

Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

3.4.

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2022 Annual Report

Auditor General of
the Ville de Montréal

Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

Background

Every year, the Ville de Montréal's (City's) central departments award and pay out large financial contributions to non-profit organizations (NPOs). In 2020 and 2021, central departments contributed a total of \$109.6 million and \$127.5 million, respectively. This funding allows the City to offer a wide range of services to the Montréal community, including sports activities, cultural events and festivals; support for vulnerable individuals and local businesses; and training for young people. The contributions are awarded through calls for projects or undertaken by mutual agreement. Several guidelines provide a framework for awarding and managing financial contributions. These include the *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide), which sets out the life cycle stages of a contribution and provides guidelines to follow that ensure an optimal approach to managing contributions.

Purpose of the audit

To ensure that financial contributions to NPOs by the City's central departments are awarded impartially and in compliance with the City's management frameworks and that they are used for the intended purposes.

Results

While the City has several management frameworks in place, its central departments are unable to provide documented proof of impartiality in the awarding of financial contributions to NPOs or of compliance with those frameworks for any of the contributions examined. Moreover, we could find no evidence that the City is able to demonstrate that the funding provided is used in its entirety for the intended purposes.

Our work sheds light on shortcomings at every life cycle stage in awarding and managing contributions to NPOs by central departments.

During the analysis of an organization's eligibility, not all criteria set out in the Guide are taken into consideration, and documents used to determine such eligibility are not always present in the files.

Some financial contributions were paid before the agreements were even officially signed by the parties. While, on the whole, the NPOs submitted the documents required to release subsequent payments, we did not always find evidence of a satisfactory analysis of those documents. In addition, while nearly all of the files examined contained accountability documents produced by the NPOs, only a fraction contained documented proof of an analysis by the central departments of how the funding was used.

Main Findings

Evaluation of Financial Contributions

- Based on a sample of 47 financial contributions, we found that:
 - None of the nine eligibility criteria for an NPO set out in the Guide was applied in every contribution program;
 - The documents on file do not confirm that the organization’s eligibility was based on the Guide’s nine criteria;
 - The business units (BUs) were unable to demonstrate that the eligibility criteria were analyzed in each file;
 - 25 financial contributions were awarded without defined and documented criteria in support of the application’s evaluation;
 - 14 contributions, whose evaluation is not documented, lack predefined and documented evaluation criteria, and only 9 of 17 programs (53%) had a documented evaluation on file based on all established program criteria;
 - 55% of funding agreements were not signed by NPOs prior to the file being presented to the authorities as required by the management framework.
- None of the calls for projects submitted under the directive¹ on the composition of the analysis committee and the evaluation process of calls for proposals met all of the requirements, and in only 36% of cases does the committee membership comply with that directive.

Payment of Financial Contributions

- For 97% of contributions governed by an agreement, the NPOs signed the agreement before the City, and in 15% of cases, requests for payment were processed prior to the City signing the agreement.
- In two cases, the initial payment was made before the City had signed the agreement, including a payment of \$800,000 made before the agreement was signed by the NPO.
- Prerequisites for payment are not always respected, or such respect is not supported by a documented analysis.

Monitoring of Non-Profit Organizations’ Compliance with Obligations

- While all contributions have accountability requirements, only 57% complied with recommendations set out in the Guide and agreement models.
- For 53% of contributions, the agreement does not include accountability guidelines.
- 88% of contributions with accountability requirements recorded in the file show no evidence of a documented analysis.
- The files for 47% of contributions examined contain no financial statements, and, for those that do, the BUs were not able to provide evidence of a documented analysis.

In addition to these results, we formulated various recommendations to the business units, which are presented in the following pages.

¹ Directive sur la Composition du comité d’analyse et du processus d’évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des organismes à but non lucratif.



List of Acronyms

BU

business unit

BVG

Bureau du vérificateur général

Charter

*Charter of the Ville de Montréal,
metropolis of Québec*

City

la Ville de Montréal

CTA

Cities and Towns Act

DG

Direction générale

Directive

*directive sur la Composition du comité
d'analyse et du processus d'évaluation des
appels de propositions ou de projets visant
à attribuer des contributions financières à
des organismes à but non lucratif*

FS

financial statements

GDD

decision-making record management system

Guide

*Guide de gestion des soutiens financiers
aux organismes à but non lucratif*

MPA

Municipal Powers Act

NPO

non-profit organization

OQLF

Office québécois de la langue française

SC

Service de la culture

SDÉ

Service du développement économique

SDIS

Service de la diversité et de
l'inclusion sociale

SEAO

electronic invitation to tender system

SGPMRS

Service des grands parcs, du Mont-Royal
et des sports

SIMON

Système intégré Montréal



Table of Contents

1. Background	179
1.1. The Process for Awarding and Managing Financial Contributions	182
1.2. Administrative Frameworks and Procedures of the Direction générale	182
2. Purpose and Scope of the Audit and Evaluation Criteria	184
2.1. Purpose of the Audit	184
2.2. Evaluation Criteria	184
2.3. Scope of the Audit	185
3. Audit Results	187
3.1. Evaluation of Financial Contributions (Sample)	189
3.1.1. Frameworks and Operational Procedures of the Audited Business Units for Awarding and Managing Contributions	190
3.1.2. Eligibility of a Non-Profit Organization	191
3.1.3. Evaluation of Applications and Recommendation for Support	197
3.1.4. Financial Contribution Agreements and the Approval of Files by the City's Decision-Making Bodies	202
3.2. Payment of Financial Contributions	205
3.3. Follow-Up Mechanisms to Ensure that Non-Profit Organizations Fulfill Their Obligation	207
3.3.1. Accountability Reports	207
3.3.2. Financial Statements	209
3.3.3. Annual Reports	210
3.3.4. Registration of Contracts for \$25,000 or More in the Electronic Invitation to Tender System	210
3.4. Overall Recommendations for the Entire Process	213
4. Conclusion	215
5. Appendices	218
5.1. Administrative Frameworks and Procedures of the Direction générale	218
5.2. Support Programs in the Sample	219

1. Background

Under the *Municipal Powers Act* (MPA), a municipality may award any funding it deems appropriate in areas under its jurisdiction,² including:

- ◆ Culture, recreation, community activities and parks;
- ◆ Local economic development (subject to the provisions of the MPA).

Furthermore, the Ville de Montréal (the City) has funding powers under certain laws and areas of jurisdiction, including:

- ◆ The *Charter of the Ville de Montréal, metropolis of Québec* (the Charter), which shares powers between city council and the borough councils;
- ◆ The *Act respecting the exercise of certain municipal powers in certain urban agglomerations*, which assigns powers to Montréal's urban agglomeration council.

The borough councils, city council and urban agglomeration council can therefore award financial contributions in their respective areas of jurisdiction.

In that regard, the City awards a large amount of funding every year to many non-profit organizations (NPOs). In return, the City benefits from the expertise and resources of organizations operating in various areas of activity, which enables it to offer a range of services to the Montréal population. This includes organizing sports activities, cultural events and festivals, supporting vulnerable individuals and local businesses, and providing training for young people.

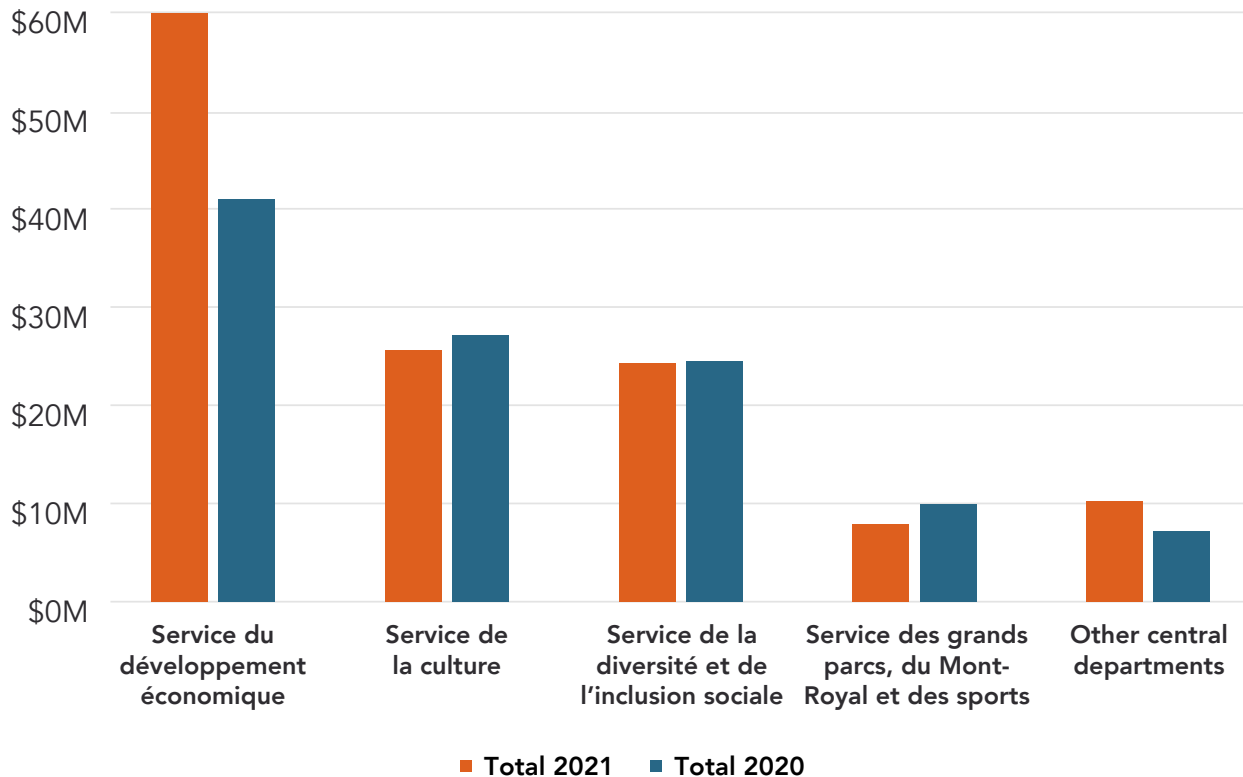
It should be noted that the *Municipal Aid Prohibition Act* states that no municipality shall, directly or indirectly, assist any industrial or commercial establishment.³

² Primarily sections 4, 90 and 91 of the MPA.

³ Section 1 of the *Municipal Aid Prohibition Act*.

In 2020 and 2021,^{4,5} the central departments awarded funding to non-profit organizations totalling \$109.6 million and \$127.5 million, respectively. The Service du développement économique (SDÉ), Service de la culture (SC), Service de la diversité et de l’inclusion sociale (SDIS), and Service des grands parcs, du Mont-Royal et des sports (SGPMRS) accounted for 93% and 92% of this funding in 2020 and 2021, respectively. The share of each central department is shown in Graph 1 below.

GRAPH 1 | BREAKDOWN OF CONTRIBUTIONS PAID TO NON-PROFIT ORGANIZATIONS BY CENTRAL DEPARTMENTS IN 2020 AND 2021



Source: Data compiled by the City’s Bureau du vérificateur général (BVG) based on information obtained from the Qlik Sense application.

4 The City also funds various programs as well as organizations such as the Autorité régionale de transport métropolitain, Communauté métropolitaine de Montréal, Conseil des arts de Montréal, and Société du parc Jean-Drapeau. Contributions to reporting organizations, municipal and governmental organizations, as well as to various programs are beyond the scope of this audit.

5 It should be noted that during this period, the City, like the rest of the province and the country, was dealing with the COVID-19 pandemic public health crisis. The result was a period of adjustment for employees of the City’s central departments dealing with a context of emergency management as well as the widespread use of new computer tools for remote work.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

The *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) identifies four types of financial support:

- ◆ One-time support, e.g., the purchase of tables at an event, a sponsorship or assistance in holding a short-term event;
- ◆ Support for an NPO awarded for a project, event or activity (but not for services) under a program or a measure taken by the City;
- ◆ Support for a mission, a project or the organization of activities that may be held one time, seasonally or annually;
- ◆ Support under an agreement between the City and another level of government.

Financial contributions to organizations are broken down into different categories or allocation schemes, for which the City has no common lexicon. Each business unit⁶ (BU) has its own terminology to describe types of allocation. For the purposes of this audit, we have chosen to standardize the various terms used to categorize the types of financial contributions granted. These are presented in Table 1.

TABLE 1 | ALLOCATION CATEGORIES FOR FINANCIAL CONTRIBUTIONS

ALLOCATION TYPE	SHORT DESCRIPTION
Open call for proposals or projects ⁷	Any non-profit organization that meets the eligibility requirements for the call for proposals may submit an application.
Call for proposals or projects by invitation	The Ville de Montréal (City) determines a pool of target non-profit organizations that are then invited to submit an application under the call for proposals.
One-time support	The City may support a non-profit organization following: <ul style="list-style-type: none"> • An application by the non-profit organization, and/or; • A suggestion by the City inviting the non-profit organization to submit an application or; • The joint development of a project by the City and the non-profit organization (partnership).
Renewal	The City decides to renew support previously awarded to a non-profit organization.

Source: Terminology used by the BVG based on information obtained from the audited business units in order to standardize the various terms used to categorize allocation types for financial contributions.

⁶ For the purposes of this audit, the term “business unit” refers to an audited central department.

⁷ We have determined that the terms “call for proposals,” “call for applications” and “call for projects” are used synonymously.

1.1. The Process for Awarding and Managing Financial Contributions

The City's process for awarding and managing financial contributions to NPOs works as follows:

1. Awarding the financial contribution:

- a) The application is received and the organization's eligibility verified;
- b) The application is evaluated and a recommendation is made to award a contribution.

2. Managing the financial contribution:

- a) A draft funding agreement, decision-making file and approval by the decision-making body with jurisdiction are prepared;
- b) The file is monitored;
- c) The file is closed and archived.

This process is structured by guidelines that recommend or impose practices on both the City and the NPOs. Some guidelines are defined by the City through management frameworks. In addition, some BUs have operational procedures. Finally, the City, sometimes in collaboration with other levels of government, also establishes programs⁸ with budgets dedicated to financial contributions. The awarding and management of contributions under those programs are structured by guidelines defined by the program itself.

1.2. Administrative Frameworks and Procedures of the Direction générale

Several administrative frameworks have been put in place by the City to mitigate certain risks associated with the allocation and management of financial contributions. Consequently, the central departments are subject to a number of the City's administrative frameworks (described below) and must comply with them:

Guide de gestion des soutiens financiers aux organismes à but non lucratif⁹

This procedure came into effect in October 2017. It describes the life cycle stages of a financial contribution and provides broad guidelines to follow for an optimal approach to managing financial contributions. The *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) states that "These guidelines must, when required, be adapted to the particular circumstances of each file." The procedure suggests eligibility criteria for NPOs, eligibility criteria for applications and clauses to include in agreements. It also refers the BUs to other applicable administrative frameworks.

⁸ The terms "fund," "initiative," "reference framework" and "call for projects" are also used by the BUs to refer to guidelines providing a framework for awarding and managing contributions. We use the term "program" to simplify the text and refer to the various reference frameworks that define guidelines for awarding and, in some cases, managing contributions as a whole.

⁹ Framework reference number: C-RF-DG-P-17-001.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

Other administrative frameworks applicable to central departments include:

- ◆ *Règle selon laquelle un fonctionnaire ou un employé ne peut être administrateur d'un organisme dans le cadre ou à l'occasion de ses fonctions;*¹⁰
- ◆ *Publication des contrats dans le système électronique d'appel d'offres;*¹¹
- ◆ *Composition du comité d'analyse et du processus d'évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des organismes à but non lucratif;*¹²
- ◆ *Qualifier le type de contrat à conclure avec un organisme sans but lucratif;*
- ◆ *Conformité à l'article 107.9 de la Loi sur les cités et villes (LCV).*¹³

Details of these guidelines are presented in Appendix 5.1.

In addition to the guidelines, a checklist and two guides are available for the use of employees:

- ◆ *Aide-mémoire – Exigences en vue de la signature et de la conservation d'une convention approuvée par les instances centrales;*
- ◆ Two separate guides to the development of decision-making record:
 - *Accorder une contribution sans appel de candidatures;*
 - *Accorder une contribution avec appel de candidatures dans le cadre d'un programme.*

During the period of our audit, legislative changes came into effect. Since June 1, 2022,¹⁴ municipal organizations cannot sign contracts with businesses¹⁵ having 50 or more employees nor award them a contribution if the business:

- ◆ Does not hold a registration certificate issued by the Office québécois de la langue française (OQLF);
- ◆ Has not provided, within the prescribed timeframe, an analysis of the language situation;
- ◆ Holds neither a certificate of program application nor a francization certificate;
- ◆ Appears on the list of businesses for which the OQLF has refused to issue a certificate or has suspended or cancelled a certificate (section 152.1).

¹⁰ Framework reference number: C-OG-DG-D-16-004.

¹¹ Framework reference number: C-RM-APP-D-18-002.

¹² Framework reference numbers: C-OG-DG-D-21-001 and C-OG-DG-D-21-002.

¹³ Framework reference number: C-OG-DG-20-003.

¹⁴ *An act respecting French, the official and common language of Québec and the Charter of the French language.*

¹⁵ NPOs are included in the definition of a business set out in the *Charte de la langue française*.

2. Purpose and Scope of the Audit and Evaluation Criteria

2.1. Purpose of the Audit

Pursuant to the provisions of the *Cities and Towns Act (CTA)*, we completed a performance audit on the optimization of resources related to awarding and managing financial contributions to non-profit organizations (NPOs) by the central departments. We performed this mission in accordance with the *Canadian Standard on Assurance Engagement (CSAE) 3001*, described in the *CPA Canada Handbook – Certification*.

The purpose of this audit was to ensure that financial contributions awarded to NPOs by the Ville de Montréal's (City's) central departments are handled impartially and in compliance with the City's management frameworks, and that they are used for the intended purposes.

2.2. Evaluation Criteria

Our evaluation is based on criteria that we considered relevant in the circumstances, specifically that:

- ◆ Financial contributions awarded to organizations are evaluated and authorized impartially and in compliance with the City's management frameworks;
- ◆ Financial contributions are paid to NPOs only after all conditions have been met;
- ◆ Monitoring mechanisms are in place to ensure that organizations fulfill their obligations, and that funding is used for the intended purposes.

The role of the City's auditor general is to provide a conclusion regarding the audit objectives. To do so, we collected a sufficient amount of relevant evidence on which to base our conclusion and obtain a reasonable level of assurance.

The City's auditor general applies the *Canadian Standard on Quality Control (CSQM) 1, Quality Management for Firms that Perform Audits or Review of Financial Statements (FS), or Other Assurance or Related Services Engagements*. This standard requires the City's auditor general to design, implement and operate a quality management system that includes policies and procedures pertaining to compliance with ethical guidelines, professional standards and applicable legal and regulatory requirements. In conducting the audit, the City's auditor general complied with the independence and other ethical requirements of the *Code of ethics of chartered professional accountants*, which are founded on fundamental principles of integrity, professional competence and due diligence, confidentiality and professional conduct.

2.3. Scope of the Audit

Our audit work covered the period from January 1, 2020, to July 31, 2022. However, for certain aspects, data from before this period was also taken into consideration. Our work was mainly carried out between the months of April 2022 and February 2023, but we also took into account information that was sent to us up until April 2023.

The audit work on the financial contributions examined was based on documents recorded in audited files provided by the business units (BUs). We requested the complete record of documents that resulted in making decisions, paying each selected contribution and monitoring them. When documents were not found in the file, reminders were sent to the audited bodies in order to confirm whether or not the documents in question existed. We conducted tests based on the documents provided by the BUs.

The purpose of the audit was not to express an opinion on the relevance of awarding a contribution to an NPO, but rather to ensure compliance with the City's management frameworks.

Most of the work was carried out with the following BUs:

- ◆ Service du développement économique;
- ◆ Service de la culture:
 - Direction du cinéma, des festivals et des événements;
 - Direction du développement culturel.
- ◆ Service de la diversité et de l'inclusion sociale;
- ◆ Service des grands parcs, du Mont-Royal et des sports:
 - Direction des sports, Division des sports et de l'activité physique.

Upon completing our audit, we submitted a draft audit report to the managers concerned in each audited BU for discussion purposes. The final report was then forwarded to the management of the BUs concerned as well as to the City's Direction générale (DG) to obtain an action plan and timeline for implementing recommendations applicable to those units. A copy of the final report was also sent to the Direction générale adjointe – Économie et rayonnement de la métropole, Direction générale adjointe – Qualité de vie, and the Direction générale adjointe – Service aux citoyens.

Earlier audit missions conducted by the BVG pertaining to awarding and managing financial contributions include:

- ◆ "Management of Financial Contributions" in 2014, which concluded that the provisions in agreements and follow-up carried out did not make it possible to evaluate whether the contributions paid out were used for the intended purposes and, consequently, to recover funds that were not used or were used for purposes other than those intended;
- ◆ "Allocation of Financial Contributions" in 2015, which showed that the application evaluation process lacked transparency and objectivity, was insufficiently documented, and did not include accountability mechanisms to evaluate the achievement of measurable objectives.

Following those two audits, action plans were put in place by the BUs in order to mitigate the risks identified by the BVG. In particular, the DG published administrative frameworks. At the time this report was published, all of the recommendations contained in earlier audits had been implemented by the BUs concerned.

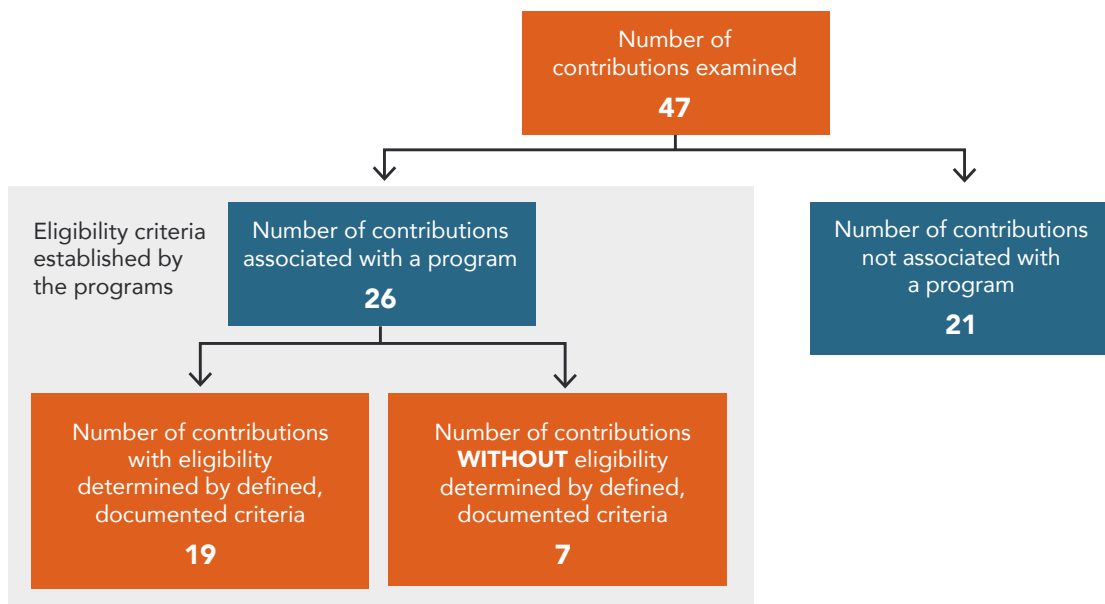
3. Audit Results

In order to verify that financial contributions were awarded in compliance with the *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) and other applicable management frameworks, including support programs, a random sample of 47 contributions awarded by the 4 audited business units (BUs) and paid out between January 1, 2020, and July 31, 2022, was selected. Those files represent funding in the amount of nearly \$14 million. It should be noted that the files examined were awarded during the pandemic, and it is possible, without any evidence to this effect, that they were analyzed under emergency conditions.

Characteristics of the Sample Used in the Audit

Figure 1 shows the distribution of the 47 files in the sample, which comprised 26 financial contribution files awarded under programs¹⁶ and 21 files awarded outside the context of a program, hereinafter called “mutual agreements.” Financial contributions awarded under a program are subject to guidelines prescribed by the program reference framework.¹⁷

FIGURE 1 | PROFILE OF CONTRIBUTIONS WITH ELIGIBILITY CRITERIA DEFINED BY PROGRAMS



Source: Figure produced by the BVG from the City’s data compiled using information recorded in audited files provided by the BUs.

¹⁶ The list of programs is found in Appendix 5.2.

¹⁷ For example, this applies to the SC through the *Balises générales pour l'accueil de projets ponctuels et de mandats spécifiques en dehors des programmes normés*. However, no one-time support under a program was identified in the sample. Support not associated with a program may be either one-time support or recurring (renewed) support. The BVG made no distinction between those two types of contribution awarded outside a program, given that no specific guidelines apply.

Table 2 shows the distribution of the 47 contributions in the sample by applicable reference framework and allocation type, while Table 3 provides an overview of the amounts of contributions in the sample. Table 3 shows that mutual agreement contributions are, on average, for the largest amounts. Compared with other types of contribution, there are fewer guidelines and criteria defined for the awarding of those contributions, given that they are negotiated through a mutual agreement.

TABLE 2 | BREAKDOWN OF THE 47 CONTRIBUTIONS IN THE SAMPLE BY NUMBER

APPLICABLE REFERENCE FRAMEWORK	CONTRIBUTIONS SUBJECT TO THE VILLE DE MONTRÉAL'S MANAGEMENT FRAMEWORKS AND PROCEDURES				TOTAL
	CONTRIBUTIONS UNDER A PROGRAM			MUTUAL AGREEMENT	
BUSINESS UNIT / ALLOCATION TYPE	OPEN CALL FOR PROJECTS	CALL FOR PROJECTS BY INVITATION	RENEWAL	ONE-TIME / RENEWAL	
Service de la culture	7	1	0	5	13
Service du développement économique	2	0	0	12	14
Service de la diversité et de l'inclusion sociale	5	4	4	2	15
Service des grands parcs, du Mont-Royal et des sports	3	0	0	2	5
SUBTOTAL	17	5	4		
TOTAL	26			21	47

Source: Data compiled by the City's BVG based on information recorded in audited files provided by the BUs.

TABLE 3 | FINANCIAL CONTRIBUTIONS IN THE SAMPLE BY ALLOCATION TYPE

TYPE OF SUPPORT	TOTAL	AMOUNT OF THE CONTRIBUTION		
		AVERAGE	MINIMUM	MAXIMUM
Open call for projects	\$915,396	\$53,847	\$5,952	\$184,802
Call for projects by invitation	\$514,457	\$102,891	\$30,000	\$300,000
Renewal	\$275,938	\$68,985	\$37,988	\$112,950
Mutual agreement	\$12,245,179	\$583,104	\$25,000	\$3,000,000
TOTAL	\$13,950,970	\$296,829	\$5,952	\$3,000,000

Source: Data compiled by the City's BVG based on information collected from the analysis and data visualization tool in the Qlik Sense application.

3.1. Evaluation of Financial Contributions (Sample)

When evaluating an application for a financial contribution, BUs must follow the guidelines set out in the administrative framework found in the Guide. While the Guide specifies that the diversity of non-profit organizations (NPOs) and purposes of financial support do not allow for the implementation of a single, uniform management approach, certain activities must be carried out in awarding financial contributions—in compliance with the applicable frameworks. In addition, support programs provide a framework for awarding and managing financial contributions through guidelines specific to each program. Programs can govern awarding contributions through calls for projects that are open or by invitation, renewals or one time support.¹⁸

¹⁸ As previously mentioned, we are using the term “program” to refer to guidelines governing the awarding and management of certain contributions.

3.1.1. Frameworks and Operational Procedures of the Audited Business Units for Awarding and Managing Contributions

Over and above the Direction générale's (DG's) administrative frameworks and procedures for awarding and managing financial contributions, we identified all the other management frameworks of the audited BUs applicable to awarding and managing contributions, as well as the reference frameworks for the various programs setting out guidelines for the contributions in the sample.

At the time of the audit, it turns out that two audited BUs had additional internal operational or guideline procedures governing the awarding and management of financial contributions other than those imposed by the City and the applicable support programs:

- ◆ The Service de la culture's (SC's) *Cadre de référence concernant les versements lors d'une contribution financière à des organismes culturels*, which specifies that at least 2 instalments are required when paying contributions in the amount of \$5,000 or more and that the final instalment must represent at least 10% of the total contribution;
- ◆ A procedure at the Service des grands parcs, du Mont-Royal et des sports's (SGPMRS's) Division des sports regarding SEAO registrations, which incorporates obligations found in the administrative framework *Directive sur la publication des contrats* for the electronic invitation to tender system (SEAO).

Note, however, that at the time of our audit some initiatives were ongoing to develop reference frameworks to provide better guidelines for certain contributions, specifically:

- ◆ The SC's Division des Festivals et événements was working to overhaul 2023 recurring financial support programs for the purpose, in part, of making the contribution allocation process and accountability fairer and more transparent by including "non program" contributions;
- ◆ At the SC, an ongoing process implemented by the Service de l'approvisionnement that began in February 2021 involves recording data in SEAO through a bulk data load, except for information pertaining to the amount of the contribution.

The Service du développement économique (SDÉ), for its part, has developed¹⁹ various tools, including an operational procedure called the *Guide d'octroi de contributions financières à des organismes à but non lucratif*, which governs all stages in awarding and managing financial contributions. This guide is intended to set out clear, precise methods and rules to be applied in carrying out activities at the SDÉ related to the awarding of financial contributions. The issues addressed are grouped into four categories:

- ◆ The legislative and regulatory framework;
- ◆ Types of agreements and applicable eligibility criteria;

¹⁹ Implementation of this procedure was planned for June 2022. Other tools to support SDÉ professionals, as well as some intended for applicants, were also developed as part of a continuous improvement process. However, they do not apply to the contributions in our sample given that the analysis and awarding of the support took place before the tools were developed. The tools developed to date are: *Guide d'octroi de contributions financières*, *Guide du demandeur*, *Formulaire électronique d'une demande de contributions financière* and *Liste de contrôle*.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

- ◆ The application evaluation process, including general criteria and budgetary aspects of the project;
- ◆ Negotiating a contribution agreement, including follow-up and management of the agreement.

Finally, the Service de la diversité et de l'inclusion sociale (SDIS) developed a *Politique montréalaise pour l'action communautaire*, whose purpose is to recognize, support and promote community actions. Adopted in June 2021, this policy sets out the main principles in relationships between the City and community organizations, as well as principles guiding the management and follow-up of financial contributions. While it does not contain guidelines specifically structuring the process for awarding and managing financial contributions, the policy stipulates that a large portion of financial support is subject to guidelines established in agreements between the City and the various ministries of the Québec government.

3.1.2. Eligibility of a Non-Profit Organization

The *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) states that the file manager must ensure that the organization is eligible for financial support by verifying, *inter alia*,²⁰ that it:

- ◆ Is a legally constituted NPO;
- ◆ Has a mission recognized by the BU concerned;
- ◆ Is free to determine its mission, approaches, practices and direction;
- ◆ Conducts its non-profit activities on the territory concerned or in the interest of the citizens of that territory;
- ◆ Is not in default with the Registraire des entreprises or under any applicable law;
- ◆ Is not in debt to the City according to the Service des finances;
- ◆ Is in sound financial health as indicated by its financial statements (FS);
- ◆ Has no public servant on the board of directors acting other than as an observer, unless so required in the letters patent;
- ◆ Is registered under its legal name in the City's list of suppliers recorded in the Système intégré Montréal (SIMON).

The Guide is the City's only management framework for the central departments providing guidelines on the eligibility of organizations by defining, among other things, nine eligibility criteria. At the least, therefore, those criteria should be met by organizations in order to qualify for financial support from the City. Additional eligibility criteria for organizations are sometimes defined in the various programs concerned.

²⁰ The expression "inter alia" means "notably among other things" and "notably" means "especially" or "particularly" according to Merriam-Webster's 11th Collegiate Dictionary. On the basis of those definitions, the BVG interprets "inter alia" as expressing minimum criteria to be met in verifying an NPO's eligibility, to which the BU may add other criteria as required.

Eligibility Criteria in the *Guide de gestion des soutiens financiers aux organismes à but non lucratif* Included in Programs

Eligibility criteria for organizations are defined for 15 of the 20 programs (75%) listed in our sample of 26 financial contributions awarded in the context of a program. The fact that a support program does not include eligibility criteria does not mean that no criteria were taken into consideration by the BU. Given that programs are often public and serve as a reference document for NPOs looking to determine whether they are eligible for support, the eligibility criteria for NPOs used by the BUs should be set out in the programs.

Table 4 shows that none of the 9 eligibility criteria in the Guide are to be found in every program in the sample. For example, 3 criteria are not found in any program and only the criterion “is a legally constituted NPO” is included in a majority of programs, specifically 14 of the 20 (70%).

TABLE 4 | **ELIGIBILITY CRITERIA FROM THE GUIDE DE GESTION DES SOUTIENS FINANCIERS AUX ORGANISMES À BUT NON LUCRATIF FOUND IN THE SAMPLED REFERENCE PROGRAMS**

ELIGIBILITY CRITERION	NUMBER OF PROGRAMS THAT INCLUDE THE VARIOUS ELIGIBILITY CRITERIA FOUND IN THE GUIDE DE GESTION DES SOUTIENS FINANCIERS AUX ORGANISMES À BUT NON LUCRATIF				TOTAL
	SERVICE DE LA CULTURE	SERVICE DU DÉVELOPPEMENT ÉCONOMIQUE	SERVICE DE LA DIVERSITÉ ET DE L'INCLUSION SOCIALE	SERVICE DES GRANDS PARCS, DU MONT-ROYAL ET DES SPORTS	
Number of programs	6	2	9	3	20
Non-profit organization	6	2	4	2	14
Mission recognized	4	0	3	0	7
Free to determine its mission	0	0	0	0	0
Territory of activity	3	0	3	2	8
In compliance with the Registre des entreprises du Québec and applicable law	1	0	1	2	4
No debt owed to the City	6	0	0	0	6
Sound financial health	2	1	2	0	5
No employee of the Ville de Montréal on the board of directors	0	0	0	0	0
Legal name recorded in Système intégré Montréal	0	0	0	0	0

Source: Data compiled by the City's BVG based on information contained in audited files provided by the BUs.

Information Used to Determine an Organization's Eligibility

The fact that a support program does not include eligibility criteria from the Guide does not mean that those criteria were not verified by the BUs. The Guide states that the file manager must record in a file any information used in assessing an organization's eligibility, such as:

- ◆ The letters patent or proof that the NPO's legal status was verified with the Registre des entreprises du Québec;
- ◆ FS confirming the organization's sound financial health.

Our audit work shows that for none of the 47 contributions in the sample did the documents recorded in the files demonstrate the organization's eligibility based on the 9 criteria in the Guide. For example, no records were found for any of the 47 contributions indicating whether the NPO was free to determine its mission or owed a debt to the City (see Table 5).

TABLE 5

BREAKDOWN OF THE FILES CONTAINING DOCUMENTS USED TO ASSESS COMPLIANCE WITH THE NINE ELIGIBILITY CRITERIA IN THE GUIDE DE GESTION DES SOUTIENS FINANCIERS AUX ORGANISMES À BUT NON LUCRATIF

ELIGIBILITY CRITERION	NUMBER OF FILES CONTAINING DOCUMENTS USED TO EVALUATE THE ELIGIBILITY CRITERIA FOUND IN THE GUIDE DE GESTION DES SOUTIENS FINANCIERS AUX ORGANISMES À BUT NON LUCRATIF				TOTAL
	SERVICE DE LA CULTURE	SERVICE DU DÉVELOPPEMENT ÉCONOMIQUE	SERVICE DE LA DIVERSITÉ ET DE L'INCLUSION SOCIALE	SERVICE DES GRANDS PARCS, DU MONT-ROYAL ET DES SPORTS	
Number of files	14	13	15	5	47
Non-profit organization	13	7	14	4	38
Mission recognized	13	8	14	3	38
Free to determine its mission	0	0	0	0	0
Territory of activity	13	10	14	5	42
In compliance with the Registre des entreprises du Québec and applicable law	1	0	6	2	9
No debt owed to the City	0	0	0	0	0
Sound financial health	6	4	8	0	18
No employee of the City on the board of directors	6	2	1	0	9

Source: Data compiled by the City's BVG based on information contained in audited files provided by the BUs.

While the broad lines of the Guide can be adapted as required, no rationale justifying why all the eligibility criteria were not retained or applied by the BUs could be found.

In 19 files, eligibility was evaluated using criteria defined by the program (see Figure 1). The information used to verify that the NPO met all the criteria defined in the applicable program was recorded in only 5 of those files (at the SDIS and the SDÉ). The eligibility criteria for which the BUs did not record information used to evaluate the NPO's compliance included, for example, that the organization:

- ◆ Had fulfilled its obligations when prior financial contributions had been allocated (at the SC and the SDÉ);
- ◆ Was in good standing with the City's various departments (at the SC and the SDÉ);
- ◆ Was in compliance with municipal, provincial and federal laws, standards, and regulations in effect, specifically in the area of safety (at the SGPMRS);
- ◆ Was in compliance with municipal regulations pertaining to permits and taxes (at the SC);
- ◆ Was in good standing with the Registre des lobbyistes²¹ in the case of organizations subject to the *Lobbying Transparency and Ethics Act* (at the SDIS).

In brief, documentation on record with the BUs was insufficient to demonstrate the eligibility of organizations with respect to the nine criteria in the City's Guide. As for files under a program, only five of those in our sample contained information making it possible to determine the NPO's eligibility based on the criteria for the program concerned.

Documents Confirming the Verification of Eligibility for Contributions Awarded Under a Program

When a file lacked documents containing information used to confirm the organization's compliance with the various criteria, we observed that the BUs had filed other documents confirming the verification of an NPO's eligibility, such as a grid or checklist completed by the file manager.

Among the 19 contributions for which eligibility is determined by criteria defined and documented under a program, 11 (58%) contained a document in the file confirming that eligibility had been verified. However, we observed differences in the use of such documents, for instance:

- ◆ In 7 of the 11 files (64%), documents detailed the applicable eligibility criteria and, for each, indicated whether or not the organization meets the criterion;
- ◆ In the other 4 files (36%), the BU indicated whether the organization is eligible but without providing any other details.

This means that the remaining 8 files (42%) for which eligibility is governed by criteria defined and documented under a program, no documented evidence confirms verification of the organization's eligibility.

²¹ Registre des lobbyistes was closed on October 13, 2022, and has been replaced by the Carrefour Lobby Québec platform.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

Consequently, none of the files in our sample contained the complete information required showing that the BU had conducted an eligibility evaluation of the NPO in accordance with the Guide and, if applicable, the program. Furthermore, the BUs were unable to demonstrate that the eligibility criteria were analyzed for each file.

Rather than make piecemeal recommendations concerning the various stages in awarding and managing financial contributions, the Bureau du vérificateur général lays out overall recommendations in the final section of this report. It is therefore normal that only recommendations bearing on a specific topic are to be found in the body of the report.

3.1.3. Evaluation of Applications and Recommendation for Support

Criteria Used to Evaluate an Application for Financial Support

Once the eligibility of an NPO has been determined, the file manager evaluates the application. The *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) does not provide a framework for evaluating the information provided in an application for support but does stipulate that the file manager must specifically ensure that the application:

- ◆ Is complete and duly signed and dated by an authorized representative of the NPO;
- ◆ Includes a description of the proposed project or activities, as well as the expected results in measurable terms;
- ◆ Demonstrates the relevance of the proposed project or activities and the ability of the NPO to carry it out;
- ◆ Includes a budget detailing the proposed use of the financial support.

In cases where the application is submitted under a program, the manager verifies eligibility for that program and, if required, forms a selection committee.

For 17 of the 20 programs in the sample, evaluation or selection criteria are defined for applications and proposals. Examples include:

- ◆ The project contributes to social cohesion in Montréal (SC);
- ◆ The organization has expertise in the area of intervention targeted by the project (SDIS);
- ◆ The project has media impact (SGPMRS);
- ◆ The project contributes to the resilience of the Montréal food system (SDÉ).

The results of our audit work show that:

- ◆ 22 of the 26 (85%) contributions awarded under a program were selected on the basis of evaluation criteria defined and documented prior to receiving applications;
- ◆ 25 financial contributions (53%) were awarded in the absence of defined and documented evaluation criteria (more specifically, 21 mutual agreement contributions and 4 contributions awarded under a program).

Table 6 shows that the 25 contributions awarded without their evaluation being supported by defined and documented criteria were all for larger amounts than those governed by such criteria.

TABLE 6 | **BREAKDOWN OF FINANCIAL SUPPORT AWARDED ON THE BASIS OF CRITERIA VS. FUNDING AWARDED WITHOUT PREDEFINED, DOCUMENTED CRITERIA**

DEFINED AND DOCUMENTED EVALUATION CRITERIA	NUMBER	AMOUNT OF THE CONTRIBUTION			
		TOTAL	AVERAGE	MINIMUM	MAXIMUM
Yes	22	\$1,490,791	\$67,763	\$5,952	\$300,000
No	25	\$12,460,178	\$498,407	\$25,000	\$3,000,000
TOTAL	47	\$13,950,969	\$296,829	\$5,952	\$3,000,000

Source: Data compiled by the City's BVG based on information collected from the analysis and data visualization tool in the Qlik Sense application.

Support for a Non-Profit Organization vs. a Service Contract

As explained in the reference document *Qualifier le type de contrat à conclure avec un organisme sans but lucratif produit* prepared by the Service des affaires juridiques in August 2020, proposals and projects must also meet certain conditions in order to receive a financial contribution

This document lists questions in the form of a decision tree to guide BUs in determining which type of contract to sign with organizations (e.g., a financial contribution, service contract, supply contract or execution of work contract).

Although not mandatory, this tool is made available to employees to determine which type of contract to sign. However, for none of the 36 contributions in our sample evaluated following the publication of this reference document could we find a completed decision tree in the records provided by the audited business units in response to our requests.

Without having validated whether the 47 contributions were indeed eligible for a financial contribution and not a service contract, we did observe that, in one case, the NPO subcontracted the entire funded project to a business for \$350,000. We do not have assurance that this file

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

was compliant with provisions of the *Cities and Towns Act* (CTA) regarding contributions to an NPO, and we have doubts as to the eligibility of the project to receive a financial contribution. In this context and following discussions with the City's Bureau de l'inspecteur général, we decided to forward the file for this contribution to that office.

Compliance with the *Composition du comité d'analyse et du processus d'évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des organismes à but non lucratif* Directive

The process of evaluating proposals received through a call for proposals with financial support in the amount \$25,000 or more is governed by the directive²² *Composition du comité d'analyse et du processus d'évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des organismes à but non lucratif* (the Directive). This Directive took effect in March 2020 and was revised in November 2021.

The Directive applies only to open calls for proposals or projects²³ (not issued by invitation). In the context of this audit, the scope is limited to just 11 of 20 programs covering 17 of 47 contributions (36%) in the sample. On the basis of an analysis of the files in our sample impacted by the Directive, we observe that calls for projects by invitation offer, on average, much larger contributions (see Table 7). In other words, large financial contributions are exempt from the Directive.

TABLE 7 | **BREAKDOWN OF CONTRIBUTIONS AWARDED THROUGH OPEN CALLS FOR PROPOSALS (OR PROJECTS) VS. THOSE BY INVITATION**

ALLOCATION TYPE	NUMBER	AMOUNT OF THE CONTRIBUTION			
		TOTAL	AVERAGE	MINIMUM	MAXIMUM
Open	17	\$915,396	\$53,847	\$5,952	\$184,802
By invitation	5	\$514,457	\$102,891	\$30,000	\$300,000
TOTAL	22	\$1,429,853	\$64,993	\$5,952	\$300,000

Source: Data compiled by the City's BVG based on information collected from the analysis and data visualization tool in the Qlik Sense application.

²² Framework reference numbers: Directive C-OG-DG-D-21-001 (version 1) and C-OG-DG-D-21-002 (version 2).

²³ The Directive defines a call for proposals as a transparent process allowing any eligible NPO to submit an application for financial support in response to the call for proposals.

For contributions subject to the Directive, we verified whether the decision to award the contribution met the following conditions:

- ◆ Approval of the project evaluation criteria issued by the department authorities or management (depending on the applicable version of the Directive);
- ◆ Documentation of the evaluation process using an analysis grid;
- ◆ Evaluation by a selection committee with at least three members;
- ◆ Declaration of conflicts of interest by external committee members, if applicable;
- ◆ Exclusion of the file manager with decision-making authority from the selection committee;
- ◆ Composition of the committee;
- ◆ Approval of the committee composition by department authorities or management.

Given that the evaluation process and selection committee are the same for all contributions under a given program, the results are presented here in terms of the number of programs appearing in the sample and not the number of contributions.

For the 11 programs under which funding was awarded by an open call for projects, our analyses show that for:

- ◆ None of the 11 programs could the BUs demonstrate documented approval of the evaluation criteria as required by the Directive;
- ◆ 10 of the 11 programs (91%), the evaluation process was documented using an evaluation grid;
- ◆ 10 of the 11 programs (91%), the evaluation was conducted by a committee composed of at least three members;
- ◆ 6 of the 10 programs (60%) for which the committee included external members, a declaration of conflict of interests was signed by the external members;
- ◆ 9 of the 11 programs (82%), the file manager with decision-making authority was excluded from the evaluation committee;
- ◆ 4 of the 11 programs (36%), conditions pertaining to the composition of the committee were respected, such as not having 1 or 2 (depending on the amount of the support) division heads or executive sponsors;
- ◆ Only 1 of the 11 programs (9%) was the BU able to demonstrate approval of the committee as required by the Directive;
- ◆ 1 of the 11 programs (9%), at the SDIS, it was not demonstrated to us that the evaluation was conducted by a selection committee.

In addition, in the case of two calls for projects, our audit showed that the files had not been evaluated by all committee members. In those cases, the committee comprised between seven and nine members, but each file had been evaluated by only three members.

In short, none of the calls for projects subject to the Directive met all applicable requirements. Therefore, with respect to the Directive, the audited BUs were unable to demonstrate that the financial contributions awarded to organizations were evaluated in compliance with the City's management frameworks to ensure an impartial evaluation.

Documentation of the Evaluation Process

In order to ensure the impartiality and transparency of the evaluation process, we verified whether the evaluation was documented other than in the decision making file and included justification for the amount of the contribution for all 47 contributions.

Overall, for 33 of the 47 contributions (70%), we found a documented record of the proposal's evaluation, and, in 29 of those 33 contributions (88%), the evaluation documents included justification of the recommended contribution. It should be noted that the Division des sports of the SGPMRS documented the evaluation for all of its financial contributions.

The 14 contributions for which the evaluation was not documented all lacked predefined, documented evaluation criteria. The fact that evaluation criteria were not determined prior to the evaluation and that the evaluation itself is not documented make it impossible to demonstrate the impartiality of the evaluation process.

Consistency Between Established Program Criteria, Criteria Communicated to Non-Profit Organizations and Criteria Actually Evaluated

Given that criteria established by programs and those included in project analysis grids are the same for all contributions under a given program, the results in this section are presented by program and not by contribution. As previously mentioned, 17 of the 20 programs have defined evaluation criteria.

For 9 of the 17 programs (53%), the documented evaluation was based on all established program criteria. Shortcomings observed for the other 8 programs were as follows:

- ◆ In 1 case at the SC, the evaluation document provided no information as to whether the evaluation criteria were met for the project under study;
- ◆ In the other 5 programs under the SC and in 2 at the SGPMRS, the evaluation grid did not include all defined program criteria.

In addition, for programs in which funding is offered through a call for projects (either open or by invitation) and for which a program presentation guide is given to NPOs, that guide should indicate the evaluation criteria actually used by evaluators.

Out of 13 calls for projects having an application guide for the program in question, only 8 (62%) accurately indicate all the evaluation criteria. This lack of transparency in communicating evaluation criteria may limit the number of NPOs that submit proposals under the call for projects due to a misunderstanding of the program requirements.

It should be noted that we observed an excellent practice at the Direction des sports of the SGPMRS and at the SDÉ whereby evaluation grids specify which sections of the application form contain information used to evaluate the defined criteria. This approach maximizes standardization and consistency in evaluating applications by the various members of the selection committees.

**RECOMMENDATION
3.1.3.A.**

In order to ensure the impartiality of the process for selecting projects under any category of call for proposals valued at more than \$25,000, we recommend that the Direction générale :

- ◆ Update its administrative framework entitled *Composition du comité d'analyse et du processus d'évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des organismes à but non lucratif*; and
- ◆ Put control mechanisms in place to ensure that the business units are implementing the framework and provide evidence of its application.

**RECOMMENDATION
3.1.3.B.**

In order to ensure complete transparency in the application evaluation process, we recommend that the Service de la culture, Service du développement économique, Service de la diversité et de l'inclusion sociale and Service des grands parcs, du Mont-Royal et des sports :

- ◆ Clearly identify the criteria that are used to evaluate applications;
- ◆ Document the application evaluation process to show that all the criteria have been taken into consideration and justify the amount recommended.

3.1.4. Financial Contribution Agreements and the Approval of Files by the City's Decision-Making Bodies

To follow up decisions by the business units (BUs) to award support, a financial contribution agreement and decision-making file need to be prepared for approval by the City's decision-making bodies. The *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) stipulates that signing a contribution agreement is critical to awarding and monitoring financial support, which may take the form of a support form setting out the NPO's obligations in cases where the support falls under a program.

For the purposes of the next section, the term "contribution agreement" also includes forms unless another type of agreement is specified, in which case that type of agreement is applicable to the file in question.

Consistency Between Requirements in the *Guide de gestion des soutiens financiers aux organismes à but non lucratif* and Contribution Agreement Models

The Guide identifies information that is to be included in the contribution agreement, for example, a description of the project or activities, the objectives and expected results, an estimated budget how the contribution will be used, terms of payment, accountability filing requirements, and information to be included in the required reports. Agreement models that have been preapproved by the Service des affaires juridiques are available to the BUs.²⁴

Generally speaking, the various requirements identified in the Guide are found in the financial contribution agreement models applicable to the audited BUs. In the case of terms of payment, for example, the Guide states that payments should be "...conditional upon the production and approval of a report or the objectives being attained."

In the agreement models, payment is conditional only upon a report being submitted to the satisfaction of the manager. They make no reference to achieving objectives. Having payment conditional upon the production and approval of a report is nevertheless a sound management practice.

Implementation of the Contribution Agreement

The Guide makes reference to a checklist, *Exigences en vue de la signature et de la conservation d'une convention approuvée par les instances centrales*, which incorporates the main requirements and specifies that, without exception, the listed steps must be completed before submitting the file to the authorities. The Guide specifies that the file manager must ensure that the agreement is approved and signed by the NPO's representative before submitting the file to the authorities.

The amounts of the 10 contributions in our sample that were processed using a form ranged from \$6,000 to \$52,000. This is consistent with the Guide, which, however, offers no clear guideline as to the maximum amount of support that can be awarded using a form as the basis for the agreement.

Our analyses show that 24 of the 37 draft agreements were not signed by the NPO before the file was presented to the City's decision-making bodies.²⁵ As for agreements made using a form, although all were signed, an evaluation could not be made in 2 cases where the date was missing.

None of the agreements presented by the SDIS had been signed by the NPO at the time the file was presented to the authorities.

In the vast majority of cases, the agreements were prepared using the legal name of the NPO. For only 2 of the 47 agreements (4%), the NPO's legal name was not properly entered by the BU, and in one other case (2%), the law used to incorporate the NPO was not correctly recorded in the agreement.

²⁴ The models are available in the legal documents bank of the GDD decision-making record management system.

²⁵ For the purposes of the audit, the BVG used documents in the City's GDD system, such as draft agreements with NPOs receiving funding or contribution forms.

Only 21 agreements (45%) were signed by the NPO before the date they were presented to the decision-making authorities as required in the management framework. By presenting a file to the authorities in which the contribution agreement was not duly signed by the NPO, the BU failed to comply with the City's administrative framework.

Approval by the City's Decision-Making Bodies

Contributions must be approved by the City's decision-making body with jurisdiction for the proposed activity's sector and territory. Regarding the preparation of a decision-making file for approval by the body with jurisdiction, the Guide offers a short reminder of the delegation of authority for determining which decision-making body is authorized to approve the contribution and associated agreement, as shown in Table 8.

TABLE 8 | **DECISION-MAKING BODY WITH JURISDICTION OVER FINANCIAL SUPPORT FOR NON-PROFIT ORGANIZATIONS**

SUPPORT	BODY
For a project under local jurisdiction on the borough's territory	Borough council
For a project under the jurisdiction of the central city	Support of \$150,000 or less: Executive committee Support of more than \$150,000: City council
For a project under the jurisdiction of the agglomeration	Support of \$50,000 or less: Executive committee Support of more than \$50,000: Urban agglomeration council

Source: The Guide.

A consultation of resolutions in the GDD system served to validate up to the highest authority whether financial contributions were approved at the appropriate level. All of the contributions in the sample were approved by the body with jurisdiction and were therefore in compliance with the City's management framework and applicable laws.²⁶

It should also be noted that, for the 47 files, our tests confirmed that the amount of financial support set out in the agreement corresponds with the amount approved by the authorities.

²⁶ The Charter and the Act respecting the exercise of certain municipal powers in certain urban agglomerations.

3.2. Payment of Financial Contributions

Once approval has been obtained from the decision-making body, BUs may issue payments if all conditions have been met.

The Guide stipulates that no payment may be issued before the agreement has been signed by the NPO and the City, and the City may not sign before the agreement has been approved by the authorities. The Guide also states that payment authorizations must be recorded.²⁷

Signature of the Agreement by the Parties

The agreement must be signed by the City as soon as possible once the resolution for approval has been adopted, as set out in the checklist *"Exigences en vue de la signature et de la conservation d'une convention approuvée par les instances centrales"*.

Although only a fraction (13 of the 37 agreements) were signed by the NPOs before being presented to the body with jurisdiction, our tests showed that, in general (36 of 37 cases), the NPOs signed the agreement before the City. Only one case could not be evaluated, as the agreement signed by the City was not in the file at the SGPMRS.

Compliance with Conditions Respecting the Initial Payment

In the light of conditions pertaining to payment, we verified whether requests by the file manager to make the initial payment were submitted after the agreement had been signed by the City. Since agreements made through contribution application forms are not signed by the City, in those cases, we verified that the first payment took place following signature of the resolution by the decision-making body with jurisdiction.

For 7 of the 47 files (15%), requests for payment were submitted before the agreement was signed by the City, sometimes up to 3 months in advance. Among those 7 files we observed the following:

- ◆ In 2 cases, the request for payment was completed even before the agreement had been signed by the NPO;
- ◆ In 2 cases, the initial instalment of the contribution (cash outflow) by the Service des finances was paid before the City signed the agreement. One of these was in the amount of nearly \$800,000 and was paid before either the City or the NPO had signed the agreement.

These situations show that some payments took place without all conditions having been met or the document file being complete at the time payment was requested.

²⁷ It should be noted that the agreement models stipulate that each payment is conditional upon the organization having complied with the terms and conditions of the agreement and leave space to add specific payment conditions, if applicable, for agreements with a term longer than one year.

Other Obligations Pertaining to the Initial Payment

In addition to conditions established in the Guide, some agreements define conditions specific to the first payment. We identified 7 of the 47 contribution files in which conditions other than signing the agreement were prerequisite to the first payment (e.g., receiving a program, receiving support from a source other than the City, or receiving an adequate action plan). Two requests for an initial payment out of 7 files (29%) were submitted without the BUs concerned having been able to demonstrate that the established conditions had been met. Those payments were conditional upon the delivery of documents “to the satisfaction of the file manager.” While in both cases, the BUs were unable to provide documentary evidence of an analysis supporting the manager’s “satisfaction,” in 1 case, the documents in question were not even in the file.

The SC’s *Cadre de référence concernant les versements lors d’une contribution financière à des organismes culturels* specifies that, for contributions in the amount of \$5,000 or more, the funding must be paid in at least 2 instalments and that the final payment must represent at least 10% of the contribution. The 13 SC files in our sample meet this requirement, with the exception of one case in which the final payment was for 7% rather than the stipulated 10%.

While none of the BUs other than the SC are under any obligation to make a contribution in more than one instalment, our tests showed that only 4 contributions in our sample (9%) were paid in 1 instalment. The amounts of those four contributions ranged from less than \$7,500 to \$93,000.

The approach adopted by the SC appears to us to be a sound practice when large amounts are involved or the agreement is spread over a long period of time. This allows the City to ensure it has better control over the use of funds as a project is rolled out.

Compliance with Conditions Respecting Subsequent Payments

The BUs are not subject to any obligation to establish specific conditions for payments other than the first instalment. However, our audit work shows that this is a widespread practice. For this section, the results are presented in terms of payments rather than contributions allocated.

During the audit period, 41 subsequent payments, not counting first instalments, were made. Of those 41 payments:

- ◆ 40 payments (98%) were subject to conditions, such as:
 - Presenting accountability reports (a progress report or final report). This was the case in 14 of the files concerned;
 - Presenting accountability reports to the manager’s satisfaction. For 15 of the 24 files in our sample (63%) where this was the case, no documented trace of an analysis of the rendering of accounts meeting with the manager’s satisfaction was recorded in the file;
 - Other conditions in 2 cases: the delivery of legal documents and an end-of-project meeting. The required documents were in the file in both cases.
- ◆ 1 subsequent payment was not subject to any conditions.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

The file manager must ensure that the conditions have been met before the initial and subsequent payments of the contribution are made. Our results show that conditions prerequisite to payment are not always honoured or that their fulfilment was not demonstrated by a documented analysis. An incomplete document file pertaining to the payment of contributions does not allow for the optimization of disbursements or the sound management of public funds.

3.3. Follow-Up Mechanisms to Ensure that Non-Profit Organizations Fulfill Their Obligations

The *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide) states that it is important to conduct a thorough follow-up of activities and projects that receive funding through regular communication with the funded organization. This specifically makes it possible to verify that the funding awarded has been used for the intended purposes and to record information demonstrating that follow-up has taken place or to serve as a reminder in future relations with the NPO. The nature of the follow-up can vary from one case to another. For example, support for an NPO's mission would not require the same monitoring as support for a project. The only information the Guide provides about contribution follow up and management is which documents to keep on file.

Considering that the Guide calls for accountability reports and FS to be recorded in the file, and based on the document filing obligations in the *Aspects financiers* section of agreements, our audit work on the follow-up to contributions focused on the filing of:

- ◆ Accountability reports;
- ◆ FS, including audited FS in cases where the City's annual contribution is \$100,000 or more;²⁸
- ◆ Annual reports.

3.3.1. Accountability Reports

Accountability Obligations of Non-Profit Organizations Defined in Agreements

Accountability refers to information produced by NPOs and submitted to the City so the latter can verify, among other things, that the funding awarded was used for the intended purposes. The agreements signed with the City inform the NPOs that they must produce accountability reports. According to the Guide, the agreements must specifically:

- ◆ Require, minimally, an activity report or final report to be filed specifying the results achieved with respect to the defined objectives;
- ◆ Indicate, as appropriate, information the required reports must contain, notably regarding the results achieved with respect to the defined objectives;
- ◆ Specify the due date for the final project report and for any interim reports that may also be required;

²⁸ Pursuant to section 107.9 of the CTA.

- ◆ Provide for statements of project or activity income and expenses to be produced and filed that allow for comparisons with the estimated budget;
- ◆ Provide for audited FS in the case of annual contributions by the City of \$100,000 or more.

The agreement models available to the BUs contain a clause requiring NPOs to submit accountability reports in the form and according to the parameters that will be provided by the manager of the contribution file. According to the definition of “accountability report” in those models, the reports must include the funds used from the City’s financial contribution, as well as the purposes for which they were used and the extent to which measurable objectives were achieved.

Our audit showed that while all the contribution agreements in the sample include accountability obligations:

- ◆ 39 contributions (83%) contained documented guidelines (form and parameters) defining the information to be disclosed by the NPOs in their accountability reports:
 - 27 of 39 financial contributions (69%) were subject to accountability requirements that meet the definition in the Guide and in the agreement, and so provide the BUs with sufficient information for follow-up purposes.
- ◆ 8 financial contributions (by the SC, SDIS and SDÉ) contain no guideline governing accountability requirements. Moreover, in one case, no accountability requirement was formulated by the SDÉ.

Consequently, while all the financial contributions had accountability requirements, only 27 (57%) were in keeping with what the Guide and agreement models recommend for accountability reporting.

In addition, our analyses show that only 22 of the 39 financial contributions (56%) that had documented accountability guidelines had these guidelines set out in the contribution agreement. In the other 17 cases, accountability requirements were communicated to the NPOs by email or accountability templates that were not attached to the agreement. In those cases, therefore, the NPOs were not aware of the City’s accountability requirements at the time they signed the agreement.

When this is added to the eight financial contributions for which no accountability guidelines are documented, a total of 25 contribution agreements (53%) did not include accountability guidelines.

Recording and Verifying the Accountability Reports

Depending on the accountability form and parameters defined—a statement of accounts, interim report or final report—we verified whether the BUs had documents on file demonstrating verification of the amount of the financial contribution from the City actually used and for what purposes, as well as that the defined objectives were met.

Of the 47 financial contributions in our sample, all of which included an accountability obligation, 36 had a deadline that fell within the audit period. For 34 of them (94%), accountability was documented in the file.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

However, documented proof of an analysis of the use of the funds and the achievement of objectives was provided to us for only 4 of the 34 files (12%). For the other 30 financial contributions, although the BUs claimed that accountability was verified, we received no demonstration of such verification in the form of a comparative analysis between the estimated and actual results (gaps), a justification of those gaps, or details of the use of the funding for the intended purposes and the achievement of objectives.

3.3.2. Financial Statements

Obligation to Submit Financial Statements

Pursuant to section 107.9 of the CTA, NPOs receiving annual financial support from the City in the amount of \$100,000 or more must submit their audited FS to the City's auditor general. The Guide contains a reminder of that obligation and states that FS, whether audited or not, must be recorded in the financial contribution files.

The agreement models available to BUs include two clauses pertaining to filing FS, which can be summarized as follows:

- ◆ To the extent that the City's cumulated financial contributions to an NPO for a given calendar year amount to \$100,000 or more, the NPO shall submit to the auditor general its audited FS for each year of the current agreement and also send them to the file manager;
- ◆ To the extent that the City's cumulated financial contributions to an NPO for a given calendar year amount to less than \$100,000, the NPO shall submit to the file manager its FS for each year of the current agreement.

These 2 requirements under section 107.9 of the CTA were included in 44 of the 47 contribution agreements (94%). The three agreements for which those requirements were not included are all under the authority of the SGPMRS.

Recording and Verification of Financial Statements

Based on the accountability deadlines that fell within the audit period, the files for 40 financial contributions should contain FS. Our audit showed that for:

- ◆ 21 files (53%) that contained FS:
 - The BUs were unable to provide a documented analysis of those FS.
- ◆ 19 files (47%) that contained no FS:
 - 6 of those financial contributions were for more than \$100,000;
 - 13 of the financial contributions were for less than \$100,000, including 9 at the SC alone, which confirmed not requiring FS for financial contributions in an amount of less than \$100,000 (even though the agreements signed with the NPOs in question contain a clause requiring their FS to be filed).

Therefore, even though the agreements stipulate requirements for the NPOs to submit FS, in practice, about one NPO in two actually does so and the BUs do not appear to require this of the NPOs. The absence of those documents, or a failure of the BUs to analyze them, hinders the BU's ability to follow up the contributions they award.

3.3.3. Annual Reports

Obligation to Submit Annual Reports

The agreement models require NPOs to submit their annual reports²⁹ to the file manager within 90 days of the end of the financial year (the deadline can be changed by the BUs). The Guide makes no mention of the annual report.

Of the 47 contributions, the 37 files with an agreement (79%) stipulate the NPO's obligation to submit its annual report. The 10 financial contributions whose agreement is set out in a form do not include this requirement. Those contributions are managed by the SC, SDÉ and SGPMRS.

Recording and Verification of Annual Reports

The scope of our audit shows that the files for 32 financial contributions should contain annual reports. Annual reports were found in the file for only 16 contributions (50%) without, however, any evidence that they were analyzed.

In cases where SC files did not contain annual reports, the SC confirmed not having requested the reports. However, all of the agreements between the SC and an NPO required that a report be filed.

Likewise, although some agreements require NPOs to submit annual reports to the City as evidence of their activities, in practice, compliance with that requirement is not enforced.

RECOMMENDATION

3.3.A.

We recommend that the Service de la culture, Service du développement économique, Service de la diversité et de l'inclusion sociale and Service des grands parcs, du Mont-Royal et des sports put controls in place to ensure that non-profit organizations provide their financial statements and annual reports when so required by their agreement with the Ville de Montréal.

3.3.4. Registration of Contracts for \$25,000 or More in the Electronic Invitation to Tender System

Pursuant to section 477.5 of the CTA,³⁰ since April 1, 2011 (Bill 76), every municipality has been required to publish on the SEAO site, approved by the Québec government, a list of every contract involving an expenditure of \$25,000 or more, including grants and financial contributions, as well as leases. Consequently, any contract whose purpose is the payment of a grant to an NPO is covered by section 477.5. The CTA specifically requires the following:

- ◆ The list must be updated at least once a month;

²⁹ The generic model of a contribution agreement defines "annual report" as a document containing a profile of the NPO, the names of the managers and directors, and a report on the activities and achievements for each year of the agreement.

³⁰ Sections 477.5 and 477.6 of the CTA.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

- ◆ If the contract is entered into by mutual agreement, the list must identify the legislative or regulatory provision under which the contract was legitimately awarded without a call for tenders;
- ◆ In all cases, as soon as possible following the end of the contract, the total expenditure actually incurred must be registered on the SEAO.

The Guide reiterates the requirement, pursuant to the CTA, to register information in the SEAO pertaining to support awarded under any contract for an amount of \$25,000 or more. That requirement is also stipulated in the administrative framework *Publication des contrats dans SEAO* (Directive).³¹

Furthermore, section 4.1.3 of the Directive states that [TRANSLATION] “the unit in charge authorized to manage the tendering process is also responsible for recording the information in the SEAO and must complete all of the steps.”

In the context of our audit, we tried to evaluate whether publications in the SEAO were compliant regarding:

- ◆ The contract and the amount awarded in the case of financial contributions of \$25,000 or more;
- ◆ The final information;
- ◆ The average time taken to publish contracts.

The results of our audit (see Table 9) show that while 42 of the 47 contributions were for more than \$25,000, only 33 (79%) were registered in the SEAO. The average time to register the contribution was 250 days, which is not in keeping with the City’s obligation to update the list of contracts at least once a month. Moreover, while 18 of the contributions were concluded as at November 30, 2022, no final disbursement had been recorded in the SEAO. This represents another failure by the City to fulfill a requirement pursuant to the CTA.

³¹ Framework reference number: C-RM-APP-D-18-002, in effect since August 2018.

TABLE 9**DETAILED RESULTS OF THE PUBLICATION OF CONTRACTS AWARDED TO NON-PROFIT ORGANIZATIONS IN THE ELECTRONIC INVITATION TO TENDER SYSTEM**

CENTRAL DEPARTMENTS	NUMBER OF FILES TESTED	NUMBER OF CONTRIBUTIONS > \$25,000	NUMBER OF CONTRIBUTIONS PUBLISHED IN THE ELECTRONIC INVITATION TO TENDER SYSTEM	AVERAGE TIME TO PUBLISH THE CONTRACT (IN DAYS)	NUMBER OF CONTRACTS CONCLUDED BY NOVEMBER 30, 2022	FINAL DISBURSEMENT PUBLISHED IN THE ELECTRONIC INVITATION TO TENDER SYSTEM
Service de la culture	13	11	6 (55%)	382	4	0
Service du développement économique	15	15	13 (87%)	143	6	0
Service de la diversité et de l'inclusion sociale	14	14	13 (93%)	276	8	0
Service des grands parcs, du Mont-Royal des et sports	5	2	1 (50%)	520	0	0
TOTAL	47	42	33 (79%)	250 ^[a]	18	0

[a] Weighted average based on the number of contributions published per department.

Source: Data compiled by the BVG based on information recorded in the files and on the SEAO site, as well as data published by the SEAO.

In addition to the findings presented above, among the 33 contracts published in the SEAO, we observed that for:

- ◆ One SDÉ file, the CTA provision under which the contract was entered into by mutual agreement was not recorded in the SEAO;
- ◆ One SDÉ file, the published amount did not correspond to the financial contribution awarded according to the GDD system;
- ◆ The SC's Direction Cinéma, festivals et événements, several files were entered in the SEAO, including 5 contributions in the sample, in September 2022, whereas they were concluded between March 2021 and June 2022.

3.4. Awarding and Management of Financial Contributions by Central Departments to Non-Profit Organizations

Regarding the file for which the amount published in the SEAO did not correspond with the amount actually awarded, in reading the decision-making file, we found that it was a bipartite³² contribution. The directive on the publication of contracts in the SEAO specifies, however, that the unit authorized to manage the tendering process is also responsible for recording the information in the SEAO and completing all of the steps.

Although the City has put in place an administrative framework concerning the publication of contracts in the SEAO, results show that it is not adequately applied across every BU.

RECOMMENDATION

3.3.4.A.

We recommend that the Direction générale put in place mechanisms to ensure application of the legal and regulatory requirements pertaining to the publication of financial contributions by the business units in the electronic invitation to tender system in order to ensure compliance with applicable requirements on the *Cities and Towns Act*.

3.4. Overall Recommendations for the Entire Process

In the context of this audit, rather than make a series of piecemeal recommendations pertaining to the various sections of the *Guide de gestion des soutiens financiers aux organismes à but lucratif* (Guide) that need to be updated, the BVG is formulating three overall recommendations to the DG and another to the audited BUs concerning a majority of the findings formulated in this report.

RECOMMENDATION

3.4.A.

In order to ensure impartiality, transparency and consistency in awarding and managing financial contributions to non-profit organizations, we recommend that the Direction générale update the administrative framework for awarding and managing financial contributions to non-profit organizations specifically by stipulating:

- ◆ The minimum eligibility criteria that organizations must meet for contributions governed by either a program or mutual agreement;
- ◆ The documents required in support of decisions pertaining to eligibility;
- ◆ The guidelines on the analysis that the business units must conduct of organizations' accountability and use of fund.

³² Funding was provided by two groups.

**RECOMMENDATION
3.4.B.**

We recommend that the Direction générale ensure that the content of the administrative framework pertaining to awarding and managing financial contributions to non-profit organizations (NPOs) is consistent with the model agreements to be signed by the Ville de Montréal and NPOs.

**RECOMMENDATION
3.4.C.**

We recommend that the Direction générale put in place a mechanism to ensure that the business units comply with administrative frameworks applicable to awarding and managing financial contributions to non-profit organizations.

**RECOMMENDATION
3.4.D.**

In order to ensure impartiality, transparency and follow-up in awarding and managing financial contributions to non-profit organizations, we recommend that the Service de la culture, Service du développement économique, Service de la diversité et de l'inclusion sociale and Service des grands parcs, du Mont-Royal et des sports put in place a documentation mechanism and demonstrate its application intended to:

- ◆ Evaluate organizations' eligibility and apply eligibility criteria defined in the management framework, as well as those defined in support programs, when applicable;
- ◆ Record information in the file that makes it possible to assess each of the organizations' eligibility criteria;
- ◆ Ensure that agreements are signed before being filed with the authorities;
- ◆ Evaluate and meet all prerequisites before paying the initial and subsequent instalments of the contribution;
- ◆ Evaluate the organizations' accountability reporting and use of the Ville de Montréal's funding.

4. Conclusion

We conclude that although the Ville de Montréal (City) has put in place a series of management frameworks, the central departments are not in a position to provide documented evidence of impartiality in the awarding of financial contributions to non-profit organizations (NPOs) and compliance with those frameworks for all of the contributions examined. In addition, we did not find evidence that the City can demonstrate in every case that the funding provided was used in its entirety for the intended purposes.

It is worth repeating that central department contributions to NPOs represent a large expenditure, with total annual funding exceeding \$100 million in both 2020 and 2021. While some of the contributions are in the order of a few thousand dollars, the average of the 47 contributions examined during this audit was just under \$300,000 and one contribution alone was for more than \$3 million.

The City has developed and distributed a series of directives and processes, most notably the *Guide de gestion des soutiens financiers aux organismes à but non lucratif* (Guide), published in 2017, which provides guidelines to follow for an optimal approach to managing financial contributions.

Our work sheds light, however, on shortcomings at every life cycle stage in awarding and managing financial contributions to NPOs by the central departments. In analyzing an NPO's eligibility and application, not all criteria in the Guide are taken into consideration, and, in some cases, documents required to determine eligibility are not in the file. The central departments have difficulty justifying what information was used to determine an NPO's eligibility or why its project was selected.

With respect to agreements between NPOs and the City, we also observed irregularities in the signing dates.

Regarding the payment of contributions, we observed that some contributions were paid out before the agreements had even been officially signed by the parties. We also noted a failure to conduct analyses, or at least to demonstrate that an analysis had been conducted, of the documents submitted by NPOs when subsequent payments were conditional upon documents being provided to the City's satisfaction.

At the end of the life cycle of contributions, we noted shortcomings in accountability reporting. Without being able to conclude that it was the sole cause of those shortcomings, we found that accountability requirements are not always communicated to NPOs at the time the parties sign the contract.

More specifically, our main findings regarding evaluation criteria are listed below:

Evaluation of Financial Contributions

- ◆ 75% of the financial contribution programs in our sample used criteria found in the City's Guide, but none of the programs took all 9 criteria into consideration.
- ◆ None of the 47 contribution files examined contained all of the documents required to evaluate the NPO's eligibility in accordance with the Guide's criteria.
- ◆ For contributions awarded under a program, 58% of the files examined contained a document attesting to the organization's eligibility.
- ◆ 25 financial contributions were awarded without defined and documented criteria in support of the application's evaluation.
- ◆ 14 contributions whose evaluation was not documented lacked predefined, documented evaluation criteria, and for 9 of 17 programs (53%), the documented evaluation was based on all of the established program criteria.
- ◆ The funding awarded to projects without eligibility criteria was, on average, much higher than the contribution awarded when criteria were used to determine the application's eligibility.
- ◆ In 36% of cases, the composition of the analysis committee for applications under a program complied with requirements set out in the directive *"Composition du comité d'analyse et du processus d'évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des OBNL"*.
- ◆ 55% of agreements between the City and NPOs in the form of an agreement were not signed by the NPO when submitted for approval by the decision-making authorities. This goes against a requirement in the Guide.

Payment of Financial Contributions

- ◆ In 15% of the files examined, the request for the first instalment of the contribution was submitted before the City had signed the agreement. In 1 case, a payment of nearly \$800,000 was made before the NPO had even signed the agreement.
- ◆ When the agreement stipulated that subsequent payments were conditional upon the NPO filing specific documents to the City's satisfaction, in 63% of cases the file contained no evidence that the City had assessed compliance with the condition, even though payment had been made.

Follow-Up of Non-Profit Organizations' Fulfilment of Their Obligations

- ◆ While 83% of contributions have guidelines in terms of accountability requirements, we found that in 31% of cases the NPOs did not provide accountability reports regarding the spending of funds awarded by the City.
- ◆ Moreover, in 44% of cases where such guidelines were in place, they were not included in the agreements signed between the City and the NPOs. In those cases, the guidelines were communicated separately to the NPOs, making it harder for the organizations to be aware of all the City's requirements when signing the agreement.
- ◆ While nearly all of the files examined contained accountability documents produced by the NPOs, only 12% of files contained documented evidence of an analysis by the central department of how the funds were used.
- ◆ Only 53% of the files that should have contained the NPOs' financial statements actually did.
- ◆ In cases where NPOs were required to provide the City with annual reports, only 50% of files contained the reports.
- ◆ Although required by the *Cities and Towns Act* (CTA), only 79% of contributions in our sample that should have been registered in the electronic invitation to tender system (SEAO) actually were, and, on average, it took 250 days to register the contribution whereas the CTA stipulates that updates are to be made at least once a month.
- ◆ None of the 18 contributions in our sample that were concluded and recorded in the SEAO specified the final amount of the contribution even though the funding was finished.

5. Appendices

5.1. Administrative Frameworks and Procedures of the Direction générale

"Règle selon laquelle un fonctionnaire ou un employé ne peut être administrateur d'un organisme dans le cadre ou à l'occasion de ses fonctions" ³³

This framework is in the form of a directive that took effect in September 2017. Its purpose is to prevent public servants and Ville de Montréal (City) employees from being placed, in the performance of their duties, in a real, potential or apparent conflict of interest. To that end, the directive explains the general obligations set out in the City's *Code de conduite des membres du personnel* pertaining to conflicts of interest.

"Publication des contrats dans le système électronique d'appel d'offres" ³⁴

This framework is in the form of a directive that took effect in August 2018. It spells out the standards to be met in publishing information about contracts in the electronic invitation to tender system (SEAO). It specifies that pursuant to section 477.5 of the *Cities and Towns Act* (CTA), since April 1, 2011, every municipality has been required to publish in the SEAO a list of all contracts involving an expenditure of \$25,000 or more, including grants and financial contributions.

"Composition du comité d'analyse et du processus d'évaluation des appels de propositions ou de projets visant à attribuer des contributions financières à des organismes à but non lucratif" ³⁵

This framework is in the form of a directive that took effect in March 2020 and was revised in November 2021. It defines the terms and general principles applicable to the composition of committees responsible for analyzing and evaluating applications submitted in response to calls for proposals.³⁶ It applies to the City's central departments for all financial contributions in the amount of \$25,000 or more.

"Qualifier le type de contrat à conclure avec un organisme sans but lucratif"

Published in August 2020, this reference document lists questions in the form of a decision tree as a guide to business units (BUs) in determining the type of contract (financial contribution or service contract) to negotiate with organizations. The purpose is to ensure that the choice of contract specifically complies with the requirements of the CTA.³⁷

³³ Framework reference number: C-OG-DG-D-16-004.

³⁴ Framework reference number: C-RM-APP-D-18-002.

³⁵ Framework reference numbers: C-OG-DG-D-21-001 and C-OG-DG-D-21-002.

³⁶ The definition of "call for proposals" in this directive reads: [TRANSLATION] "Transparent process allowing any eligible NPO to submit an application for a financial contribution in response to a call for proposals or projects."

³⁷ Primarily section 573.3, paragraph 1 (2.3) of the CTA.

"Conformité à l'article 107.9 de la Loi sur les cités et villes"³⁸

This directive, which took effect in January 2021, requires that BUs inform non-profit organizations (NPOs) of their obligation to submit audited financial statements if they receive support from the City in an amount greater than \$100,000.

"Aide-mémoire - Exigences en vue de la signature et de la conservation d'une convention approuvée par les instances centrales"

Published in May 2021, this checklist, referred to in the Guide, outlines the requirements to be met regarding the signature and filing of agreements approved by the authorities through the adoption of a resolution.

"Guides – Élaboration des dossiers décisionnels (two separate guides)"

These 2 guides produced in July 2021 pertain to the preparation of a decision-making file and explain the various sections of the decision-making summary to be completed, as well as the nature of the details and information to provide. The first guide is specific to contributions without an invitation to tender, while the second deals with contributions with an invitation to tender under a specific program.

5.2. Support Programs in the Sample

Within the sample, there are 15 financial support programs or reference frameworks³⁹ representing a total of 20 applicable editions of financial support (through calls for projects or the renewal of support). For example, one program (the *Programme de soutien aux festivals et aux événements culturels* of the Service de la culture) oversees the awarding of financial contributions in the sample for 2 calls for projects: 1 for the 2020 edition and another for the 2021 edition. Similarly, a program called the *Fonds québécois d'initiatives sociales* governs a call for projects by invitation for one year (2020) and renewals for another (2022). Considering that changes are made to a program from one year to another, we selected the program for the year funding was awarded as the denominator in presenting our results. To simplify the presentation of the audit results, we refer to the 20 structured programs.

List of applicable programs in the sample

Service de la culture:

- ◆ Programme de soutien aux festivals et aux événements culturels (PSFEC) 2020;
- ◆ Programme de soutien aux festivals et aux événements culturels (PSFEC) 2021;
- ◆ Fonds de soutien aux marchés et vitrines culturels et créatifs 2021;
- ◆ Patrimoines montréalais: une mise en valeur dans les quartiers, Programme de soutien financier 2020;

³⁸ Framework reference number: C-OG-DG-20-003.

³⁹ Bear in mind that we use the term "program" to refer to the various reference frameworks that define guidelines for granting financial contributions and, in some cases, managing them.

- ◆ Patrimoines montréalais: une mise en valeur dans les quartiers, Programme de soutien financier 2021;
- ◆ Programme de soutien financier et d'accompagnement 2020-2021, Médiations culturelles MTL.

Service de la diversité et de l'inclusion sociale:

- ◆ Appel de projets régionaux – Diversité et inclusion sociale en faveur des enfants et des familles vulnérables – Cadre de référence 2021-2022 (Politique de l'enfant);
- ◆ Fonds québécois d'initiatives sociales dans le cadre des alliances pour la solidarité (Ville-MTESS 2018-2023);
- ◆ Programme territoires d'inclusion prioritaires (2021 – 2024): Reconduction des projets dans le programme territoires d'inclusion prioritaires;
- ◆ Amélioration du Français dans les milieux de vie: L'appropriation du Français par le biais de l'échange, la lecture et le loisir;
- ◆ Appel à projets régionaux - Insécurité alimentaire et impacts de la COVID-19 à Montréal – Cadre de référence 2021-2023;
- ◆ Initiative de subvention de Fondation AMC au titre du Fonds COVID-19 d'aide communautaire pour populations vulnérables;
- ◆ Appel sur invitation – Sécurité alimentaire 2020 (MTESS-Ville 2018-2023).

Service de grands parcs, du Mont-Royal et des sports:

- ◆ Appel de projets aux associations sportives régionales;
- ◆ Programme de soutien aux événements sportifs internationaux, nationaux et métropolitains – Année 2020;
- ◆ Programme de soutien aux événements sportifs internationaux, nationaux et métropolitains, Année 2022.

Service de développement économique:

- ◆ Appel de propositions pour les OBNL aux fins d'offrir du soutien technique aux entreprises;
- ◆ Agir pour la relance économique et sociale – Appel à projets pour le secteur bioalimentaire – Modalités Automne 2020.