweaking the Financial
Information Return Annually

Part 2

Stepping Stone: Interim Council/CAO

Presented by Robert (Bob) Fowler
Interim Mayor
Town of Bridgetown

Stepping Stone: Interim Council

- ❖ Re-establish focus and stability to organization
- ❖ Open communication with the public
- ❖ Be present in the community
- ❖ Re-establish trust in local government

Stepping Stone: Interim Council

- ❖ Set new course for financial recovery
 - Debt Affordability Model
- ❖ Hire new Chief Administrative Officer
- ❖ Encourage full slate in 2012 municipal election

Part 3

Moving Forward: Elected Council/Hired CAO

Presented by Rachel Turner
Chief Administrative Officer
Town of Bridgetown

Moving Forward

- ❖ Support and empower staff
- ❖ Continue to reduce deficit
- ❖ Implement consistent processes: staff, Council and public
 - Utility billings, accounts receivables
- ❖ Role clarification
- ❖ Transparency & communication

Moving Forward

- ❖ Implement new policies
- ❖ New Financial Software Implementation
 - Financial internal control framework
- ❖ MFC Best Practices Pilot
- ❖ Website redevelopment
- ❖ Exploring broader shared services

Conclusions

- ❖ Brief overview of a complex situation
- ❖ Provincial Government continues to play a strong role in Bridgetown's recovery
- ❖ Still much work to be done to complete the work started

Discussion/Questions

- ❖ Do you have external members on your Audit Committee? Do they have financial skills?
- ❖ How often does your Council review financial variance reports? What should you look for in these reports?
- ❖ Do you have written procedures or financial policies in place for your municipality?

Discussion/Questions

- ❖ Is your auditor a registered municipal auditor?
- ❖ Is there separation of duties for accounts payable, accounts receivable, signing officers and those depositing money? Why is this important?