



Office of the Auditor General / Bureau du vérificateur général

FOLLOW-UP TO THE 2010 AUDIT OF THE SUGARBUSH

(ACTION VANIER) AGREEMENTS

2012

SUIVI DE LA VÉRIFICATION DES ENTENTES DE LA CABANE À

SUCRE (ACTION VANIER) DE 2010

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EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2010 Audit of the Sugarbush (Action Vanier) Agreements was included in the Auditor General’s Audit Plan.

The key findings of the original 2010 audit included:

- The City has continued to provide annual funding for the Vanier Sugarbush even though the non-profit organization forecast a \$22,000 surplus.
- There are a number of recreation grants which have been considered grandfathered “renewals”, including Action Vanier, that the City needs to review and update to ensure funds are still required and that they continue to meet Council’s funding priorities.
- The Action Vanier Inc. (Sugarbush) agreement, originally signed by the former City of Vanier in 1998, was inherited by the City of Ottawa which continues to provide annual funding for the maple syrup festival known as SugarFest.
- The audit found a number of documents were missing from the Action Vanier files and their funding submission included a much lower forecast surplus.

Summary of the Level of Completion

1. The table below outlines our assessment of the level of completion of each recommendation as of January 2013.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	2, 6	2	22%
SUBSTANTIALLY COMPLETE	75 – 99	1, 4, 9	3	33%
COMPLETE	100	3, 5, 7, 8	4	45%
TOTAL			9	100%

2. The table below outlines management’s assessment of the level of completion of each recommendation as of February 2013 in response to the OAG’s assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	6	1	12%
SUBSTANTIALLY COMPLETE	75 – 99	1, 2, 4, 9	4	44%
COMPLETE	100	3, 5, 7, 8	4	44%
TOTAL			9	100%

Conclusion

Overall, we agree with management as to the level of completion of the audit’s recommendations. Progress has been made towards implementation of many of the recommendations. Specifically, 78% of these have been substantially or fully implemented. Challenges to the full implementation are twofold:

- Identifying all outdated land utilization agreements and signing a new agreement with Muséoparc; and,
- The re-organization of the Department (April 2012), which we were informed delayed the completion of the Community Support and Partnership Framework to Q3 2013 and the review of the Community Funding Framework Policy (CFFP) postponed to Q3 2013.

More effort is required to complete implementation of all recommendations from the original audit.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

Le Suivi de la vérification des ententes de la cabane à sucre (Action Vanier) de 2010 était prévu dans le Plan de vérification du vérificateur général.

Les principales constatations de la vérification de 2010 sont les suivantes :

- La Ville a continué à verser une subvention annuelle à la cabane à sucre Vanier, même si l'organisme sans but lucratif prévoit un excédent de 22 000 \$.
- La Ville doit examiner et mettre à jour un certain nombre de renouvellement d'ententes de financement des loisirs régies par le principe des « droits acquis », dont celle avec Action Vanier, pour s'assurer que le financement est encore nécessaire et qu'il continue à répondre aux critères de subventions du Conseil.
- La Ville d'Ottawa a hérité d'une entente avec Action Vanier Inc. (cabane à sucre), signée à l'origine par l'ancienne Ville de Vanier en 1998, et elle continue de fournir une subvention annuelle pour le festival du sirop d'érable connu sous le nom de SugarFest.
- La vérification a constaté qu'il manquait nombre de documents dans le dossier Action Vanier et que sa demande de financement mentionnait un excédent budgétaire prévu nettement inférieur.

Sommaire du degré d'achèvement

1. Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation au mois de janvier 2013 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	-	-	-
COMPLÉTÉE EN PARTIE	50 – 74	2, 6	2	22 %
PRATIQUEMENT COMPLÉTÉE	75 – 99	1, 4, 9	3	33 %
COMPLÉTÉE	100	3, 5, 7, 8	4	45 %
TOTAL			9	100 %

2. Le tableau ci-dessous présente l'évaluation de la direction concernant le degré de réalisation de chaque recommandation au mois de février 2013 en réponse à l'évaluation du Bureau du vérificateur général. Ces évaluations n'ont pas fait l'objet d'une vérification.

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
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COMPLÉTÉE	100	3, 5, 7, 8	4	44 %
TOTAL			9	100 %

Conclusion

En général, nous sommes d'accord avec la direction en ce qui concerne la mesure dans laquelle les recommandations de la vérification ont été mises en œuvre. Des progrès ont été réalisés pour de nombreuses recommandations. Notamment, 78 p. cent de celles-ci sont complètement mises en place ou l'ont été de façon importante. Les difficultés liées à leur mise en œuvre complète sont de deux ordres :

- Répertorier tous les contrats d'utilisation de terrains périmés et signer la nouvelle entente avec le Muséoparc;
- La réorganisation du service (avril 2012) laquelle, nous a-t-on dit, a retardé l'achèvement du Cadre de partenariat et de soutien à la collectivité au 3^e trimestre 2013 et a reporté, au 3^e trimestre 2013, l'examen du Cadre stratégique sur le financement communautaire.

Il faudra consacrer plus d'effort à la mise en œuvre de toutes les recommandations de la vérification originale.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Follow-up to the 2010 Audit of the Sugarbush (Action Vanier) Agreements was included in the Auditor General's Audit Plan.

The key findings of the original 2010 audit included:

- The City has continued to provide annual funding for the Vanier Sugarbush even though the non-profit organization forecast a \$22,000 surplus.
- There are a number of recreation grants which have been considered grandfathered "renewals", including Action Vanier, that the City needs to review and update to ensure funds are still required and that they continue to meet Council's funding priorities.
- The Action Vanier Inc. (Sugarbush) agreement, originally signed by the former City of Vanier in 1998, was inherited by the City of Ottawa which continues to provide annual funding for the maple syrup festival known as SugarFest.
- The audit found a number of documents were missing from the Action Vanier files and their funding submission included a much lower forecast surplus.

2 KEY FINDINGS OF THE ORIGINAL 2010 AUDIT

Key findings arising from this audit include:

1. The current Land Utilization Agreement the City has with Action Vanier for its use of Richelieu Park was entered into in June 1998 by the former City of Vanier and has not been renewed.
2. The funding submission request files for 2010 and 2011 had been verified by a funding consultant, dated and signed as: *Total Package Complete* but the 2010 file was found to be missing two documents (the approved Treasurer's report and a listing of subsidized activities and their impact on the community); and, in the 2011 file, five documents were missing (Annual General Meeting minutes, Annual Report, the approved Treasurer's report and a listing of subsidized activities and their impact on the community and the audited financial statement). Funding in 2010 and the first instalment of 2011 funding were nonetheless paid to Action Vanier.
3. Action Vanier's 2011 Funding Submission Request (FSR) contained several calculation errors not reflecting a forecasted surplus of \$21,752.
4. In addition to the \$21,752 surplus, the 2011 funding consultant noted on the 2011 Funding Submission File Summary sheet under Audited Financial Statements that the group: "has significant surplus but not reflected in submission"; and again under Budget Pressures: "Has surplus!".
5. The most recent version of the Community Funding General Policy states:

Non-Profit organizations are required to operate without surplus or deficit.

The policy goes on to state:

At the City's discretion, an organization may be required to submit a surplus-spending plan (staff will consult with Financial Services in cases where a surplus exceeds 6 months' operating expenses). The City will meet with the organization to discuss and follow up on the plan for the surplus.

Consideration should be given to including further clarification regarding the conditions under which funding could or would be altered where continued surpluses exist.

6. Since amalgamation, no comprehensive review of "grandfathered" funding agreements has been undertaken to ensure funds are still required and that they continue to meet Council's funding priorities. Such a review would be beneficial in confirming that this is still the case.

3 STATUS OF IMPLEMENTATION OF 2010 AUDIT RECOMMENDATIONS

2010 Recommendation 1

That, as planned, Urban Division of the Community Programs Branch in liaison with Legal Services and Real Estate Partnership and Development Office (REPDO) expedite the review, update and renewal of the land utilization agreement between Action Vanier Inc. and the City of Ottawa.

2010 Management Response

Management agrees with this recommendation.

The Urban Division of the Community Programs branch, in liaison with Legal Services and the Real Estate Partnership and Development Office (REPDO), will expedite the review, update and renewal of the land utilization agreement between Action Vanier Inc. and the City of Ottawa by the end of Q2 2012.

Management Representation of the Status of Implementation of Recommendation 1 as of July 3, 2012

In January, 2012, Legal Services' staff met with staff from the Community Recreation Programs branch and provided a draft land utilization agreement between Action Vanier Inc. and the City of Ottawa. At the request of the Community Recreation Programs branch, the draft agreement was also forwarded to the Forestry Services branch for their comment.

In February 2012, Action Vanier Inc. officially informed the Urban Division of the Community Programs branch that as of their next annual AGM (to take place on May 23, 2012), they would no longer require access to the land referred to in the agreement, as their organization would dissolve and their assets would be passed on to another local community agency (Muséoparc de Vanier Museopark).

The asset transfer from Action Vanier Inc. to Muséoparc is underway. Upon completion, the City of Ottawa will develop and sign a similar land utilization agreement with Muséoparc de Vanier Museoparc to allow the agency to gain access to the land identified in the former agreement (forêt Des Pères Blancs) and allow the operation of the sugar bush to take place.

Management: % complete

100%

OAG's Follow-up Audit Findings regarding Recommendation 1

We recognize that Action Vanier Inc. has ceased its operations and transferred its assets to Muséoparc. However, as the City's renewable funding is being transferred from Action-Vanier to Muséoparc, the implementation of this recommendation continues to be relevant.

In a November 01, 2012 email, the Manager, Community Recreation Programs advised the Manager of Business & Client Services that:

"Finally, please note that in order to legally allow the Muséoparc to access the Richelieu forest, there is a need for the City to formalize a land access agreement recognizing that:

1. Their asset (la cabanne à sucre) sits on city land;
2. The city allows Museoparc to access the forest;
3. The city allows Museoparc to tap maples trees and
4. The city allows Museoparc to collect sap."

On January 28, 2013, the Manager, Community Recreation Programs advised us that the land utilization agreement was being crafted by the City's Corporate Development & Env. Law Branch. The Legal Counsel working on the file informed us on January 30, 2013 that they were incorporating changes suggested by Muséoparc but could not provide an estimated completion timeframe as to when an agreement with Muséoparc would be signed.

As such, this recommendation will not be considered implemented until an agreement has been duly signed by both the City and Muséoparc and is in place.

OAG: % complete

75%

Management Representation of Status of Implementation of Recommendation 1 February 28, 2013

Management agrees with the OAG's follow-up audit finding.

Since January 30, 2013, Legal Counsel has made changes to the agreement based on feedback received from Muséoparc to date. In addition, Legal Counsel is waiting for an aerial sketch of the Sugarbush to add as an amendment to the agreement. Provided there are no further changes required to the terms of the agreement, Legal Counsel anticipates that the agreement will be executed over the next 4 to 6 weeks. Anticipated date of implementation is Q2 2013.

Management: % complete

75%

2010 Recommendation 2

That Legal Services investigate the existence of any other similar land utilization agreements signed by former municipalities with a view to review, update and renew outdated agreements.

2010 Management Response

Management agrees with this recommendation.

The Community Programs branch will identify all operative but outdated agreements and establish a work plan, with criteria/principles, for the review and renewal of all agreements involving access to City-owned/leased land to support the delivery of parks and recreation services.

This will be done as part of the development of the Community Support and Partnership Framework planned for Q2 2012. REPDO will be consulted in this process.

Management Representation of the Status of Implementation of Recommendation 2 as of July 3, 2012

The Parks, Recreation and Cultural Services department, through the development of the Community Support and Partnership Framework, has developed tools to identify existing agreements that are outdated and is finalizing a set of criteria/principles to guide the review and renewal of these agreements. A management consultation on the project status was completed in June 2012 and management will conduct a community partner consultation in Q4 2012. The Community Support and Partnership Framework report is scheduled to be tabled at the Community and Protective Services committee in Q1 2013.

Management: % complete

50%

OAG's Follow-up Audit Findings regarding Recommendation 2

We concur with management's representation. As at January 29, 2013 the Branch advised us that they were working with Real Estate Services to identify outdated land utilization agreements and anticipated a complete review by end of Q1 2013.

OAG: % complete 50%

Management Representation of Status of Implementation of Recommendation 2 as of February 28, 2013

Management agrees with the OAG's follow-up audit finding however notes that additional progress has been made.

Parks, Recreation and Cultural Services (PRCS), in partnership with the Real Estate Partnership and Development Office, identified land utilization agreements associated with PRCS in Q1 2013. The process of identifying agreements that are outdated will be completed by Q2 2013. PRCS will have all outdated land utilization agreements renewed by Q4 2013.

In addition, progress has been made with the "Community Support and Partnership Framework" since the Management Representation of the Status of Implementation (July 3rd 2012). PRCS has:

- Developed a detailed work plan for the execution of the "Community Support and Partnership Framework,"
- Conducted an analysis of "in kind" supports to City-owned or leased facility users (i.e., Parks, Buildings, Grounds charge backs), and
- Initiated the revision to master agreement templates for funded partners.

PRCS will be implementing the "Community Support and Partnership Framework" by Q4 2013.

Management: % complete 75%

2010 Recommendation 3

That, notwithstanding the split of Community Funding and Recreation Funding and the matrix reporting relationship on some files, the City ensure that all documents are received and put in a central file prior to funding being issued.

2010 Management Response

Management agrees with this recommendation.

All relevant documents related to funding are received and maintained in a central file. They are physically located with the person responsible for managing the file.

A comprehensive review of the Sugarbush file was rendered more difficult because of the matrix reporting relationship between Community Funding and Recreation Funding at the time the fieldwork for this audit was underway.

The reorganization is now complete, and the central file for the Sugarbush is housed at the 101 CentrepoinTE Drive location with the staff person who manages the file.

Management Representation of the Status of Implementation of Recommendation 3 as of July 3, 2012

Implementation of this recommendation is complete as per the management response.

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 3

Implementation is complete. Both legal and funding files are located at 101 CentrepoinTE. Files for Action-Vanier and a sample test were readily available for our review.

OAG: % complete *100%*

2010 Recommendation 4

That Customer Relations, Business Integration and Funding Branch of the Parks, Recreation and Cultural Services Department review all grants/purchase of service and ensure criteria for grant renewals are fully met.

2010 Management Response

Management agrees with this recommendation.

The funding consultant now uses a revised checklist, which is broken into two parts: mandatory and optional documents. The mandatory items must be received in order to obtain funding. As examples, a mandatory document would be a completed funding submission and an optional document would be a report detailing an agency's performance indicators.

In some cases it is appropriate for management to use discretion when renewing grants even if all criteria have not been met. As an example, if an organization is not able to hold its Annual General Meeting prior to the funding submission deadline, they will not be able to submit the required documentation with their submission. Management has the discretion in such cases to approve the funding request to avoid creating unwarranted difficulties for the recipient or for the end users/clients who benefit from the partner's program/services. In exercising this discretion, management takes into account such factors as the agency's prior compliance with mandatory requirements, whether the funding submission is substantially complete, and/or, the organization's commitment to an action plan to fulfil mandatory requirements.

A process has been established where the consultant must seek management's approval to release funds whenever mandatory criteria will not be met prior to approval. A policy and procedure review, which will be completed by Q3 2011, will include the new process.

Management Representation of the Status of Implementation of Recommendation 4 as of July 3, 2012

A checklist identifying all requirements and listing all mandatory documents is attached to all funding submissions or application forms when received by the Recreation Funding unit. Staff uses the checklist to show the requirements that have been met and note any follow-up actions. The checklist, initialled by staff, is put on file with each application/funding submission form.

In cases where management has used their discretion to renew grants when all criteria have not been met, written approval from management has been documented on file. Approvals in these circumstances are considered based on a risk assessment that include factors such as the agency's prior compliance with mandatory requirements, whether the funding submission is substantially complete and /or the organization's commitment to fulfilling the mandatory requirements in the future. This is an interim measure until a policy and procedure is developed.

A formal policy and procedure, incorporating these exceptions will be completed in Q2 2013, following the approval of the Community Support and Partnership Framework in Q1 2013.

Management: % complete **40%**

OAG's Follow-up Audit Findings regarding Recommendation 4

We concur with Management's representation.

A checklist of mandatory requirements (documents) is clearly identified on page 2 of the funding submission; and another is included in the funding file. We reviewed a sample of five renewable community funding files. Of the possible 40 documents, we found that 12.5% were not complete (correct document with all required information); and 17.5% in terms of completeness (missing document). It was noted that in one case the funding was withheld and accrued to 2013 until such a time as the documentation is provided to the City. The later is consistent with the Community Funding Program Procedural Guidelines Manual (Allocation, Disbursement, and Appeals Procedural Guidelines) revised December 2012. We clearly noted that staff were following-up most missing documentation.

Management informed us that in April 2012, the Department underwent a re-organization that has contributed to a delay in completing the Community Support and Partnership Framework and that the approval of this project has been postponed to Q4 2013.

OAG: % complete **75%**

Management Representation of Status of Implementation of Recommendation 4 as of February 28, 2013

Management agrees with the OAG's follow-up audit finding.

In the absence of a specific Parks, Recreation and Cultural Services (PRCS) funding framework; PRCS is following the "Community Funding Program Procedural Guidelines Manual" (revised Dec 2012).

PRCS would like to note that the funding submission guidelines were updated on July 30, 2012 asking for two sets of signatures on AGM minutes. This change in policy affected the files that were audited, as funded submissions were likely before this change in policy.

PRCS plans to have an updated "funding policy" in place via the "Community Support and Partnerships Framework", which will be implemented by Q4 2013.

Management: % complete 75%

2010 Recommendation 5

That Customer Relations, Business Integration and Funding Branch of the Parks, Recreation and Cultural Services Department review its agreement to ensure consistency between the French and English and between the agreement and Funding Submission File Summary.

2010 Management Response

Management agrees with this recommendation.

A review has been completed and necessary revisions to ensure consistency in the Sugarbush file will be made when the agreement is renewed in Q1 2012, prior to their next event.

Management Representation of the Status of Implementation of Recommendation 5 as of July 3, 2012

A review and update was completed to ensure consistency between English and French agreements in Q2 2012. All funding submission file summaries are in English format only and have been reviewed to ensure consistency with the funding agreement.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 5

We concur with Management's representation.

OAG: % complete 100%

2010 Recommendation 6

That the City undertake a review of “grandfathered” funding agreements to ensure funds are still required and that they continue to meet Council’s funding priorities.

2010 Management Response

Management agrees with this recommendation.

The review of the Community Funding Framework Policy planned for Q4 2011 and the Community Support and Partnership Framework planned for Q2 2012, will each contain a work plan for the review of “grandfathered” funding agreements within each program.

Management Representation of the Status of Implementation of Recommendation 6 as of July 3, 2012

The Community Funding unit has an Evaluation Policy in place which applies to all Renewable Funding recipients, including any “grandfathered” recipients. Three months prior to the end of a recipient’s current legal agreement, an evaluation is conducted by Community Funding staff.

Since 2006, approximately 90% of all original “grandfathered” agencies have been evaluated. The method in which “grandfathered” agencies are addressed was to be further examined in the Community Funding Framework Policy (CFFP) Review. Within the CFFP was a requirement to review certain components of programs (use of the Sustainability Fund) after a five- year period. The Sustainability Fund was not approved in the 2011 and 2012 budgets and it is unlikely that it will be re-introduced in future years. The review of the CFFP Framework has been delayed to 2013 due to provincial budget impacts. Once the Community Support and Partnership Framework has been approved in Q1 2013, the Recreation Funding unit will develop a Recreation Funding Policy in Q2 2013. This policy will contain a work plan for the review of “grandfathered” funding agreements.

In the interim, the Recreation Funding unit will continue to operate within Council’s approved Community Funding Framework and Community Funding Evaluation Policy.

Management: % complete

50%

OAG’s Follow-up Audit Findings regarding Recommendation 6

We concur with management’s representation. We were informed that in April 2012, the Department underwent a re-organization that has contributed to a delay in completing the Community Support and Partnership Framework and that the focus had been redirected to conduct a financial sustainability review to address the Department’s budget deficit. As a result, the approval of this project has been postponed to Q4 2013. In addition the review of the Community Funding Framework Policy (CFFP) has been postponed to Q3 2013.

*OAG: % complete**50%***Management Representation of Status of Implementation of Recommendation 6 as of February 28, 2013**

Management agrees with the OAG's follow-up audit finding.

The "Community Funding Overview", which includes a proposed funding framework, is scheduled for review by the Community and Protective Services Committee in Q4 2013. In addition, PRCS will be implementing the "Community Support and Partnership Framework" by Q4 2013.

*Management: % complete**50%***2010 Recommendation 7**

That Customer Relations, Business Integration and Funding Branch ensure the accuracy of amounts contained in the Funding Submission Request.

2010 Management Response

Management agrees with this recommendation.

A new two-step process has been implemented to ensure accuracy of amounts contained in the Funding Submission Request. As a first step, data will be input into the system and verified for accuracy and completeness by an administrative clerk. The second step will be a review of the information by the funding consultant.

In addition to the above, the Community Programs branch is exploring the use of an automated business solution (already being considered by Community and Social Services) to provide additional checks to ensure accuracy of amounts. Costs are being confirmed and the ongoing costs (i.e., licensing fees, upgrades) will be submitted and considered as a part of the 2012 budget.

Management Representation of the Status of Implementation of Recommendation 7 as of July 3, 2012

A new three-step process has been implemented to ensure accuracy of amounts contained in the Funding Submission Request. As a first step, data is input into the system and verified for accuracy and completeness by an administrative clerk. The second step involves review of the information by the funding consultant. Finally, all payment requests are approved by the Branch Manager.

In addition to the above, the Parks, Recreation and Cultural Services department is continuing to explore the use of automated tools that will ensure accuracy of amounts contained in the Funding Submission Request.

*Management: % complete**100%*

OAG's Follow-up Audit Findings regarding Recommendation 7

We were provided with a listing of the 2012 Community Agency Funding Allocation. We reviewed a sample of 5 funding files out of the 48 renewable recreation funding (10%). All amounts on the four typed City of Ottawa 2012 Funding Submission Renewable Funding forms were accurate. However, the fifth submission was received handwritten; one amount on this form had not been taken into account which resulted in a deficit situation in both the actual and forecasted columns. Although the last form was not fully correct, management has addressed the recommendation.

OAG: % complete

100%

2010 Recommendation 8

That the City ensure the Funding Submission Request specifies how any increase in subsidy will be utilized before granting the increase.

2010 Management Response

Management agrees with this recommendation.

The Funding Submission Request document currently requests this information, however, in the instance referenced in the audit report no details were provided by the funding recipient. In the next round of the funding submission process, the Funding Submission Request will require recipients to specify how any increase in subsidy will be utilized before a submission will be considered complete. This is expected to be done by Q2 2012.

Management Representation of the Status of Implementation of Recommendation 8 as of July 3, 2012

Since 2007, agencies have received funding increases through the Annual Sustainability Fund. Considering that the Sustainability Fund was not approved in the 2011 and 2012 budgets, Community Funding staff has removed the section in relation to budget pressures as agencies are no longer required to put forward requests for increases as part of the annual submission form process.

Management: % complete

100%

OAG's Follow-up Audit Findings regarding Recommendation 8

We concur with management's representation.

OAG: % complete

100%

2010 Recommendation 9

That the City consider providing further policy clarification regarding the conditions under which funding could or would be altered where continued surpluses exist.

2010 Management Response

Management agrees with this recommendation.

The Community Funding Framework Policy (planned for Q4 2011) and the Community Support and Partnership Framework (planned for Q2 2012) will provide further policy clarification regarding the conditions under which funding could or would be altered where continued surpluses exist.

Management Representation of the Status of Implementation of Recommendation 9 as of July 3, 2012

Community Funding staff are completing a review of the policy and procedures manual before the end of Q4 2012. Included in that review process, will be a revised policy as to how funding could or would be altered where continued surpluses exist.

In addition, once the Community Support and Partnership Framework has been approved (Q1 2013), the Recreation Funding unit will develop a Recreation Funding Policy (Q2 2013) that will identify how funding could or would be altered where continued surpluses exist.

Management: % complete 40%

OAG's Follow-up Audit Findings regarding Recommendation 9

Community Funding Procedural Guidelines Manual was revised December 2012.

Management informed us that in April 2012, the Department underwent a re-organization that has contributed to a delay in completing the Community Support and Partnership Framework and that the approval of this project has been postponed to Q4 2013. In addition, the review of the Community Funding Framework Policy (CFFP) has been postponed to Q3 2013.

OAG: % complete 85%

Management Representation of Status of Implementation of Recommendation 9 as of February 28, 2013

Management agrees with the OAG's follow-up audit finding.

The "Community Funding Overview", which includes a proposed funding framework, is scheduled for review by the Community and Protective Services Committee in Q4 2013. In addition, PRCS will be implementing the "Community Support and Partnership Framework" by Q4 2013.

Management: % complete 85%

4 SUMMARY OF THE LEVEL OF COMPLETION

1. The table below outlines our assessment of the level of completion of each recommendation as of January 2013.

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5 CONCLUSION

Overall, we agree with management as to the level of completion of the audit's recommendations. Progress has been made towards implementation of many of the recommendations. Specifically, 78% of these have been substantially or fully implemented. Challenges to the full implementation are twofold:

- Identifying all outdated land utilization agreements and signing a new agreement with Muséoparc; and,
- The re-organization of the Department (April 2012), which we were informed delayed the completion of the Community Support and Partnership Framework to Q3 2013 and the review of the Community Funding Framework Policy (CFFP) postponed to Q3 2013.

More effort is required to complete implementation of all recommendations from the original audit.

6 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.