

Municipal Indicators Factsheets – August 2022

Municipal Audit Outcomes 2017 - 2021

Alberta Municipal Affairs produces 13 measures related to specific aspects of a municipality's governance, finances or community. This month, we take a close look at the municipal audit outcome measure.

About the municipal audit outcome measure

The municipal audit outcome indicates municipalities where a municipal auditor was able to complete the audit, express an opinion, and did not identify a specific concern about the ability of the municipality to meet its financial obligations.

Why does this measure matter?

Because municipalities are required to approve and submit audited financial statements annually, this measure helps to make sure municipal financial statements are free from errors and follow public sector accounting standards.

Albertans can use this measure to understand how well their local governments are functioning. This helps improve local government transparency and fiscal accountability.

How does this measure help the Alberta government?

This audit measure shows government which municipalities may experience future viability challenges, require additional supports or need subsequent ministry intervention to meet their requirements under the *Municipal Government Act*.

During the noted reporting period, three municipalities had a negative audit outcome four times. Despite not receiving a negative audit outcome in either of the two most recent reporting years, all three of these municipalities were actively working with Alberta Municipal Affairs in 2022.

Notable findings using the municipal outcome measure

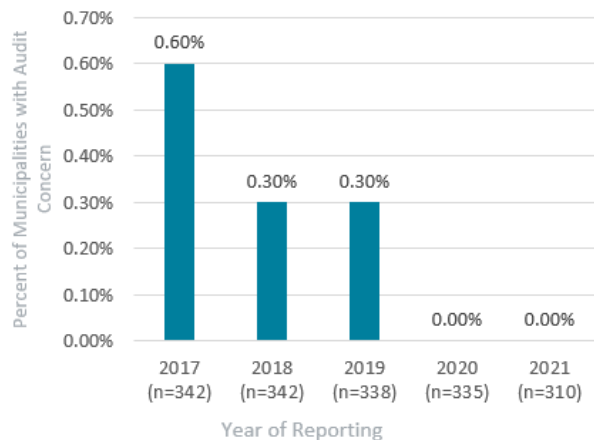
1. Municipalities with an audit concern

Less than one per cent of municipalities reported an audit concern between 2017 and 2020. This indicates that the overwhelming majority of municipalities successfully completed their audits each year. Over the same period, no municipality received a denial of opinion, which means that the financial statements fairly reflect the municipality's financial position.

Only three municipalities received a going concern note. No audit concerns have yet to be identified in 2021, with more than 87 per cent of municipalities having already submitted their financial reporting.

MUNICIPALITIES WITH AN AUDIT CONCERN, 2017 - 2021*

*Based on available data

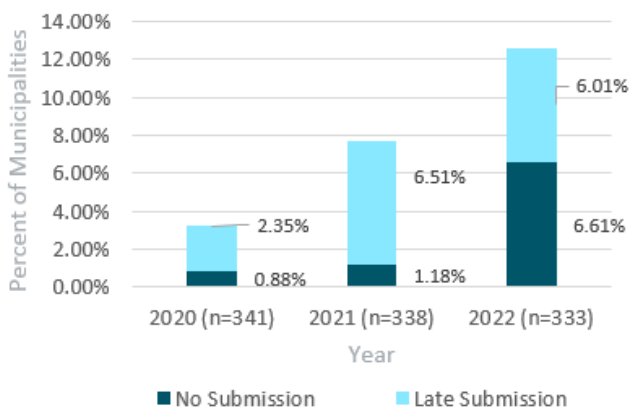


2. Financial reporting received by Municipal Affairs

A growing concern for the ministry is the number of municipalities that have yet to submit financial information returns and those that have failed to submit before the deadline. The combined percentage reached almost 13 per cent in the most recent reporting year.

This result is not restricted to a specific municipality type. Some municipalities are repeatedly late or, in some cases, have not submitted for two or more consecutive years.

FINANCIAL REPORTING RECEIVED BY MUNICIPAL AFFAIRS, 2020 - 2022



Want to know more?

For more information on Alberta's municipal indicators and what they tell us, visit [Municipal Indicators](#).

To view municipal indicator results, by year, visit our [Municipal Indicator Dashboard](#).

Other questions?

If you have questions about the municipal indicators, please contact us at ma.updates@gov.ab.ca.

