

News release

August 28, 2025

Auditor General releases report on municipal allegations and gaps in provincial oversight

WINNIPEG – Auditor General Tyson Shtykalo today released a report that examines allegations of wrongdoing involving several Manitoba municipalities as well as the provincial government's oversight of municipal operations.

“The Province of Manitoba provides significant funding to municipalities to support local governance, infrastructure, and services,” Shtykalo said. “With this funding comes a responsibility—both for municipalities and the Department of Municipal and Northern Relations—to ensure effective stewardship of public resources.”

This report was initiated following a request from the Minister of Finance under Section 16 of *The Auditor General Act*, prompted by a cybersecurity incident involving the Municipality of Westlake-Gladstone. Shtykalo also examined:

- Allegations of wrongdoing at six other municipalities.
- The Department of Municipal and Northern Relations' oversight of municipalities.

Cybersecurity incident:

Between December 19, 2019, and January 5, 2020, unauthorized withdrawals totaling more than \$472,000 were made from an account held by the Municipality of Westlake-Gladstone.

The Auditor General found the municipality failed to investigate the cybersecurity incident for root cause, missing a critical opportunity to understand how the incident occurred and how to prevent future breaches.

“This highlights the need for all municipalities to implement controls based on a recognized cybersecurity framework, to protect them from cybersecurity threats,” said Shtykalo.

Municipal allegations of wrongdoing:

The report examined allegations of wrongdoing at six municipalities, stemming from public tips and information provided by the Department of Municipal and Northern Relations (the Department). The Auditor General found three of the allegations were at least partially substantiated.

- **Swan Valley West** – The municipality purchased two fire trucks without tendering, violating the municipality's purchasing policy.
- **Springfield** – Councillors claimed approximately \$3,000 in ineligible travel expenses over a nine-month period, violating a municipal bylaw.

- **Ethelbert** – A former Head of Council acted unilaterally, violating governance norms and conflict-of-interest rules.

Department oversight:

The Auditor General found the Department lacks a comprehensive oversight process to follow up on complaints about municipalities, monitor how provincial government grants are used, and review financial submissions.

Recommendations:

The report includes five recommendations to improve cybersecurity at Manitoba municipalities and strengthen provincial government oversight of public funds provided to municipalities

For further information:

- [Watch the video](#)
- [Read the report](#)

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Images

[Download high-resolution images of Auditor General Tyson Shtykalo suitable for publication.](#)

Media inquiries

Frank Landry, Communications Manager
204.792.9145
media@oag.mb.ca