

RE: [EXT] Fw: Bowen Island municipal audit

From: Simpson, Kristine [REDACTED]

To: [REDACTED]

Date: Friday, July 30, 2021, 11:24 a.m. PDT

Dear Ms. Miller,

I acknowledge receipt of your email of July 29, 2021. As I stated in my July 22, 2021 letter to you, I thank you for the information you have provided to us. I can assure you that BDO Canada LLP will act appropriately in its role as municipal auditor of the Municipality of Bowen Island. For the reasons set out in my July 22 letter (client confidentiality), I am unable to provide you with any further information.

Your truly,

Kristine Simpson  
Partner, Assurance Services  
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 Before you print think about the environment

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À la lumière des directives des autorités gouvernementales, notre bureau local de BDO est rouvert, mais à capacité limitée. Les associés et les employés de BDO travaillent de la maison et offrent la plus haute qualité de service à nos clients. Pour mettre à jour vos préférences en matière de messages électroniques, veuillez vous rendre au [centre d'inscription en ligne](#).

**From:** Heather Miller [redacted]  
**Sent:** Thursday, July 29, 2021 7:21 PM  
**To:** Simpson, Kristine [redacted]  
**Cc:** [redacted]  
**Subject:** Re: [EXT] Fw: Bowen Island municipal audit

Dear Ms. Simpson;

Thank you for your response, and the acknowledgment that you received my original communication.

Unfortunately, your response reinforces the essential error of judgment shown in the conduct of the municipality. The problem is shown in your remarks about your "client".

Firstly, you deflect any need to respond with a misdirected nod to "client confidentiality" – I didn't ask for information about anyone or anything, I was in fact supplying you with information, so there is no real issue related to protecting confidentiality. That appears to be nothing more than a rhetorical trick, a pivot away from actual engagement with anything of substance.

Secondly, and more concerning, the use by you of client and what you mean by that – the client whose confidentiality you are protecting – indicates that you have seriously misunderstood the scope of a public service audit, and of responses to fraud in that environment.

I have supplied you with information about fraud. This was led, perpetrated, and facilitated by, variously but in their entirety, senior management, the finance advisory committee, and the whole of Council at Bowen Island Municipality – embodying those you say you will report back to as your client.

However, your client is the municipality, which is a corporation of inhabitants – of whom I am one. Those individuals – senior management staff, committee members, Mayor and Council – you erroneously assign the identity of client, are in fact trustees of that corporation, with a fiduciary obligation to inhabitants.

They have breached their duty. Seriously and fundamentally breached their duty.

And not only did they variously design, orchestrate and participate, even passively, in a fraud, senior managers (the CFO and CAO) and the whole of Council on February 22<sup>nd</sup> collectively asserted that mathematical reality was other than it was, and that they could define reality to mean what they wanted, in direct contradiction and denial of my statements of fact – actually, of my basic experience of objective reality. That is a *grotesque* abuse of power.

I wrote to you, and have initiated a complaint with the Ombudsperson, and the CPABC, because I am following the correct and laid out path for seeking proper response and accountability for this, in the appropriate steps of escalation. As my communications to you made clear, I have in fact already, multiple times, addressed this directly with exactly those you say you will report this back to – making your efforts redundant, circular and meaningless.

The Provincial Government, which ultimately exercises oversight over the Municipality, directs:

***Resolving Local Government-Related Concerns***

*Members of the public have several options if they have concerns about local government conduct, including*

.....

- *Contacting the auditor for the relevant local government if a person considers that a specific financial matter is not authorized under legislation, or there has been a misuse or other irregularity in the financial holdings of the local government.*

As you appear to have abdicated any active response to what has been brought to your attention, and as ultimately responsibility for this does fall to the Provincial Government, I am copying here Tara Faganello (the last-named individual I can find identified as Inspector of Municipalities) and the Minister of Municipal Affairs. I have included the latter because very concerningly, our CAO, Liam Edwards, involved in this fraud, came into the role in June of 2020, directly from long-term service as the BC Deputy Inspector of Municipalities (and would it appears have been Ms. Faganello's Deputy for much of that time). This is very concerning, for multiple reasons.

I have yet to have responses from CPABC or the Ombudsperson, both entities having received information from me, and subsequently initiating investigations of some sort. I am not going to pre-determine what their responses will be. I will be forwarding this to them, for information.

I am absolutely clear, whether anyone who ought to act on this does, or whether those of you who have a responsibility to take these matters seriously do, I am clear that this is fraud, and that that and the actions of managers and Council on February 22<sup>nd</sup> are gravely, profoundly wrong, abusive, and deserving of serious censure. They are also dangerous – they undermine and destabilize good governance and damage our civil society, our community. We, residents of Bowen Island, are entitled to expect more, of our government, and of you and others, and to expect redress from those with oversight or, in the case of BDO, the responsibility of providing an independent, external, professional and ethical inspection of the Municipality's financial affairs.

What was done is in some ways so incredible – so egregious, so flagrant, and so just bemusing – that it is hard to believe. I have had to look at the numbers and re-do the math time after time after time, just to confirm what I do in fact know to be fact. It is so incredible, actions and behavior so blatantly counter to any rational sense, that for me, having lived on Bowen Island and seen this local government in action for years, this confirms that there is now a serious rupture, a profound break, in the ability of staff or Council not just to act in the public interest, but to even comprehend that that is the basis and reason for the power and responsibility with which they are entrusted.

Yours sincerely,

Heather Miller

On Thursday, July 22, 2021, 05:47:43 p.m. PDT, Simpson, Kristine <[ksimpson@bdo.ca](mailto:ksimpson@bdo.ca)> wrote:

Ms. Miller

Please find attached our acknowledgement of your letter and our confirmation that we will inform Council.

Many thanks

Kristine Simpson

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July 22, 2021

Ms. Heather Miller  
[REDACTED]  
[REDACTED]

Hello Ms. Miller,

I acknowledge receipt of your letter dated June 30, 2021 and follow up email on July 19, 2021.

I would like to thank you for your inquiry and the information that you have provided to us. Unfortunately, due to reasons of client confidentiality, I am unable to provide any information concerning Bowen Island Municipality (our client) to external parties. I will bring your letter to the attention of the Municipality's management and Council.

Yours truly,

Kristine Simpson, CPA, CA  
Partner through a corporation  
BDO Canada LLP  
Chartered Professional Accountants

KLS/mkn