

---

Audit of the Annual Review Process  
for Various Grants

---

November 28, 2023  
Final Report

---



## **SUMMARY**

### **Objectives**

The objective of this performance audit was to assess the effectiveness of the controls within the annual review process for various grants.

### **Scope and Methodology**

The scope of this audit included activities from January 1, 2023, to October 31, 2023.

Audit examined 15 grant applicants from Older Adult Centers, Youth Centers, Community Action Networks and Neighbourhood Associations. Culture grants will be subject to review as part of our upcoming audit of Economic Development Services in Q4 of 2023 and Q1 of 2024.

### **Background**

As required by Council, staff within Leisure Services and Recreation, Social Services, Economic Development and Communications conduct annual reviews to assess the eligibility for continued annual funding.

### **Executive Summary**

Our audit identified a need for ongoing monitoring of cash and investment balances of grant recipients to ensure they continue to meet the eligibility criteria within grant agreements.

### **Audit Standards**

We conducted our audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we adequately plan for the audit; properly supervise audit staff; obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions; and prepare audit documentation related to the planning, conducting, and reporting for each audit.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit. For further information regarding this report, please contact Ron Foster at extension 4402 or via email at [ron.foster@greatersudbury.ca](mailto:ron.foster@greatersudbury.ca)

### **Observation 1:**

As at the end of March 2022, Club Accueil Age d'Or Azilda (the Club), which receives a Seniors Active Living Centres grant from the City, had accumulated cash and investments of over \$300K which exceed their annual operating requirements.

### **Recommendation:**

With the assistance of Finance staff, request banking information in order to review the amount of cash and investments held by the Club during 2023 while assessing their eligibility for future funding.

### **Management Response and Action Plan**

We agree. Staff, with support of Finance, can meet with Club Accueil Age d'Or Azilda to inquire about cash and investment totals, however, consultation with the Province (Ministry of Seniors Affairs) is required if the City is considering changing eligibility.

In accordance with the provisions of the Seniors Active Living Centres Act mandated under the Ministry of Seniors Affairs, the City contributes annually to eligible seniors' centres in the amount of 20% of the centre's eligible operating and maintenance costs that are directly related to providing programs and services to seniors. As long as the Province continues to provide 80% funding to Club Accueil Age d'Or Azilda, the City is obligated to provide a 20% operational support (cash or in-kind).

### **Observation 2:**

As at the end of October 2023, the Northern Ontario Railroad Museum and Heritage Centre (NORMHC) had accumulated \$165K in their bank accounts as well as investments of \$50K. These balances suggest that their annual operating grant from the City of \$106K exceeds their annual funding requirements. Staff in Economic Development Services who administer the Culture grants have requested the assistance of Finance staff to assess the NORMHC's operational funding requirements.

### **Recommendation:**

Make the funding for 2023 subject to a review of the NORMHC's financial statement from a CPA firm for the year ended December 31, 2023.

### **Management Response and Action Plan**

We agree. Economic Development staff are in contact with NORMHC representatives to clarify their financial status, and the organization has confirmed that the dollars are held in reserve for upcoming capital projects as well as repairs and maintenance at the Museum facility, which will be coordinated with the City as necessary. Staff are supportive of the recommended financial review of 2023 fiscal information, to take place in 2024.

**Observation 3:**

During our audit, we identified challenges in reconciling the Schedule B for the annual Leisure Services Grant to the annual financial statement for the Sudbury Action Centre for Youth (SACY) for the year ended March 31, 2022. In response, staff in Leisure Services and Recreation have reached out to staff in Finance for assistance with the reconciliation. City staff have scheduled a meeting with staff from SACY to request additional information.

**Recommendation:**

Request more detailed financial information from SACY within their financial statement for March 31, 2023 to allow a meaningful reconciliation between sources and uses of the grant funds from the City.

**Management Response and Action Plan**

We agree. This reconciliation work is in progress.