



February 12, 2018

Lloydminster Facilities Corporation Audit Identifies Need for Improved Accounting

Lloydminster, AB/SK – An audit report has acknowledged need for improved accounting practices for the City-owned Lloydminster Facilities Corporation (LFC), which operates the Lloydminster Golf and Curling Centre.

In early 2017, Mayor and Council requested a forensic audit be completed for the LFC to clarify past transfers of funds and identify any amounts owed to the City of Lloydminster. When the audit was completed in early February 2018, the information indicated the City of Lloydminster was owed approximately \$1-million by the LFC as of April 30, 2017.

“We are heartened to see the audit shows no instances of dishonest staff behaviour or external maleficence; however, some deeply flawed accounting practices in recent years have created a difficult situation for the Facilities Corporation and the City of Lloydminster,” said Mayor Gerald Aalbers. “We now have a clearer, more thorough understanding of the true cost of operating our municipal golf and curling centre. Going forward, we will ensure better management of public dollars through stronger policies, procedures and administrative oversight.”

The audit stated the LFC’s accumulated debt is a result of repeat budgeting shortfalls and represents the true additional costs of operating the facility dating back to 2010.

“Further to this audit, Council has also approved a full-scale operational review of the LFC; we anticipate the findings of that review will be presented in late March 2018,” said Mayor Aalbers.

Background

In the spring of 2017, the Mayor and Council contacted the City’s legal representatives, Reynolds Mirth Richards and Farmer (RMRF), regarding the Lloydminster Facilities Corporation. The Mayor and Council expressed concerns that funds were transferred from the City to the LFC without Mayor and/or Council review or approval. The Mayor and Council contacted the City’s auditors, who also audit the Corporation, to obtain further information regarding amounts transferred or owing between the two entities. RMRF engaged MNP to conduct the audit, and compile the audit findings.

Lloydminster Facilities Corporation

Defined in Bylaw 25-2010, the Lloydminster Facilities Corporation was established in 2010 as a municipal body distinct in function and operation from the City of Lloydminster. The LFC is overseen by a board of directors, the members of which are appointed by City Council.



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MEDIA RELEASE

The complete financial audit can be found at Lloydminster.ca/lfcaudit.

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