

NEWS RELEASE

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Auditor General recommends improved grant monitoring processes

Edmonton, Alberta, Canada... A new report issued by Auditor General Doug Wylie highlights the need for improved grant monitoring processes to ensure grant objectives are achieved.

The Department of Health provided grant funding to the AIDS Outreach Community Harm Reduction Education Support Society (ARCHES) to operate a Supervised Consumption Site in the City of Lethbridge. ARCHES received total grant funding of \$18.3 million from September 2017 to August 2020. In March 2020, the department initiated an expenditure review upon concerns of potential expenditure irregularities at ARCHES which resulted in the loss of provincial government funding for ARCHES.

After determining the scope of the expenditure review did not include the Department of Health, the Auditor General decided to examine the relevant grant monitoring processes at the department, focusing on grants paid to ARCHES since 2017.

The *Grant Management Processes Report* found the department:

- did not maintain sufficient documentation to evidence that it adequately monitored grant reporting information received from ARCHES;
- did not ensure financial information was certified by ARCHES; and
- has not fully assessed whether third-party assurance should be required in grant agreements.

“If the department does not have adequate processes to monitor and evaluate adherence to grant agreements, management may be unable to assert that grant funds have been spent in accordance with grant conditions and that grant objectives have been achieved,” said Wylie.

The Auditor General report recommends that the department improve its grant monitoring processes by:

- improving its grant policy and procedures to ensure monitoring and evaluation requirements are followed and documented;
- establishing timelines for completing the grant evaluation checklist; and
- assessing whether third-party assurance should be required on large-dollar-value or high-risk grants.

The department’s grant policy states that once a grant is awarded, it should be monitored to ensure money is spent in accordance with the grant terms. More specifically, the department’s grant procedures require that staff from the responsible program area periodically assess and document the grant recipient’s performance against performance measures and the goals to be achieved, through the reporting requirements set out in the executed grant agreement.

This report was tabled in the Alberta Legislature on March 22, 2022 and is available at www.oag.ab.ca.

.../2

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– 30 –

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