

RE: AUDITING OF SURVEYS FOR LIQUOR LICENCE APPLICATIONS
MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Planning & Building Inspection be adopted.

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TO: MUNICIPAL MANAGER 1989 NOVEMBER 01
FROM: DIRECTOR PLANNING &
BUILDING INSPECTION

SUBJECT: AUDITING OF SURVEYS FOR LIQUOR LICENCE APPLICATIONS

PURPOSE: To inform Council of the procedure to be used to audit surveys for liquor licence applications and the objectives of the audit.

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RECOMMENDATION:

- 1) THAT Council receive this report for information purposes.

R E P O R T

1.0 BACKGROUND INFORMATION:

- 1.1 On 1988 June 27, Council adopted a policy requiring that all applicants applying for a retail beer and wine store in Burnaby be required to deposit sufficient monies with the Municipality in order to conduct a neighbourhood survey. This policy was applied to the processing of Liquor Licence Application #4/89 which involved a request to establish a retail beer and wine store within the North Burnaby Inn, located at 4125 Hastings Street. The requirement of the successful completion of a neighbourhood survey is also included as a prerequisite condition of the associated rezoning (Rezoning Reference #93/88) for the retail beer and wine store.
- 1.2 In past instances where surveys have been required by the Liquor Control and Licensing Branch, the Provincial Government has undertaken the responsibility for the necessary audit and checking procedures to ascertain the validity of the survey results. However, upon being informed by the Liquor Control and Licensing Branch in May 1989 that the Branch would not be involved in any way with a neighbourhood survey which is required by the Municipality, but not the Provincial Government, Planning and Building Inspection Department staff proceeded to inform the applicant and the marketing firm selected to conduct the survey of the process and requirements applicable to the conducting of the survey. During the course of the neighbourhood survey process, staff have become cognizant of the need for Burnaby to formulate a formal and thorough review process through which the survey procedures and results can be verified as to their validity.

- 1.3 The neighbourhood survey for Liquor Licence Application #4/89 has recently been completed and Planning and Building Inspection Department staff, in consultation with Finance Department staff, have formulated a review process through which the conducting of the neighbourhood survey and the survey results can be verified. This report is provided to inform Council of the process to be utilized to review completed neighbourhood surveys.
- 1.4 As Council may be aware, the Provincial Government Cabinet has recently reviewed the role of local governments in liquor licensing in response to a submission by a Joint Committee consisting of representatives from the Union of British Columbia Municipalities (U.B.C.M.) and the Liquor Control and Licensing Branch (L.C.L.B.). The Cabinet decision on this matter is summarized in the 1989 September 01 document Manual On the Role Of Local Government In Liquor Licensing, which permits the Liquor Control and Licensing Branch to delegate the responsibility for determining community opinion on liquor licensing decisions to local governments, giving the Municipality of Burnaby the option to "Opt In" or "Opt Out". This Department is currently reviewing this document and the Municipality's options and will be reporting to Council on a recommended course of action in the near future. If Council does elect to "Opt In" to the community input process for liquor licensing, the internal audit process outlined in this report will be utilized for all future neighbourhood surveys, subject to future modifications and improvements.

2.0 GENERAL DISCUSSION:

- 2.1 The following objectives have been identified for the verification of results of referenda held in connection with Liquor Licence applications:
- 2.1.1 To provide Municipal Council with a reasonable basis to afford reliance on the referendum results
 - 2.1.2 To ensure that the interpretation of the referendum results is defensible
- 2.2 The following verification procedure is based in part upon information obtained from the provincial Liquor Control & Licensing Branch - Referendum Control section. Where there appear to have been gaps in the information, additional procedures have been formulated which employ statistical theory and auditing principles to as great an extent as deemed practical.
- A proposed review procedure has been formulated by the Financial System Analyst (Finance Department), in consultation with Planning and Building Inspection Staff. The following is a brief summary of the steps necessary to provide reasonable assurance of the reliability of the referendum results:
- 2.2.1 Assess the general quality of the referendum and identify potential problems by performing a review for compliance with the instructional letter from the Planning & Building Inspection Department (which was based in large part upon the Manual on Requirements for the Conduct of Referendums issued by the Liquor Control & Licensing Branch).
 - 2.2.2 Perform a recount and evaluate the results within the contexts of the results reported by the referendum company and of determining the extent of additional verification required.

ITEM	6
MANAGER'S REPORT NO.	72
COUNCIL MEETING	89/11/06

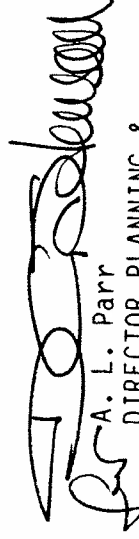
- 2.2.3 Perform the following detailed verification:
- 1) Review and reconcile control documents to reported results.
 - 2) Verify names and addresses in a statistically supported sample of ballots.
 - 3) Verify 100% of names and addresses of selected high-risk groups such as business addresses and incomplete ballots.
 - 4) Verify names and addresses in a statistically supported sample of OLN cards (Out, Left Notice).
 - 5) Select a representative sample of ballots for review of duplicate signatures for the same residential address.
 - 6) Assess ballot control by performance and reconciliation of a sequence check of registration cards.
 - 7) Verify a judgmentally selected sample of addresses (which gives consideration to high-risk areas such as the perimeter of the survey area) from the Survey Map to Control Sheets.
 - 8) Personally contact a statistically supported sample of voters in the event that test results to this point are not conclusive.
- 2.2.4 Evaluate the verification results accumulated and conclude upon the reliability of the referendum results.
- 2.3 Upon completing the audit of the neighbourhood survey, a liquor licence report would be submitted to Council.
- 2.4 In accordance with the foregoing, the Clerk's Department has scrutineered the first counting of the ballots by the marketing firm and provided verification of the ballot recount performed by Planning and Building Inspection Department staff. The Clerk's Department will also assist this Department in performing the remainder of the review of the neighbourhood survey. Utilizing this procedure, staff are confident that the results of the survey can be satisfactorily checked and verified.

It is anticipated that a report will be submitted to Council on Liquor Licence Application #4/89 within two weeks.

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BW/PJP:ap

cc: Municipal Clerk
Director Finance


A. L. Parr
DIRECTOR PLANNING &
BUILDING INSPECTION

