



Canadian
Heritage

Patrimoine
canadien

Canada



Audit of the Ceremonies and Events/*Vancouver 2010* Directorate's Olympic and Paralympic Projects

Office of the Chief Audit and Evaluation Executive
Audit and Assurance Services Directorate

February 2010



Cette publication est également disponible en français.

This publication is available upon request in alternative formats.

This publication is available in PDF and HTML formats
on the Internet at <http://www.pch.gc.ca/pgm/em-cr/index-eng.cfm>

© Her Majesty the Queen in Right of Canada, 2010.

Catalogue No. CH4-146/2010E-PDF

ISBN: 978-1-100-15675-0

Table of Contents

Executive Summary	1
1. Introduction and Context	5
1.1 Authority for the Audit Engagement.....	5
1.2 Background	5
2. Objectives	6
3. Scope	6
4. Approach and Methodology	7
5. Observations, Recommendations and Management Response	7
5.1 Accountability	9
5.2 Risk Management	10
5.3 Performance and Results.....	11
Appendix A – Examination Criteria	13

Executive Summary

Introduction

The Ceremonies and Events/*Vancouver 2010* Directorate is managed by the Major Events and Celebrations Branch under the Public and Regional Affairs Sector and is now a permanent Directorate within Canadian Heritage. This Directorate is responsible for the funding of the Live Sites Project, the Olympic and Paralympic Torch Relays and the Olympic Opening Ceremony for the 2010 Vancouver Olympics with a budget, for 2009/10 fiscal year, of \$54.5M (\$10M being allocated for Live Sites Project, \$20M for the Olympic Opening Ceremony and \$24.5M for the Olympic and Paralympic Torch Relays activities). The Live Sites Project is being delivered to the City of Vancouver and the Resort Municipality of Whistler. The \$20M for the Olympic Opening Ceremony and \$14.6M from the Olympic and Paralympic Torch Relays have been provided to the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) through two contribution agreements. The remaining \$9.9M for the Olympic and Paralympic Torch Relays is managed by the Directorate and have been divided into seven different initiatives.

The authority for this audit is derived from the Multi-Year Risk-Based Audit Plan 2009-2010 to 2013-2014 which was recommended by the Departmental Audit Committee and approved by the Deputy Minister in June 2009. The narrow focus limited scope covered activities related to the Olympic and Paralympic Torch Relays and the Olympic Opening Ceremony contribution agreement undertaken by the Ceremonies and Events/*Vancouver 2010* Directorate since its inception in 2008/09 until May 22, 2009 (the end of the fieldwork).

The objective of the audit engagement was to provide Canadian Heritage Management with high assurance on a limited scope that proper controls are in place to ensure that the Risk Management, Performance and Results and Stewardship are adequate. During the scoping of the engagement findings suggested that controls relating to Accountability be examined.

Key Findings

Throughout the fieldwork, the audit team observed examples of how procedures are properly implemented and are being applied effectively by the Directorate despite the complex nature of the Initiatives. This resulted in positive findings, such as:

- The Directorate, in conjunction with the Celebration and Commemoration Program, developed simplified criteria and application guidelines that clearly set out the application requirements.
- The Directorate had security procedures in place in order to control access to the Olympic and Paralympic Torch Relays.
- Values and Ethics review by and training of staff was evident in the Directorate.

- Segregation of Duties is well established within the Directorate.

Recommendations for Improvement

The audit team conducted its examination with the view that the focus would be on ensuring that a set of controls, procedures and processes are in place for the delivery of these major initiatives and that the resulting recommendations would be used as lessons learned for the next major events. By implementing these recommendations the Directorate could strengthen its internal controls thus improving its processes and achieve the objectives and expected outcomes. In addition, when future events are assigned to the Directorate the necessary processes, procedures, monitoring and reporting structure would be in place and readily implemented. It was also understood that the limited resources of the Directorate and the short lifecycle of the project needed to be taken into consideration with regards to the delivery of the Olympic and Paralympic Torch Relays and Olympic Opening Ceremony.

The audit team identified areas where management practices and processes could be improved.

1. The Director General, Major Events and Celebrations Branch should ensure that accountabilities are clear and that Major Events are consistently delivered throughout the Regions by applying consistent processes, procedures and reporting mechanism.
2. The Director General, Major Events and Celebrations Branch should conduct a risk assessment and propose mitigation strategies as early in the process as possible, document and update when the situation arises, and communicate the results to the Directorate staff, senior management and appropriate stakeholders.
3. The Director General, Major Events and Celebrations Branch should ensure that the events activities and objectives are appropriately defined, measurable, attainable and reported to ensure that approved expected outcomes are achieved.

Statement of Assurance

In my professional judgment as Chief Audit and Evaluation Executive, sufficient and appropriate audit procedures have been conducted and enough evidence was gathered to support the accuracy of the observations provided and contained in this report. These recommendations for improvement result from analysis of the evidence gathered and were based on a comparison of the conditions, as they existed at the time, against pre-established examination criteria that were agreed to with management. The evidence was gathered in compliance with Treasury Board policy, directives, and standards on internal audit and the procedures used to meet the professional standards of the Institute of Internal Auditors.

Audit Opinion

In my opinion, the Ceremonies and Events/*Vancouver 2010* Directorate is well controlled and managed with improvements required in the areas of accountability, risk management and results and performance and reporting.

Original signed by:

Vincent DaLuz

Audit and Evaluation Executive
Department of Canadian Heritage

Audit team Members

Director – Rachel Bergeron
Nicole Serafin / Martin Montreuil
Dylan Edgar
Caroline Dulude

1. Introduction and Context

1.1 Authority for the Audit Engagement

The authority for this audit engagement is derived from the Multi-Year Risk-Based Audit Plan 2009-2010 to 2013-2014 which was recommended by the Departmental Audit Committee and approved by the Deputy Minister in June 2009.

1.2 Background

Within Canadian Heritage, the Ceremonies and Events/*Vancouver 2010* Directorate is managed by the Major Events and Celebrations Branch under the Public and Regional Affairs Sector and is now a permanent Directorate within Canadian Heritage. The Olympic and Paralympic Torch Relays, Live Sites and Olympic Opening Ceremony activities originally resided within the 2010 Olympic and Paralympic Winter Games Federal Secretariat. However, a decision was made to transfer these three files to the Major Events and Celebrations Branch within the Ceremonies and Events /*Vancouver 2010* Directorate in 2008/09.

This Directorate is responsible for the funding of the Olympic and Paralympic Torch Relays, Live Sites Project and the Olympic Opening Ceremony for the 2010 Vancouver Olympic and Paralympic Games. It has experience in managing major events, such as the *400th Anniversary of the City of Québec*.

The Directorate is operated and managed by six Full Time Equivalent positions at Headquarters. The Budget for 2009/10 fiscal year is \$54.5M for Olympic Opening Ceremony, Live Sites and Olympic and Paralympic Torch Relays activities. Of these funds, \$34.6M have been provided to the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) through two contribution agreements. The allocation is as follows:

- \$20M for Olympic Opening Ceremony.
- \$14.6M for the Olympic and Paralympic Torch Relays activities which include \$10M for the organization of the Olympic Torch Relay, \$2M for the organization of the Paralympic Torch Relay, \$2.6M to support the logistic requirements for the 13 Provincial and Territorial Capitals and two Olympic Cities Initiative.

The Live Sites Project with a total budget of \$20M is being delivered through Cultural Spaces Canada (\$10M) and through the Directorate (\$10M) for Olympic related activities in the City of Vancouver and the Resort Municipality of Whistler.

The remaining \$9.9M of the Olympic Torch Relay has been divided into seven different Initiatives. The audit team examined 5 of these significant Initiatives representing 65% of the total \$9.9M:

- *The 189 Olympic Torch Relay Communities*: consists of providing grants to help fund the celebrations at each of the municipalities in which the Olympic Torch Relay will stop;
- *The Youth Initiative*: consists of funding approximately 100 projects across Canada to enhance the youth participation throughout the Olympic Torch Relay;
- *The July 1st, 2009 Celebration*: consisted of funding the noon show event that occurred in the National Capital Region on the Capital Hill on July 1st, 2009 where the theme was the Olympic and Paralympic Winter Games;
- *The December 12th, 2009 Celebration*: consists of funding the celebration that has taken place when the Olympic Torch Relay passed through the National Capital Region; and,
- *Commemorative Plaques*: consists of funding the purchase of commemorative plaques for each of the 189 communities across Canada in which the Torch Relay will stop.

In order to deliver these Initiatives, the *Commemorate Canada* component of the existing Celebration and Commemoration Program was selected to be used.

2. Objectives

The objective of the audit engagement was to provide Canadian Heritage Management with high assurance on a limited scope that proper controls are in place to ensure that the Risk Management, Performance and Results and Stewardship are adequate. The review of controls relating to accountability was added to the preliminary objectives following detailed planning of this engagement.

3. Scope

The narrow focus limited scope covered activities related to the Olympic and Paralympic Torch Relays and the Olympic Opening Ceremony contribution agreement undertaken by the Ceremonies and Events/*Vancouver 2010* Directorate since its inception in 2008/09 until May 22, 2009. Live Sites Project was excluded from the scope of this engagement. Fieldwork was conducted between May 4 and May 22, 2009 and carried out at Headquarters in Gatineau, in the Quebec and Western Regions, more specifically in the Regional and District Offices in Montreal, Vancouver and Victoria. Activities relating to Olympic Opening Ceremony were determined to be outside the scope of this engagement and would be addressed separately for Canadian Heritage senior management. Out of the

\$54.5M budget of the Directorate, activities relating to \$9.9M (Olympic Torch Relay) are within the scope of this engagement.

4. Approach and Methodology

All audit work was conducted in accordance with the “*Standards for the Professional Practice of Internal Auditing*” as per the Institute of Internal Auditors and the Standards and requirements set out in the 2006 Treasury Board Policy on Internal Audit¹.

Evidence was gathered for the audit engagement using a combination of examination techniques that included file review, interviews, and walkthroughs of procedures, review and analysis of documents, and an analysis of the Directorate’s compliance with Treasury Board and Departmental policies, guidelines and procedures.

During the interviews conducted in planning phase, risk areas were identified for both the Directorate and its administrative procedures. These risks related to time constraints, insufficient number of applications by recipients, missed deadlines, delays in approvals and the ability to gather information that would report to the achievement of the established goals . It was discovered that ad hoc risk mitigation processes were being used to address each risk as it became known.

The criteria used in the examination phase were mapped to the Treasury Board Secretariat Core Management Controls. These controls are primarily comprised of the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) that have been customized to the Government of Canada context.

5. Observations, Recommendations and Management Response

Based on evidence gathered through the examination phase, the criteria were assessed by the audit team and a conclusion for each was determined and is provided in Appendix A.

Throughout the fieldwork, the audit team observed examples of how procedures are properly implemented and are being applied effectively by the Directorate. These controls were in place despite the complexity, short timelines and increasing demands from many parties that the Directorate faced at the start of its activities. This resulted in positive findings, such as:

- Given the time constraints and short deadlines, the Directorate, in conjunction with the Celebration and Commemoration Program, developed simplified criteria and application guidelines that clearly set out the application requirements such as: deadlines, eligibility (project, applicant and

¹ Subsequent to the audit, The Office of the Comptroller General released the revised Treasury Board Policy on Internal Audit on July 1, 2009.

expenditure), recipient reporting, maximum funding available, and evaluation criteria.

- The decision to use the *Commemorate Canada* component of the existing Celebration and Commemoration Program to deliver the Youth and Olympic Torch Relay Communities Initiatives through the Regions allowed for existing procedures to be used.
- The Directorate put security procedures in place to control access to the Relay Torch. This is important given the sensitivities of this event and the need for secrecy until the official launch of the Olympic Torch Relay.
- Segregation of Duties is well established within the Directorate. All staff has received the necessary training.
- The audit team found that Values and Ethics were reviewed through group meetings/presentation and training. Transparency is evidenced by the upcoming posting of request for application for the Youth Initiatives on the website.
- The Directorate makes use of an existing governance structure in relation to the Regions through the Public and Regional Affairs Sector. This has proven adequate in the past. This is further strengthened with participation on the Olympic and Paralympic Torch Relay Committee, chaired by VANOC. The Department is also involved in the decision making process related to the Olympic Opening Ceremony.

At the end of the fieldwork, findings showed that controls relating to Stewardship were generally well managed, but with minor improvements needed.

With the Directorate becoming permanent within the Department and the Olympic and Paralympic Torch Relays and Olympic Opening Ceremony events having such a short lifecycle, the audit team conducted its examination with the view that the focus would be on ensuring that a set of controls, procedures and processes are in place for these initiatives. The resulting recommendations would be used as lessons learned for the next major event. In addition, it was understood that the limited resources of the Directorate and the short lifecycle needed to be taken into consideration with regards to the delivery of the Olympic and Paralympic Torch Relays and Olympic Opening Ceremony.

5.1 Accountability

The audit team found opportunity for improvements in the formalization of its processes, procedures, and accountability.

Analysis

The audit team expected to find an accountability framework and for it to be communicated and implemented across all Regions.

We did not find formal processes and procedures to ensure consistent delivery throughout all Regions. It was found that the Directorate was using ad hoc structure and existing program processes, procedures and reporting mechanisms from the Celebrate and Commemorate Program to meet the immediate and urgent requirements. These processes, while communicated, were not formalized and implemented uniformly across all the Regions.

Interviews with the Regional staff highlighted that further guidance and distribution of tools and templates would have been beneficial to improve the delivery of the Initiatives. When using a decentralized delivery system, it is best practices to develop, distribute and implement tools and templates to bring consistency across the Regions. Written guidance to Regions would have been beneficial for all parties to understand their responsibilities and to effectively deliver the Directorate's requirements.

At the time of the engagement, VANOC was unclear as to the specific reporting requirements of these two events. This has caused delays with the approval of the interim reports and cash flow documents as they were sent back and forth each time requiring additional changes.

Risk Assessment

With a lack of clear understanding and consistency across Regions and without established processes, procedures and reporting mechanism within the Directorate, there is an increased risk that participants do not know which key areas of the Initiatives they are accountable for. There is also a risk that the information relating to the achievement of the objectives and expected outcomes may not be collected and/or communicated in a consistent manner. This will have an impact on decision making and communication of performance and results.

Furthermore, insufficient distribution of tools, template and guidance between Headquarters, the Regions and recipients increases the risk that the Initiatives may not be delivered consistently and effectively.

Recommendation

1. The Director General, Major Events and Celebrations Branch should ensure that accountabilities are clear and that major events are consistently delivered throughout the Regions by applying consistent processes, procedures and reporting mechanism.

Management Response

Agreed

5.2 Risk Management

The audit team observed opportunities for improvement in the implementation of a formal and systematic risk assessment process to identify, assess and mitigate Directorate risks.

Analysis

An integrated Results-based Management and Accountability Framework/Risk-Based Audit Framework (RMAF/RBAF) is in place for the Celebration and Commemoration Program that identifies risks and risk mitigation strategies for the Ceremonies and Events / *Vancouver 2010* Directorate. This integrated Results-based Management and Accountability Framework/Risk-Based Audit Framework has not been updated to reflect the specific risks related to the Olympic and Paralympic Torch Relays. In addition, the Major Events and Celebrations Branch Business Plan does not include the Olympic and Paralympic Torch Relays or its associated risks. The audit team found that a formal risk assessment for the Directorate and its activities was not conducted.

Without a formal risk assessment strategy, the current procedure in the climate in which it must operate, the Directorate addresses each situation as it presents itself, determines a risk tolerance level and implements an ad hoc solution. As a result, the Directorate is reactive.

In conducting this engagement, the team was made aware of the existence of a detailed risk assessment conducted by VANOC for the Olympic Opening Ceremony that was shared with senior management at the Department. Although security matters are important to the Olympic Opening Ceremony and Torch Relays, it was determined that the examination of this assessment would be addressed separately. All information pertaining to security matters for the delivery of the Games, including Olympic Opening Ceremony is the responsibility of the Coordinator for the 2010 Olympics and G8 Security. While the Ceremonies and Events/*Vancouver 2010* Directorate is accountable for the federal funding component of the Olympic Opening Ceremony, it does not include any responsibility or reporting on security matters.

Risk Assessment

Dealing with situations as they materialise is not an efficient risk management strategy. Without a periodic risk assessment and updating the risk mitigation strategies, there is an increased risk that the impact of an unidentified or unmitigated risk could have an adverse effect on the initiatives.

Furthermore, by not communicating the risks and implementing the risk mitigation strategies, the Directorate increases the risk that they do not take into consideration all the risks and mitigation strategies during the delivery of the Initiatives.

Recommendation

2. The Director General, Major Events and Celebrations Branch should conduct a risk assessment and propose mitigation strategies as early in the process as possible, document and update when the situation arises, and communicate the results to the Directorate staff, senior management and appropriate stakeholders.

Management Response

Agreed.

5.3 Performance and Results

The audit team observed opportunities for improvement in the areas of performance measurement and reporting and service delivery standards.

Analysis

The audit team noted during the interviews and the walkthroughs of the procedures in the Regional and District Offices that reporting on the overall performance of the Olympic Torch Relay Communities and Youth Initiatives needs to be further developed. Apart from the performance measurement strategy of the *Commemorate Canada* component of Celebration and Commemoration Program and the requirement of a final report from the Olympic Torch Relay communities, there is no additional formal mechanism to collect and report on performance measurement. This information will become necessary to ensure the Initiatives' activities, objectives and expected results are attained and communicated.

The audit team noted during interviews and document review that while the Olympic Torch Relay Communities Initiative activities are appropriately defined, there were questions whether the expected results are attainable. In addition, during the scoping of the audit the criteria for the Youth Initiative had yet to be defined and therefore guidelines and performance measures had not yet been developed. With the conclusion of the fieldwork in May, it became apparent that the June 30 deadline was not attainable, as the recipients had a month to submit the application and information. Supplementary examination has revealed that the criteria and guidelines for the Youth Initiatives have

been developed and are in the Governance approval process. The new deadline for application was September 14th, 2009.

One of the risks was whether the funds allocated for these Initiatives will be adequate to cover the request for funding to achieve the expected results. At the end of these activities, determining whether the significant amount of federal funding made a difference will be a challenge for the Directorate.

Consistent and frequent reporting from VANOC and Regions to Headquarters throughout the lifecycle of these initiatives would better equip management to take action to meet the objectives of the Olympic and Paralympic Torch Relays.

Risk Assessment

Without a defined performance reporting process, there is a risk that the activities and objectives of the Olympic Torch Relay initiatives may not be measured or attained. There is also a risk that the Directorate won't be able to determine if objectives were achieved. With the amount of Government spending in these activities, demonstrating that these investments were a good investment and made a difference will present challenges. In addition, there is a risk that by not having established criteria for the Youth Initiatives, the youth organisation may not have sufficient time to apply for funding.

Recommendation

3. The Director General, Majors Event and Celebrations Branch should ensure that the events activities and objectives are appropriately defined, measured and reported to ensure that approved expected outcomes are achieved.

Management Response

Agree and implemented.

Appendix A – Examination Criteria

The conclusions and ranking reached for each of the examination criteria used in the audit were developed according to the following definitions.

Numerical Categorization	Conclusion on Examination Criteria	Definition of Conclusion
1	Well Controlled	<ul style="list-style-type: none"> • well managed, no material weaknesses noted; and • effective.
2	Controlled	<ul style="list-style-type: none"> • well managed, but minor improvements are needed; and • effective.
3	Moderate Issues	<p>Has moderate issues requiring management focus (at least one of the following two criteria need to be met):</p> <ul style="list-style-type: none"> • control weaknesses, but exposure is limited because likelihood of risk occurring is not high; • control weaknesses, but exposure is limited because impact of the risk is not high.
4	Significant Improvements Required	<p>Requires significant improvements (at least one of the following three criteria need to be met):</p> <ul style="list-style-type: none"> • financial adjustments material to line item or area or to the department; or • control deficiencies represent serious exposure; or • major deficiencies in overall control structure.

The following are the examination criteria and examples of key evidence and/or observations noted which were analyzed and against which conclusions were drawn. In cases where significant improvements (4) and/or moderate issues (3) were observed, these were reported in the consultation report, and the exposure risk is noted in the table below.

Criteria #	Examination Criteria	Conclusion on Examination Criteria	Examples of Key Evidence / Observation
Control and Stewardship			
1	There are appropriate information systems to accomplish program objectives. The information is appropriately recorded and monitored periodically. The information for decision making purposes is shared with Stakeholders in a timely manner.	1	Grants and Contributions Information Management System is well controlled. (For both Olympic Opening Ceremony and Olympic Torch Relay) Uses the existing Celebrate and Commemorate Program, with processes in place which is a mature program (For Olympic Torch Relay and Youth Initiatives only).
2	The organization has implemented appropriate internal controls to ensure proper segregation of duties proper accounting and reporting of financial and operational information. (Sections 32, 33, 34).	1	Evidence of section 32 was gathered through review of delegation chart and Specimen signature cards. There are appropriate personnel and required back up to cover sections 32, 33 and 34. Proper training has been received.
3	Funding agreements are reviewed and approved in a timely manner and receive appropriate levels of approval. They are signed prior to start of period covered by agreement. Contribution agreements are in accordance with program conditions, departmental templates and regulations (<i>Financial Administration Act</i> , TB directives, etc.)	2	Olympic Opening Ceremony : Contribution Agreement first payment was released prior to the approval of the received Cash Flow and Interim Activity Report. The Approval for Payment Form Section 32 and 34 was signed but not dated. The financial coding and funding amount was not entered. The Financial Management Branch released the payment without verifying that the Directorate conducted the necessary due diligence. A copy of the signed Approval for Payment Form was not kept on

			file. Olympic Torch Relay Contribution Agreement had not been signed by the end of the examination phase.
4	There are security systems in place to control access to material assets.	1	The Relay Torch is secured in a locked cabinet in a location with limited access.
5	Commitments do not exceed the program budget. Costs incurred to manage the program are reasonable, authorized and do not exceed the budget and are in compliance with applicable policies and procedures (Expected vs. Actual)	2	Uncertainties whether current budget will be sufficient to cover demand. Conversely, there is an uncertainty whether the funds allocated for these initiatives will be sufficient to cover funding requests. Politically sensitive file.
6	The information reported by recipients (such as Cash Flow, budget, financial statements and activity reports) are being reviewed regularly by appropriate financial personnel and communicated to the upper management for review and approval.	1	Evidence gathered through the interviews, 2 walkthroughs and review of policies, guidelines, the Terms and Conditions, and contribution agreement.
Risk Management			
7	A risk assessment initiative has been performed and documented by the organization. All major risks and risk level have been established, identified and communicated to all management. Risk management is a key consideration in strategic, business, and operational planning and is integrated into the planning process. Potential risks for which there are no contingency plans are identified, assessed and monitored. Furthermore, a detailed plan has been elaborated to ensure that risk mitigation strategies were defined and	3	There is no evidence of a risk assessment being conducted or a process for monitoring risk and mitigation strategies. The Directorate relies on an informal process and uses ad hoc mitigation strategies to address each situation. The Olympic and Paralympic Torch Relays and its initiatives do not appear in the Branch's Business plan. For Olympic Opening Ceremony, there is a reliance on the risk assessments conducted by VANOC. Due to the complexity, short lifecycle and public sensitivities of these events, the Directorate determines a level of tolerance for each risk.

	staff has been designated to implement the activities in a timely manner.		
Performance and Results			
8	An appropriate governance structure and mechanisms are in place and being followed to ensure sound decisions are made (e.g. equitable, transparent, and justifiable as well as applicant privacy and security). In addition, the organization has policies, guidelines and procedures that demonstrate requirement for transparency, ethics and conflict of interest.	1	Evidence gathered through interviews and review of the Olympic and Paralympic Torch Relay Committee Terms of Reference and the minutes, minutes from the weekly calls with the Regions and through review of the Terms and Condition and the integrated Results-based Management and Accountability Framework/Risk-Based Audit Framework. Values and Ethics are reviewed through group meetings/presentation and required training. Transparency is evidenced by the upcoming posting of request for application for the Youth Initiatives.
9	The program activities and objectives are appropriately defined, measurable and attainable.	3	Review of the Treasury Board Submission, Celebrate and Commemorate Program Terms and Conditions, Branch Business Plan and interviews established that the activities were appropriately defined. There are however, questions whether the Initiatives requirements and objectives are attainable. There was no evidence that the Directorate had formal method of collecting and reporting on activities and performance measurement.
10	Key documents properly articulate the linkages between the Program and departmental objectives and priorities.	1	Evidence gathered through review of Terms and Conditions and the integrated Results-based Management and Accountability Framework/Risk-Based Audit Framework.
Information used for decision-making			
11	The information on Performance and Financial reporting is reliable, prepared in a timely	1	Evidence gathered through review of Grants and Contributions Information Management System procedures,

	manner and useful to program managers		walkthrough and examination of the Olympic Opening Ceremony File. (Not applicable for Olympic Torch Relay)
Accountability			
12	The policies, procedures, roles, responsibilities and accountability are defined and communicated to comply with regulations, policies and conditions regarding the program and to ensure proper operational controls are in place. The organization's accountability in support of the initiatives is formally defined.	3	Evidence gathered through review of policies, procedures and guidelines, Terms and Conditions, operational control in the Region, Treasury Board Submission and interviews. There are no formal processes and procedures to indicate that the accountability for the Olympic Opening Ceremony and Olympic Torch Relays Initiatives rests with the Directorate.
13	Establishment and documentation of clear and effective organizational structure.	3	Evidence gathered through the review of organizational chart and interviews. No accountability framework established by the Directorate.
Contribution Agreements			
14	Funds provided to the recipients respect the Terms and Conditions established in the Contribution Agreement	1	Evidence gathered through interviews and the review of agreements with VANOC, Terms and Conditions and walkthrough. (not applicable for Olympic Torch Relay)
Grants			
15	Applications are consistently assessed against approved eligibility criteria. When greater diligence is required, additional review procedures exist and are followed. Funding decisions are fair, transparent, and free of bias and based on program conditions.	1	Evidence gathered through interviews and the review of guidelines for the Olympic Torch Relay Communities, Terms and Conditions and walkthrough in the Regions. (Not applicable for Olympic Opening Ceremony)
Service Delivery Standards			
16	An appropriate method of public communication is used to inform the target audience and its effectiveness is periodically	2	Evidence gathered through interviews and review of the guidelines for the Olympic Torch Relay Communities. At the time of engagement, the Youth

	reassessed.		initiative component did not have criteria or guidelines developed. However, deadlines had already been set. The risk increases every day that delays continue.
17	Applications are completed with reasonable and equitable PCH assistance.	1	Evidence gathered through interviews and walkthrough in the Regions
18	Standard operating procedures for service delivery and systems to ensure quality have been developed	1	Fieldwork showed that service standards were defined as 4 weeks. The Youth Initiatives criteria and guidelines had not yet been developed.