



COUNCIL REPORT

Report Date: May 7, 2026
Contact: Mike Macdonell
Contact No.: 604.873.7134
RTS No.: 18652
VanRIMS No.: 08-2000-20
Meeting Date: June 2, 2026
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: Chair of the Auditor General Committee
SUBJECT: Auditor General Committee Recommendations Transmittal Report

Recommendations

THAT Council approve the recommendations from the meeting of the Auditor General Committee held on May 7, 2026, as follows:

THAT Council endorse the ten recommendations in the Auditor General's Report dated April 30, 2026, entitled "Audit of Community Grants";

FURTHER THAT Council direct staff to report back to Council by Spring 2027 on the implementation work of the recommendations with specific attention to changes and improvements to achieve demonstrable alignment to Council priorities as a best practice ongoing and at the commencement of each term, adoption of mid-term reviews to report to Council on key outcomes and alignment with Council priorities, defining best practice metrics with regard to efficiency and costs of grant administration, potential to adopt strategies such as time bound streams and other practices that allow the grants program to effectively support ongoing and emerging needs in the City, and achieving greater transparency for the public and potential grantees through practices such as publishing evaluation assessment criteria for clear and improved transparency.

Council Authority/Previous Decisions

On [November 4, 2020](#), pursuant to [Section 161](#) of the *Vancouver Charter*, Council established an Auditor General Committee to provide oversight to the Office of the Auditor General on behalf of Council.

Pursuant to the [Procedure By-law 5.9](#), each standing committee is to report to Council on all matters resolved.

Per the [Auditor General By-law 3.14](#), the Office of the Auditor General will report directly to Council on any investigations or inquiries conducted by the Auditor General.

Context and Background

At the Auditor General Committee meeting on May 7, 2026, the Committee considered one report and one presentation, and made the recommendations identified above.

The reports and corresponding presentations are attached for reference:

- Appendix A: “Audit of Community Grants” dated April 30, 2026, and Presentation as provided alongside the report at the Auditor General Committee meeting of May 7, 2026.

Conclusion

This Report transmits the recommendations made by the Auditor General Committee at its meeting on May 7, 2026, for Council’s consideration, along with the associated report.

* * * * *

Audit of

Community Grants



An independent audit report

April 2026

Performance Audits

A performance audit is an independent, objective and systematic assessment of how well government is managing its activities, responsibilities and resources. We select audit topics based on their significance. While the Office of the Auditor General (OAG) may comment on policy implementation in a performance audit, we do not comment on the merits of a policy.

Performance audits are planned, performed and reported in accordance with professional auditing standards and OAG policies. They are conducted by qualified auditors who:

- Establish audit objectives and criteria for the assessment of performance;
- Gather the evidence necessary to assess performance against the criteria;
- Report both positive and negative findings;
- Conclude against the established audit objectives; and,
- Make recommendations for improvement when there are significant differences between criteria and assessed performance.

Performance audits contribute to a public service that is ethical and effective and a civic administration that is accountable to taxpayers and its elected officials.

Message from the Auditor General

To the Mayor and Council of the City of Vancouver,

I am pleased to present this report on my office's performance audit of Community Grants.

I undertook this audit at the urging of several members of Council, both past and present. It is also a subject that is near and dear to me – in my personal life I've had experience building and working with competitive grant processes in philanthropic organizations. So, I understand the impact effective granting programs can have in communities. I also have an in-depth appreciation of the level of transparency and extent of documentation that exists in leading charitable organizations, where expectations for transparency and the need for sufficient evidence to withstand objective review are high. I would argue that it is reasonable for the expectations of governments spending taxpayer dollars to be even higher.

This was an audit that I had intended to conduct two years ago but deferred at the request of management to allow time to implement process improvements that had been recommended in an internal review.

We found City staff engaged in community grants to be dedicated, diligent and passionate about their work. And indeed, we encountered many good practices, such as clearly defined and communicated eligibility criteria for grant streams, and objective, weighted assessment criteria for grant applications.

When it comes to the distribution of public money there is a reasonable expectation that processes will be fair, objective and transparent, and perceived to be without favoritism and bias. When it comes to the distribution of tax dollars, it's not enough to say due diligence has been exercised, it must also be provable.

As objective third party observers, we did not always find sufficient documentation to support the recommendations made to Council. There is a risk of unchecked bias when adjudication processes are not well documented and transparent. This is the risk we are highlighting, the existence of which the department does not appear to fully accept in its action plan for recommendations five and seven.

The report contains 10 recommendations for improving the management of community grants. Fully actioning these recommendations would contribute greatly towards mitigating the risk noted above.

The City's response notes a benchmark study of the grant programs of other municipal governments. While implementation of the recommendations from this study was outside of the

audit's scope, I would observe that there are many other good practices available across the philanthropic sector – organizations that specialize in grants to the not-for-profit community – in addition to other local governments. I believe that the City can learn from these practices and raise their level of accountability for the millions of Vancouver taxpayer dollars it distributes.

The report notes the distinction between contributory and attributive grant programs, highlighting the need for greater clarity regarding this distinction and the need for explicit conversations at the Council table about the relative value of impactful granting – moving the needle on matters of social significance – vs. contributory grants, the impacts of which are more intangible and symbolic. The Arts, Culture and Community Services department (ACCS) has committed to doing this with the next Council and I look forward to observing this discussion next year.

I am pleased that ACCS has accepted the report's 10 recommendations, albeit with some qualifiers. To improve efficiency, the report recommends making ACCS's various grant processes more consistent and reducing workloads by increasing the number of multi-year grants and considering the number of grants overall. This should mitigate ACCS concerns regarding additional administrative burden.

The response notes that Council is regularly updated through a variety of means, including Council briefings and weekly Q&A's. The report's recommendation for ACCS to inform Council about its processes and report on key performance indicators are directed towards improving transparency and demonstrating grant program effectiveness through publicly available communications.

I express my thanks to staff from ACCS for their professional engagement and assistance throughout the audit.

s22(1) Personal and Confidential

Mike Macdonell, FCPA, FCA
Auditor General
Vancouver, B.C.
30 April 2026

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Executive Summary

Background

1. The City of Vancouver (the City) provides grants to non-profit organizations (NPOs) to support the delivery of a range of programs, services and infrastructure that aligns with Council strategic and policy priorities. With the support of City grants, NPOs deliver a wide range of community services through childcare centres, neighbourhood houses, theatres, shelters, arts and culture organizations and other community-based social service organizations. Section 206 of the *Vancouver Charter* (the *Charter*) empowers City Council (Council) to provide money grants, including to any charitable institution¹ and any organization deemed by Council to be contributing to the culture, beautification, health or welfare of the City.²
2. Council sets the budget for community grants and has final approval authority over the allocation of grants, acting on staff recommendations. The Arts, Culture and Community Services department (ACCS) provides grants primarily through three program teams. Operating grants support non-profit organizations with operating costs to deliver projects, programs, services, and build capacity. Capital grants support non-profit organizations with facility upgrades and maintenance, planning for space, and for the purchase of space. Council approved 931 individual grants recommended by ACCS totalling \$34.19 million for 2024.
3. Our audit objective was to determine whether the City of Vancouver designed and administered its community grant programs to effectively and efficiently deliver on Council-approved policy and priorities.
 - “Effectively” means having clear and measurable objectives, designing the grant programs to achieve these objectives, and measuring and reporting out on the resulting level of performance to track progress and improve the programs. The audit focus was on whether ACCS could demonstrate its grant programs met stated objectives and achieved intended results.
 - “Efficiently” refers to the optimal use of resources to achieve intended outputs or outcomes through means such as streamlined processes.

What We Concluded

4. We found that ACCS’ grant programs aligned with *Charter* requirements, linked to Council strategic priorities and included good practices to support the effective and efficient delivery of

¹ Section 206(1)(a)

² Section 206(1)(j)

Council-approved policy and priorities through its community grant streams. We also identified opportunities for improvement in several of the areas we examined. Therefore, we concluded that ACCS was partially able to demonstrate that it had designed and administered its community grant programs to effectively and efficiently deliver on Council-approved policy and priorities.

5. This audit report includes findings and recommendations related to grant program planning and design, grants administration and reporting. Implementing the ten recommendations in this report will support ACCS in strengthening the design and administration of its community grant programs.

What We Examined

6. The audit covered the period of July 1, 2023, to June 30, 2025. The audit also included materials produced prior to July 1, 2023, that were used as policies, guidance or administrative processes during the audit period.
7. The audit did not include grants administered by other City departments.

What We Found

Grant Program Planning and Design

8. We examined the policies, processes and objectives in place to support stewardship of grant funding to determine whether the grant programs had the necessary components for effective administration. ACCS established goals that aligned with broader Council strategies for each of the 19 grant streams we reviewed, which is a positive foundation from which to build. However, we identified several areas where ACCS did not fully meet our audit criteria, and we found opportunities for improvement.
9. ACCS developed specific, realistic and measurable grant program objectives, for some but not all grant streams, in order to support the City to assess the intended impact of the funding it provides. Although ACCS captured data across 40 metrics, it had not developed performance measurement frameworks to bridge objectives and intended impacts and to support measurement of those impacts. This gap meant that although Council received information about grant-funded activities relative to Council-established and program-specific priorities, it did not receive assessments on how well Council or departmental objectives were being met. Metrics for administrative efficiency were also not captured or provided.
10. While ACCS had identified high-level grant administration-related risks, it did not have a risk register specific to its grant programs, documented risk management plans or strategies to help

identify appropriate risk treatments and establish monitoring processes to ensure risk responses were carried out effectively. An effective risk register is part of a risk management process that helps to “right size” administrative practices by focusing efforts on high-risk areas, while considering factors such as accessibility, equity and access and improving efficiencies.

11. ACCS had grants-related policies, processes, standard operating procedures, and workplans across its granting teams, but with very little uniformity or consistency between them to ensure efficient and effective practice.

Grants Administration

12. ACCS developed and applied some appropriate processes in each of its grant programs to support effective delivery, within the sample that we reviewed. ACCS had good practices in place for promoting grant opportunities and had established clear eligibility requirements for potential applicants. ACCS provided potential applicants with clear, accessible information on the purpose of grant programs, eligibility criteria, funding limits, and timelines. Additionally, ACCS supported applicants with resources to navigate its online grant management system, and most applicants the department surveyed described the application process as straightforward, easy to navigate, and streamlined.
13. However, ACCS did not consistently define all components of the assessment criteria used for selecting grant recipients. Of the 14 grant streams we reviewed that were part of the regular grant process³, ACCS created clear scoring guides and weighted merit criteria for just five. For the remaining nine, gaps in defined criteria and/or weights made it unclear how applications were to be evaluated. For seven⁴ of the 14 streams, ACCS did not publish the merit criteria or their weightings, limiting transparency and applicants’ understanding of how grants would be assessed.
14. ACCS had processes to assess and recommend grant applications for Council approval and was able to provide explanations for how recommendations were arrived at. However we found that documentation of selection and assessment outcomes should be improved in the majority

³ Communities and Artists Shifting Culture, Cultural Operating Funding (Annual), Cultural Operating Funding (Institutions), Small Grants for Cultural Spaces, Cultural Operating (Infrastructure), Theatre Rental, Childcare Enhancement, Core Support, Childcare Small Capital, Small Social Capital, Building Safer Communities, Renter Services, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading

⁴ Theatre Rental, Childcare Small Capital, Small Social Capital, Building Safer Communities, Renter Services, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading

of the streams we reviewed (14 out of 19⁵): Four of seven Arts and Culture streams⁶, the three Housing and Homelessness streams⁷, and all but two Social Policy streams.⁸ Adequate records clearly demonstrate that grant recipients have been selected in accordance with clear criteria, and support fairness, objectivity and the achievement of public policy objectives.

15. ACCS had grant agreements in place which clearly outlined grant terms and expectations to help ensure funding was used as intended, with some exceptions. We noted that the grant agreements used for six grant streams⁹ in our sample did not require final reporting at the conclusion of the grant term. ACCS explained that because they sought reporting from grant recipients in the following year's application, they did not include this requirement in the grant agreement. This process creates a potential accountability gap for these six streams because if the grant is not reapplied for, the City would not receive a report on the past year's use of funds. Although all applicants reapplied during the audit period and reports were received, reporting expectations should be outlined in the grant agreement to promote a shared understanding among all parties and allow for timely monitoring of outcomes.

Information to Council

16. ACCS provides Council with information on grants at several different junctures in the grant lifecycle. These reporting touchpoints present an opportunity for ACCS to demonstrate progress toward performance targets aligned with its objectives, which would provide Council with a more complete picture to understand and assess the information being reported and the effectiveness and efficiency of the grant programs.

Recommendations

17. The recommendations in Exhibit 1 are intended to assist ACCS in continuing to strengthen the administration of community grants. ACCS has developed action plans in response to these recommendations (see Appendix A: Response and Action Plans from ACCS).

⁵ Core Support (Annual), Core Support (Multi-year), Building Safer Communities, Childcare Small Capital, New Full Day Partner Space, Neighbourhood House Capital, Cultural Operating (Institutions), Cultural Operating (Multi-year), Small Grants for Cultural Spaces, Theatre Rental, Single Room Occupancy (SRO) Upgrading, Chinatown Housing Partnership, Renter Services

⁶ Cultural Operating (Institutions), Cultural Operating (Multi-year), Small Grants for Cultural Spaces, Theatre Rental

⁷ Single Room Occupancy (SRO) Upgrading, Chinatown Housing Partnership, Renter Services

⁸ The two exceptions were Childcare Enhancement, and Small Social Capital

⁹ Social Core Support, Building Safer Communities, Childcare Enhancement, Renter Services, Core Support (Multi-year), Cultural Operating – (Multi-year)

Exhibit 1: Themes and Summary of Recommendations

| Themes | Recommendations |
|---|---|
| <p>Grant Program Planning and Design</p> | <p>1. ACCS should create measurable objectives for all grant programs, demonstrate how they align with Council priorities, determine if their intent is attribution or contribution, and develop a grant balance aligned with these considerations.</p> |
| | <p>2. ACCS should develop performance measurement frameworks for its grant programs to ensure performance data is well-connected to grant stream objectives.</p> |
| | <p>3. Building on the granting risks ACCS has identified, ACCS should improve its risk-assessment process by developing and monitoring a grant risk register that documents:</p> <ul style="list-style-type: none"> • Risks in each granting area; • Likelihood and consequences of identified risks; • Appropriate risk treatments; and, • Monitoring activities to ensure the risk register remains relevant and actionable over time. |
| | <p>4. ACCS should enhance the efficiency of its grant programs by improving guidance for processes and decisions that apply across the grant lifecycle, through establishing:</p> <ul style="list-style-type: none"> • A clear definition of a grant; • Minimum requirements and guidance developed from the results of the risk-assessment process for each phase of the grant lifecycle; • Circumstances and processes for new grant opportunities and one-time direct award grants; and, • Standardized and consistent practices, as appropriate, across granting streams. |
| <p>Grants Administration</p> | <p>5. To strengthen its grant assessment processes, ACCS should:</p> <ul style="list-style-type: none"> • Develop clear assessment criteria aligned with each grant stream’s objective, including their respective weightings and rating scales (scoring guides); • Communicate assessment criteria to potential applicants to ensure transparency in granting decisions; and, • Document internal guidance to promote consistent, objective and appropriate assessment of applications across grant assessors. |

| | |
|-------------------------|---|
| | <p>6. To enhance operational efficiency while also increasing funding certainty for grant recipients, ACCS should assess the opportunity to build upon its existing multi-year operating grant streams to increase the proportion of multi-year grants relative to one-year grants.</p> |
| | <p>7. ACCS should review its grant assessment methods and tools, and improve documentation of factors considered during the grant assessment process to ensure that complete records are maintained that support grant recommendations to Council.</p> |
| | <p>8. The City should review and update its grant agreements to ensure they include reporting requirements where lacking.</p> |
| | <p>9. In alignment with a risk-based approach to granting, the City should establish grant monitoring activities proportionate to grant risk and ensure that each ACCS granting team develops corresponding monitoring protocols.</p> |
| <p>Reporting</p> | <p>10. ACCS should:</p> <ul style="list-style-type: none"> • Inform Council about the processes used to arrive at grant recommendations; and, • Report to Council on key performance indicators. |

Main Report

1. Introduction

1.1 Background & Context

18. The City of Vancouver (the City) provides grants to non-profit organizations (NPOs) to support the delivery of a range of programs, services and infrastructure that aligns with Council strategic and policy priorities. With the support of City grants, NPOs deliver a wide range of community services through childcare centres, neighbourhood houses, theatres, shelters, arts and culture organizations and other community-based social service organizations. Section 206 of the *Vancouver Charter* (the *Charter*) allows City Council (Council) to provide money grants, including to any charitable institution and any organization deemed by Council to be contributing to the culture, beautification, health or welfare of the City.

Grants

A “grant” is the provision of financial assistance by Council under section 206 of the *Vancouver Charter*

Grants may take a variety of forms, including payments made:

- As a result of a competitive or non-competitive selection process;
- Where particular eligibility criteria are satisfied; or,
- On a one-off ad-hoc basis.

Roles and Responsibilities

19. Council sets the budget for community grants and has final approval authority over the allocation of grants, acting on staff recommendations. Council votes on and approves funding to grant packages, and staff manage the application and assessment process.
20. Funding for community grants includes operating and capital grants. Operating grants support NPOs with the costs of delivering projects, services, and building operational capacity. Capital grants help fund infrastructure and support NPOs with facility upgrades and maintenance, planning for space, and for the purchase of space.
21. The annual budget for operating grants has been generally consistent over the past three years, based on the prior year’s amount plus an adjustment for inflation and other considerations. The annual grant budget is not tied to specific funding needs, with some individual exceptions for one-time only grants to fund priority areas.
22. Funding allocations for capital grants are determined through the City’s four-year capital plan with some funding from the Province of British Columbia through the Provincial Childcare

Memorandum of Understanding (MOU). Council approves the annual capital budget, which sets the overall allocation for capital grants.

23. The majority of ACCS grants are administered by three teams within the ACCS department: Arts and Culture, Social Policy and Projects (Social Policy), and Housing and Homelessness Services. ACCS management and staff within these teams are responsible for establishing eligibility criteria, preparing notices for application, and assessing applications. Review teams also include staff from other City business areas and, in some cases, external/peer reviewers. Within ACCS, the three teams include some data related to specific grant stream recommendations in their Council reports, and the Departmental Services and Partnerships Team supports ACCS grants administration by collating information on Council-approved grants into quarterly reports to Council and compiling public-facing reports with data provided by each of the granting teams. Staff told us the team is also responsible for the Grant Management System (VanApply).
24. Other City departments provide some support to ACCS' grants administration including Financial Services positions nested in ACCS to provide support in releasing funding to applicants as well as support from the Legal Services department and Real Estate, Environment and Facilities Management.

Areas Supported

25. ACCS grants across the Arts and Culture, Social Policy and Housing and Homelessness teams support several areas:

Figure 1: Examples of Areas Supported by ACCS Grants

| ACCS Team | Examples of Areas Supported by Grants |
|---|--|
| Arts and Culture | <ul style="list-style-type: none"> • Projects, operations and capacity-building initiatives to enrich cultural programs and services and provide space for artists and cultural groups to engage the public in diverse cultural experiences. • Cultural space capital projects including those aligned with civic priorities and capital projects to support life safety repairs/upgrades. |
| Social Policy and Projects (Community Service grants, including childcare) | <ul style="list-style-type: none"> • Direct delivery of social services in the City, organizational capacity building in the nonprofit sector, Indigenous healing and wellness, and neighbourhood houses across the City. • Social infrastructure improvements that enhance health and safety, resiliency, food security and accessibility for vulnerable populations and equity-seeking groups including sex trade workers, survivors of sexual |

| | |
|---------------------------------|--|
| | <p>violence, Indigenous communities, people with disabilities, families and seniors.</p> <ul style="list-style-type: none"> • The creation, enhancement and expansion of childcare programs. • Capital upgrades to support accessibility and health and safety of childcare programs. |
| Housing and Homelessness | <ul style="list-style-type: none"> • Delivery of programs and projects to benefit people experiencing or at risk of homelessness, people living in supportive housing, and renters at risk of losing their homes. • Capital improvements and repairs for supportive housing and/or single room occupancy buildings or sites while maintaining affordability for residents (e.g., building envelope repair, new appliances, HVAC systems, fire safety machinery, security systems, art installations and outdoor amenity spaces). |

26. The tables below show a 2024 snapshot of the approved grant distribution between the City’s operating grant portfolios (Figure 2) and capital grant portfolios (Figure 3), totaling \$34.19million across 931 individual grants.

Figure 2: Operating Grants Approved for Fiscal Year 2024 Distribution¹⁰

| Grant Portfolio | Number of Grant Streams | Number of Grants Approved | \$ Approved for Distribution in 2024 |
|-------------------------------------|-------------------------|---------------------------|--------------------------------------|
| Arts and Culture | 15 | 489 | \$14,360,489 |
| Housing and Homelessness | 7 | 36 | \$1,178,000 |
| Social Policy (including Childcare) | 26 | 301 | \$12,348,963 |
| Operating Grants Grand Total | 48 | 826 | \$27,887,452 |

Figure 3: Capital Grants Approved in 2024 (2023-2026 Capital Plan)¹¹

| Grant Portfolio | Number of Grant Streams | Number of Grants Approved | \$ Approved for Distribution in 2024 |
|-------------------------------------|-------------------------|---------------------------|--------------------------------------|
| Arts and Culture | 5 | 43 | \$3,227,447 |
| Housing and Homelessness | 3 | 31 | \$2,415,220 |
| Social Policy (including Childcare) | 6 | 31 | \$655,274 |
| Capital Grants Grand Total | 14 | 105 | \$6,297,941 |

¹⁰ Numbers calculated by OAG based on data provided by ACCS. The numbers reported are for grants distributed in 2024 (this includes grants approved in 2024 and grants approved prior to 2024).

¹¹ As above.

- 27. ACCS grant streams are intended to align with priorities and outcomes articulated in Council-approved strategies, policies and frameworks with a specific focus on social development and cultural sectors and in particular, the priorities of *Vibrant Vancouver: City Council’s Strategic Priorities, 2023-2026*.
- 28. In addition, ACCS grant programs are intended to align with other City frameworks, social policy frameworks and culture strategies.

Grant “streams”

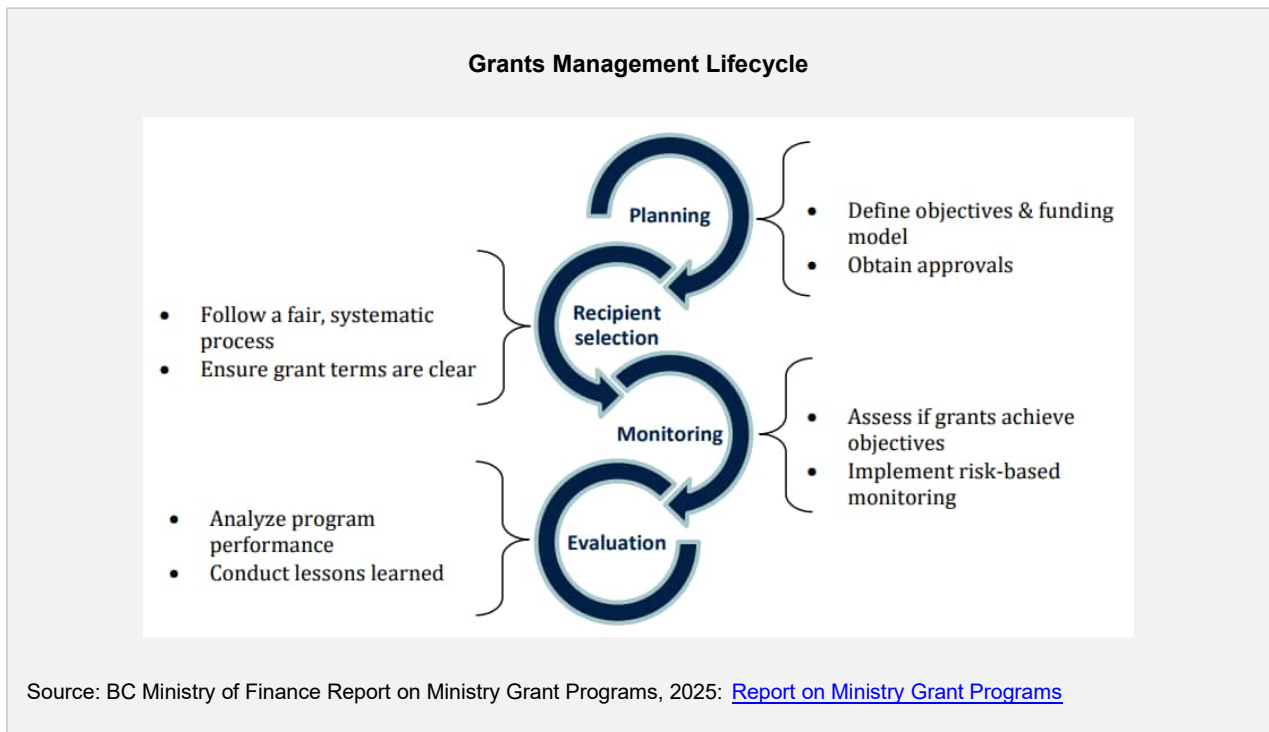
We use “grant stream” to indicate various subsets of grant funding; each grant stream may have specific eligibility and assessment criteria, application and project/program requirements depending on the objectives of the stream.

Examples of grant streams include Cultural Operating, Building Safer Communities and Renter Services, among others.

The Grant Administration Lifecycle

- 29. Grant administration includes processes for planning, recipient selection, monitoring and evaluation. Figure 4 provides a visual overview of four main stages in a grant administration lifecycle. Each of these stages includes multiple activities that we have explored throughout this audit.

Figure 4: Grant Administration Lifecycle



About the Audit

30. The audit objective was to determine whether the City of Vancouver designed and administered its community grant programs to effectively and efficiently deliver on Council-approved policy and priorities.
 - “Effectively” means having clear and measurable objectives, designing the grant programs to achieve these objectives, and measuring and reporting out on the resulting level of performance to track progress and improve the program. The audit focus was on whether ACCS could demonstrate its grant programs met stated objectives and achieved intended results.
 - “Efficiently” refers to the optimal use of resources to achieve given outputs or outcomes through means such as streamlined processes.

31. A performance audit relating to the approval and monitoring of community grants was included in year one of the Office of the Auditor General’s 2025 three-year audit plan.

32. The audit period covered from July 1, 2023, to June 30, 2025. The audit included materials produced prior to July 2023 that were used as policies, guidance or administrative processes during the audit period.

33. The scope of this audit included ACCS-managed grants that were active during the examination period (including multi-year, one-time, and co-funded grants).

34. The scope of this audit did not include:
 - Non-profit leases;
 - Urgent Mental Health and Substance Use Service Enhancements grant awarded to Vancouver Coastal Health Authority (\$4.6 million);
 - Vancouver School Board School Food grant;
 - Grants administered outside of ACCS (e.g., VEMA grants, Greenest City grants, PDS capital grants);
 - Evaluation of specific grant recipients;
 - ACCS’ adherence to or compliance with financial control processes or compliance with corporate policies;
 - Processing approved grant payments via the City’s accounts payable system and EFT transactions; and,
 - Implementation of potential recommendations included in the Council-directed jurisdictional scan “Comparative Review of Municipal Granting Models” September 2024 report.

35. We used several methods to obtain sufficient and appropriate evidence:
- Reviewed ACCS documentation related to the administration of grants including grant program objectives, strategies, frameworks, standard operating procedures, application guides, adjudication matrices and grant agreements;
 - Interviewed, and performed process walkthroughs with staff;
 - Sampled 19 grant streams (10 operating streams and nine capital streams, which was approximately three-quarters of the value of grants disbursed in 2024);
 - Met with several City Councillors; and,
 - Met with representatives from a sample of grant recipient organizations (the organizations were collectively awarded \$1.7 million across 41 separate grants and 18 streams).
36. We reviewed publicly available information about the grant process from several municipalities (Toronto, Ottawa and Edmonton) but did not complete a benchmarking exercise or audit their processes to determine how the City compared to other jurisdictions. Our criteria were created for this audit using a range of sources in accordance with CSAE 3001.
37. For more on this audit, please refer to About the Audit.

2. Conclusion, Findings and Recommendations

Conclusion

38. We found that ACCS' grant programs aligned with *Charter* requirements, linked to Council strategic priorities and included good practices to support the effective and efficient delivery of Council-approved policy and priorities through its community grant streams. We also identified opportunities for improvement in several of the areas we examined. Therefore, we concluded that ACCS was partially able to demonstrate that it had designed and administered its community grant programs to effectively and efficiently deliver on Council-approved policy and priorities.
39. The following report sections describe the audit findings that support our overall conclusion and recommendations.

2.1 Grant Program Planning and Design

What we looked for

40. Like philanthropic organizations, public sector organizations contribute funds to community organizations to achieve strategic priorities and support community wellbeing through well-designed grant programs. Effective grant program design includes identification of specific goals and objectives that are aligned with broader organizational priorities. We looked to see if the City had a robust framework or strategy that clearly articulates its objectives and prioritizes among them.
41. Additionally, we looked to see if the City had a risk-based approach for grants that tailors oversight and reporting requirements according to variables such as amount of money involved, credibility and track record of the recipient, and nature of the funding/project being funded.
42. We examined the policies, processes and objectives in place to support stewardship of grant funding to determine whether the grant programs had necessary components for the effective and efficient administration:
 - Goals that were aligned with Council-approved policy and priorities;
 - Specific, realistic and measurable grant program objectives;
 - A risk management framework and strategy to identify, assess and manage risks related to grants administration; and,
 - Grant policies and procedures to support efficiency and ensure transparency and accountability.

What we found

2.1.1 Every ACCS grant stream we examined was linked with one or more Council strategic priorities

43. Grant schemes must consider and ensure alignment with existing commitments or strategic objectives, such as Council commitments or strategic plans.

44. We reviewed a sample of 19 grant streams (10 operating grant streams¹² and nine capital grant streams¹³) and found that they all linked either directly or indirectly to Council priorities and strategies. Grant streams aligned with one or more of 20 City strategies and priorities ranging from City-wide frameworks that have multiple components, such as the Healthy City Strategy and Culture|Shift, to strategies with a more specific focus such as the Chinatown Cultural District Framework and the Vancouver Music Strategy. See About the Audit for details on the grant streams and associated strategies.
45. Additionally, ACCS had established goals that aligned with broader Council strategies for all of the 19 grant streams we examined. In October 2024, Council approved a proposed structure from ACCS to align social grants with the strategic objectives from “Vibrant Vancouver: City Council’s Strategic Priorities 2023-2026” to facilitate effective and efficient alignment of social grants with current and emerging Council priorities.
46. In 2023 Council directed ACCS to conduct a jurisdictional review of different municipal granting models, which resulted in a commissioned report “Comparative Review of Municipal Granting Models” (Granting Model Review) in October 2024. At the end of the audit period (June 30, 2025), eight months after the report was issued, work to implement the review’s recommendations was underway and not included in the scope of this audit.
47. Because our audit criteria were met, we have no recommendations in this area.

2.1.2 ACCS established only a few specific, realistic and measurable grant program objectives to help translate program goals into actions that would demonstrate their effectiveness

48. Defining program objectives is a core component of designing a grant program so that the success of its different streams can ultimately be assessed and measured. Establishing specific realistic and measurable objectives would assist the City in being able to define the impacts, or value to the community, intended to be achieved through the funding it provides.
49. Although some of the goals described in program streams included statements that could be re-framed as objectives, we found that ACCS established specific, realistic and measurable

¹² Communities and Artists Shifting Culture, Cultural Operating (Annual), Cultural Operating (Institutions), Cultural Operating (Multi-year), Theatre Rental, Childcare Enhancement, Renter Services, Building Safer Community, Core Support (Annual), Core Support (Multi-year)

¹³ Small Grants for Cultural Spaces, Cultural Infrastructure, Making Space for Arts and Culture, Childcare Small Capital, New Full-Day Partner Space, Neighbourhood House Capital, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading, Small Social Capital

objectives for just five¹⁴ of the 19 grant streams we examined. Expanding this practice to all grant streams would provide a bridge between program goals and performance metrics that can help to demonstrate effectiveness.

50. Determining the balance between the number of grants in each stream and the monetary value of each grant is part of assessing the strategic impact of the funding provided. Although we found that grant streams were linked to Council priorities and strategies (as per section 2.1.1), the purpose of community grants was not clearly articulated to support how the grant balance should be determined. For example, if a goal is to support meaningful outcomes or systemic change and attribute the impact back to the City's investment, issuing fewer, larger, multi-year grants could be more effective. In contrast, providing a higher number of smaller

Attribution vs. Contribution Grants

Attribution grants are best suited when a funder's goal is to achieve measurable and attributable results. They tend to be larger, longer-term grants and may not require other simultaneous funders.

Contribution grants are best suited when a funder's goal is a broad reach with diversified community relationships. They tend to support innovation, activities or testing new ideas and may carry the symbolic weight of an organization being supported by the City. Contribution grants align with smaller, more numerous grants with shorter terms and may involve multiple simultaneous funders.

Without clearly articulating the purpose of each grant stream, decisions about grant size, volume, and duration may appear inconsistent or arbitrary and may confuse community goodwill with strategic impact.

grants would support a goal of fostering broader community reach by contributing to change, but potentially with less impact. This distinction, between attribution and contribution, is central to questions about grant size, reach, and strategic intent. This process could be applied to both ongoing grant streams and one-time grant awards. As the City approved 931 grants for one year (2024), ranging in value from \$1,200 to \$1.6 million and linked to more than 20 City strategies, clarifying the objectives and intent of grant programs could improve alignment between recommended grant amounts and the strategies and policies endorsed by Council.

51. Decisions supporting the size and value of the grants within each stream should be tied to measurable objectives that flow from Council priorities, take administrative capacity and sector characteristics into consideration, and have a documented rationale.

¹⁴ Childcare Enhancement, Building Safer Community, Making Space for Arts and Culture, New Full Day Partner Space, Neighbourhood House Capital

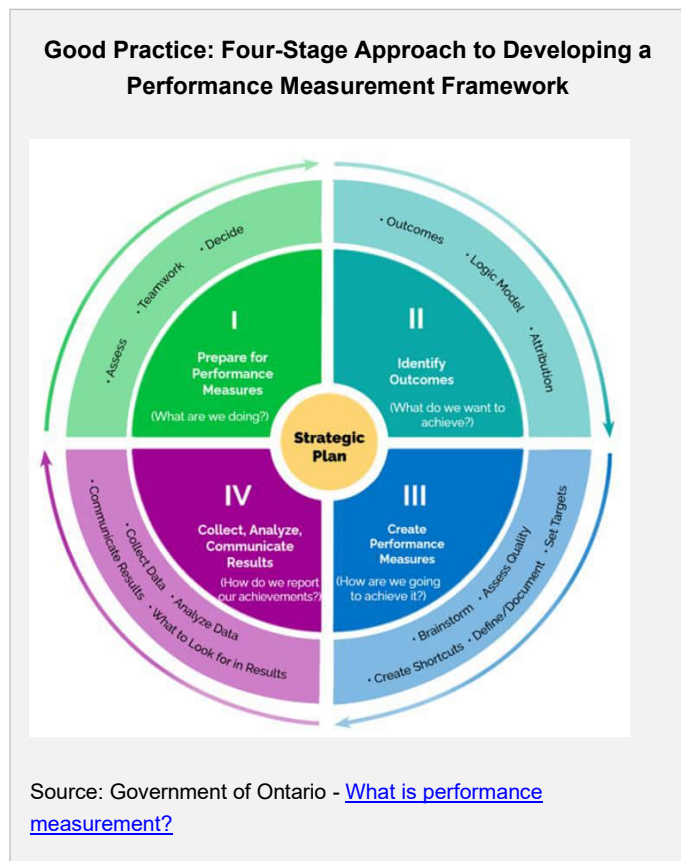
Figure 5: Factors influencing grant balance

| Factor | Fewer Larger Grants | More Smaller Grants |
|----------|--|--|
| Goal | Deep impact and systemic change | Community reach, breadth, pilot projects |
| Capacity | More simple to manage | May take more staff to manage, depending on risk-based decisions on required oversight |
| Sector | Best aligned with a stable and mature sector | Best aligned with emerging, urgent or grassroots focus |

Recommendation 1: ACCS should create measurable objectives for all grant programs, demonstrate how they align with Council priorities, determine if their intent is attribution or contribution, and develop a grant balance aligned with these considerations.

2.1.3 ACCS established metrics linked to its grant programs, however, it lacked a performance measurement framework to help evaluate the progress of grant streams against their objectives and strategic priorities

52. Performance measurement frameworks are management tools that provide a consistent approach for collecting, analysing, utilizing and reporting on the performance of programs and activities; resulting information can be used to assess success and impact, and support continuous improvement. Performance measurement frameworks link a granting entity’s strategic direction and higher-level grant stream goals to individual programmatic objectives through the use of key performance indicators (KPIs). Staff should determine what change is expected as a result of a grant stream (e.g., “what does success look like?”) and then measure the actual results in relation to this expectation (effectiveness). For new grant streams, performance



measurement should be considered at the planning and design stage when key decisions are being made about the approach. For ongoing grant streams for which no performance measurement framework exists, one should be developed to ensure performance data is well-connected to grant stream objectives and useful for overall program monitoring and evaluation.¹⁵

- 53. Where results are not expected to be achieved for many years, performance measures based on short and medium-term steps designed to accomplish the longer-term goals can help signal whether incremental progress is being made. These can be articulated through the use of benchmarks, milestones and targets.
- 54. For activities like granting that demand several administrative steps, performance measurement can be used to assess efficiency against established targets, for example, administrative costs compared to value, or volume of grants awarded, or quality of decision-making processes based on a review of sample assessments.
- 55. ACCS reported on 40 metrics relevant to community grants across multiple reports. While these metrics provided insight into activity levels, they were not linked to objectives (as ACCS did not usually develop grant objectives) and, therefore, results of these metrics were descriptive but not evaluative and could not demonstrate how well ACCS was meeting Council or departmental objectives.

ACCS Principles for Grant Making

1. **Accountability:** Feedback loops with partners to understand City investments and how they influence change.
2. **Equity and inclusion:** Strive to build equity in our communities with accessible grant processes.
3. **Transparency:** Open, transparent, and consistent grant making processes.
4. **Informed decision-making:** Grant making informed by evidence-based research, and informal and formal data sources.
5. **Balanced investment approach:** Balance short, medium and long-term investments so that, while addressing immediate concerns, we never lose sight of our goal of lasting systems change.
6. **Diversity and reconciliation:** Recognize the unique strengths of our many diverse communities by fostering relationships, helping heal the past, and moving forward with shared understanding and respect – working with the context of Vancouver as the unceded homeland of the Musqueam, Squamish and Tsleil-Waututh Nations.
7. **Strategic alignment:** Alignment with Healthy City Strategy goals and related initiatives.
8. **Partnerships:** Relationships with community and funding partners based on trust, respect and transparency.

Source: Adapted from: [Community grants | City of Vancouver](#)

¹⁵ There may be efficiencies to be gained in developing common performance measurement frameworks and metrics across grant streams with cross-cutting themes.

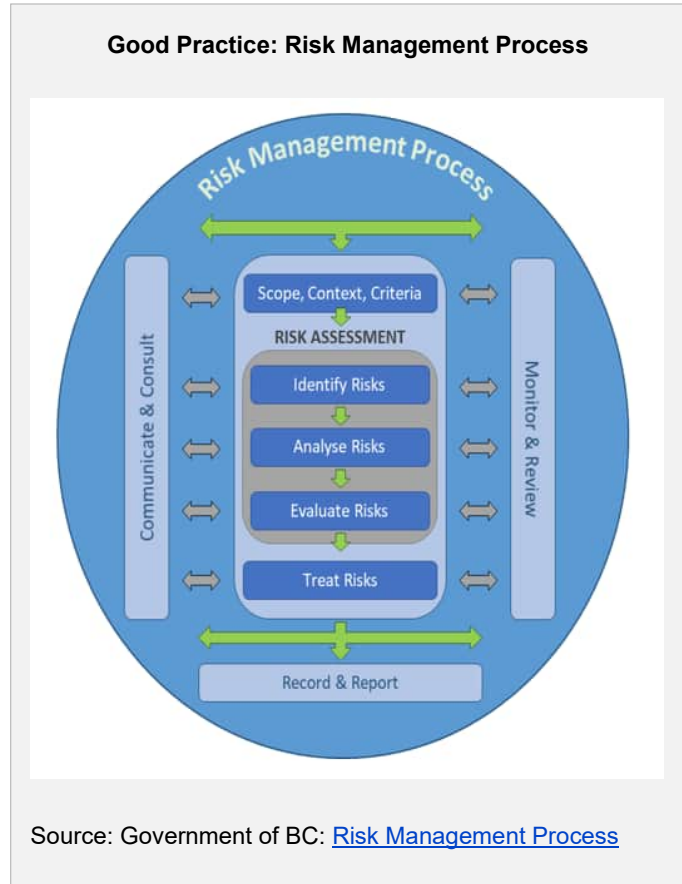
56. The suite of metrics also did not include administrative measures to assess efficiency. Efficiency indicators, such as processing time per application or applications processed per employee can be valuable in assessing whether automation and simplifying processes for grant applicants led to desired improvements.
57. Further, just three of ACCS' granting metrics had targets. Where targets were in place, they focused on meeting dollar values and serving an increased number of organizations through grant funding. For example, the 2025 targets for cultural grants reported in the City's Annual Service Plan included a targeted 2.76 per cent increase in the amount of grant funding awarded to non-profit organizations, along with a larger (9.21 per cent) increase in the number of grants awarded. Without an aim to proportionally increase the amount awarded, achieving this target requires lower value grants (for some) in order to stretch funds across more organizations. This change was not related to impact on intended outcomes.
58. ACCS also established long-term desired trends for five metrics, such as increasing cultural and social grant funding and housing investments. However, granting decisions were not tied to these targets, which were set at a corporate level.

Recommendation 2: ACCS should develop performance measurement frameworks for its grant programs to ensure performance data is well-connected to grant stream objectives.

2.1.4 ACCS identified grant administration-related risks, but did not have a grants risk register or documented risk management plans to manage the risks that were identified

59. Risk is a part of the environment in which government operates. Like other areas of government, understanding, assessing, accepting and managing risk is part of everyday decision-making within grant management. A positive risk culture supported by appropriate frameworks and tools is a key element of grants administration that supports the management of risks and harnessing potential benefits. A risk-based approach to the planning and design of grant programs is a structured process that supports proportionality or "right-sizing" grant administration practices relative to the risks presented by various grant scenarios and factors such as grant size and project complexity. It is evidenced by a documented, tailored risk register that shows resources are prioritized toward the highest risks rather than applied uniformly.

60. Throughout 2023 to 2025, via the City's Enterprise Risk Management (ERM) process, ACCS identified seven high-level risks related to grants administration that fell into four categories: grant recipient compliance, City operational capacity, performance and finance. These risks generally captured the key categories of grant administration risks. Identifying potential risks that could arise during grant cycles is an initial step in managing them. However, the high-level ERM process meant that the risks were not specific enough to be well connected to the individual grant streams and nuances of each area. ACCS did not have a grants risk register, documented risk management plans or strategies to manage the grant administration-related risks that were identified. This points to ACCS considering grant administration risks but not having a risk-based processes to consider risk strategically and methodically across each granting team.



61. A granting risk register and an accompanying documented risk plan or strategy would elaborate on ACCS' identification of risk and consequences by explicitly identifying risks in each granting area as well as appropriate risk treatments as necessary. Risk treatments can reduce the likelihood or impacts of risk events if they occur. By establishing risk monitoring processes to help ensure risk responses are performed as intended, grantors can identify any adjustments as needed.

Recommendation 3: Building on the granting risks ACCS has identified, ACCS should improve its risk-assessment process by developing and monitoring a grant risk register that documents:

- Risks in each granting area;
- Likelihood and consequences of identified risks;
- Appropriate risk treatments; and,
- Monitoring activities to ensure the risk register remains relevant and actionable over time.

2.1.5 City corporate policies and some ACCS guidelines were in place to foster consistency, fairness, transparency and accountability in granting but the City does not have a policy to guide grant administration

62. ACCS' grant policies stem from Council's strategic direction, legislation (i.e. Section 206 of the *Charter*), other corporate policies (e.g., the City's *Conflict of Interest Policy* and *Code of Conduct*) and operating and capital budget funding allocations to ACCS grants.

63. The City does not have a policy to standardize the administration of grants, but specific teams within ACCS had practices in place for some higher risk granting areas:

- The Arts and Culture team had a Council-approved reconsideration policy for Arts and Culture project and operating grants;
- The Arts and Culture team had a "Policy for Reductions in Grants and Termination Grants" that included a provision that cultural operating grant funding at previous-year levels is not guaranteed, specified when reductions over previous year funding could be levied, and outlined the process for notifying an applicant that the grant will be the final grant to the organization; and,
- The Social Policy team used "notification grants" to "deboard" organizations from social policy operating grant streams. Per ACCS' reports to Council, a notification grant awards an organization 50 per cent of previous year's funding with no guarantee of funding in subsequent years. ACCS did not have further guidance on the application of notification grants and told us that they applied them based on historic practice.

64. Additionally, granting teams developed their own processes to support the administration and management of community grants. Guidance varied across teams and ranged from grant management system workflows, project management workplans, principles for grants administration, and newly introduced standard operating procedures for some grant streams. Most of the guidance was grant stream specific and some grant streams such as the Supportive Housing Upgrading grants, and the Chinatown Housing Partnership grants and one-time grant

Good Practice: Standardized Grant Policy and Procedures

Corporate policies and procedures on managing grant payments provide important guidelines and directions for staff in administering grant funds to ensure intended outcomes are achieved in a consistent and accountable way. Canadian examples include:

[City of Edmonton Policy on Municipal Funding Arrangements](#)

[City of Edmonton Procedure on Municipal Funding Arrangements](#)

[City of Ottawa Grants and Contributions Policy](#)

[City of Ottawa Grants and Contributions Procedures](#)

[City of Toronto Community Grants Policy](#)

Policies and procedures include the application of corporate consistency to ensure equitable, fair and transparent treatment of applicants and recipients, and the use of standardized terms and conditions, clauses, reporting methods and monitoring templates, balanced with an assessment of risk and appropriate flexibility.

streams administered over the audit period did not have any formally documented procedures or standard operating procedures for the administration of grants.

65. We were told that given the specificity of each of ACCS' 60+ grant streams, team or stream-specific guidance is necessary. However, as reliance on discretionary decision-making can create risks of unintended outcomes, inconsistencies, and unjustified spending, improvements could be made by developing some uniform standards and guidelines. This could reduce granting risks without compromising granting effectiveness.
66. Standardized grant policies and procedures provide guidance on the common requirements for grants and support workforce flexibility, enabling economies of scale that support efficiency in grants administration. This is particularly relevant since grant administration is an ongoing responsibility of the City and not a one-time occurrence. In addition to consolidating existing guidance, documented common guidance takes the pressure off individual teams from creating their own procedures and supports staff to work across different grant streams as needed.

Recommendation 4: ACCS should enhance the efficiency of its grant programs by improving guidance for processes and decisions that apply across the grant lifecycle through establishing:

- A clear definition of a grant;
- Minimum requirements and guidance developed from the results of the risk-assessment process for each phase of the grant lifecycle;
- Circumstances and processes for new grant opportunities and one-time direct award grants; and,
- Standardized and consistent practices, as appropriate, across granting streams.

2.2 Grants Administration

What we looked for

67. A well-functioning grant program balances flexibility, efficiency, controls and burden to applicants to uphold transparency in applicant selection and accountability for public funds spent.
68. We examined whether ACCS developed and applied appropriate processes to effectively deliver grant programs in alignment with Council-approved policies and priorities. Specifically, we looked for ACCS to have:
- Adequately promoted grant programs to potential applicants;

Good Practice: Proportionality

It is in the public interest that grant programs be run efficiently, in a way that minimizes bureaucracy and maximizes the productive power of the recipient organizations. It is also essential that the City have systems in place to hold recipients properly and reasonably accountable for what is done with the public funds entrusted to them -- commensurate to the amount of funding received. Monitoring and reporting requirements should be streamlined and clearly connected to a demonstrable need.

- Developed clear application processes to collect necessary information to inform recipient selection;
- Grant assessment practices that supported fair and objective decisions consistent with program objectives; and,
- Efficient grant monitoring processes to manage risk and ensure accountability, including the use of clear grant agreements, monitoring practices tailored to project and recipient risk profiles, and timely adjustments based on monitoring results.

What we found

2.2.1 ACCS had good practices in place for promoting grant opportunities to potential applicants and received positive feedback from applicants on the grant application process

69. Effective promotion of grant opportunities helps granting organizations ensure that potential applicants are adequately informed with fair access to funding opportunities. Effective promotion reinforces transparency and accountability within the granting process and can include various approaches such as using diverse media and publication channels, as well as raising awareness among key target groups through approaches tailored to their needs.
70. Grant application processes, including forms and supporting information, should be clear and easy to understand. Information to potential applicants should provide essential details such as eligibility criteria and guidance on where to find additional information to support navigating the process efficiently and effectively.

2.2.1.1 Promotion of Grant Opportunities

71. To understand whether ACCS appropriately promoted grant opportunities to potential applicants, we examined a sample of 14 grant streams¹⁶ that were part of ACCS' regular grant process and designed to have a wide reach. For all 14 grant streams we found that ACCS appropriately promoted grant opportunities to potential applicants through email distribution and postings on the City's website. Cultural team grant opportunities were also featured in the City's "VanCulture" newsletter. To support applicants, ACCS published departmental contact information and a clear scope of assistance available to potential applicants (e.g. accessibility

¹⁶ Communities and Artists Shifting Culture, Cultural Operating (Annual), Cultural Operating (Institutions), Small Grants for Cultural Spaces, Cultural Infrastructure, Theatre Rental, Childcare Enhancement, Core Support (Annual), Childcare Small Capital, Small Social Capital, Building Safer Communities, Renter Services, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading

needs, eligibility questions, application tips). For specific grant streams, ACCS undertook specific promotion activities such as delivering webinar-style training sessions for two streams and translating applicant materials into six languages for social policy core operating grants.

72. We found that ACCS published transparent information on program purpose, eligibility, funding limits and timelines.

2.2.1.2 Online Grant Management System

73. VanApply is the City's online grant management system that supports the grant streams administered by ACCS, including the intake of grant applications. We found that ACCS provided applicants with resources, such as guides and instructional videos, to help navigate the grant application process within VanApply.
74. ACCS used VanApply to support the application process for 17 of the grant streams¹⁷ we sampled. We found that ACCS requested reasonable information from applicants, including a program description, tailored questions aligned with evaluation criteria, estimated program costs and standard corporate details such as information on their board of directors and financial statements.

2.2.1.3 Feedback on the Grant Application Process

75. For three of the Social Policy grant streams we examined (Capital grants, Core Support grants, and Childcare Small Capital grants), ACCS had a process to invite feedback from grant applicants on the grant process, including the online application. Feedback was invited from all applicants to these streams as part of the application process. Of the one-third of applicants who responded, 78 per cent¹⁸ rated the process as positive, describing the grant application as "straight-forward," "easy to navigate," and "streamlined." The feedback collected by ACCS was consistent with input we collected through our own interviews with grant applicants who, in general, told us the City's grant application process using VanApply was straight-forward and that the opportunity to re-use the same information (e.g., organizational bylaws) for each grant application was helpful.

¹⁷ Communities and Artists Shifting Culture, Cultural Operating (Annual), Cultural Operating (Institutions), Cultural Operating (Multi-year), Theatre Rental, Childcare Enhancement, Renter Services, Building Safer Community, Core Support (Annual), Core Support (Multi-year), Small Grants for Cultural Space, Cultural Infrastructure, Making Space for Arts and Culture, Childcare Small Capital, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading, Small Social Capital

¹⁸ Across the three streams, 125/367 (34 per cent) of applicants provided feedback on the grant process. 97/125 (78 per cent) gave positive feedback, 17/125 (14 per cent) gave neutral feedback, and 11/125 (9 per cent) gave negative feedback.

76. Encouraging potentially eligible applicants to apply and creating a straight-forward way to do so helps ensure fairness of the grant programs and helps target available funds towards the most promising projects. Soliciting feedback from grant applicants, as ACCS has done, provides insight into how the process is working for applicants and whether changes are required.
77. Because our audit criteria were met, we have no recommendations in this area.

Good Practice: Online grant management systems

Online application forms and guidance materials for applicants is a good practice for grant management that enables more automated validation and assessment of applications.

Source: Queensland Audit Office, 2022: [Grant management maturity model](#)

2.2.2 ACCS established clear eligibility criteria but did not consistently define all components of the assessment criteria used for selecting grant recipients. Consequently, ACCS did not routinely provide potential applicants with sufficient information for them to understand how applications would be assessed and selected

78. Grant recipient selection involves employing transparent and systematic processes to assess and select grant recipients in a fair and consistent manner. Depending on the grant type and its objectives, grantors may use different approaches for selection and evaluation. For example, these processes can be tailored to the specific needs of the grant and may vary based on whether a competitive or non-competitive selection method is applied.
79. Eligibility and assessment criteria used in grant selection processes are the standards against which the applications will be assessed. Eligibility criteria are the mandatory criteria which applicants must satisfy to qualify for a grant. At minimum, eligibility requirements for ACCS grants must be consistent with Council's authority under section 206 of the *Charter* to provide grants to specific entities such as charities. We found that this eligibility requirement was in place. Specific grant streams may have specialized eligibility criteria aligned with the purpose and intent of that grant

Types of Grant Selection Processes

Competitive grant selection processes generally include comparing applications against each other, evaluating them against eligibility requirements and/or reviewing them based on specific assessment criteria.

Non-competitive grant selection processes may evaluate applications against program criteria and award accordingly, without applications being ranked or compared to other submissions.

Although it is generally considered good practice for government grants to be awarded through a competitive process to ensure best value, there may be circumstances where it is appropriate to award a grant directly to one or more recipients without conducting a competition (e.g. in cases when only one organization can feasibly deliver the services or project). Direct award grants should be accompanied by a clear and defensible justification, with detailed supporting evidence for the decision, such as a business case.

stream. In addition to eligibility criteria, assessment criteria can be used to assess the merits (e.g., the quality, feasibility, impact and need for a project or services) of the application and proposed project or services. For competitive grants, assessment results can be used to rank applications and inform grant recommendations for awarding funds to selected recipients.

80. Eligibility and assessment criteria are usually distinct. Eligibility criteria are developed to enable an objective decision and are typically either ‘met’ or ‘not met,’ whereas assessment criteria are usually evaluated on a scale as a means of measuring relative merit. Assigning weights to merit criteria helps to prioritize key criteria through proportionally larger available score (e.g., 15 per cent for a demonstrated community need; 20 per cent for a feasible and clear project plan with a realistic, balanced budget). The addition of a scoring guide provides a structured, transparent and fair approach to support grant assessors in scoring applications that supports efficient, equitable and objective assessments.

2.2.2.1 Assessment Criteria and Scoring Guides

81. We reviewed 17 grant streams to understand the criteria ACCS had in place to select grant recipients.¹⁹ We found that ACCS established clear eligibility criteria for each of the grant streams we examined.
82. For 14 of the grant streams we examined, we found that in addition to eligibility criteria, ACCS developed assessment criteria that aligned with the overarching goals of the stream. The remaining three streams did not have documented assessment criteria, which we considered appropriate given the context of the grants, as follows:

Evaluating grant applications using a scoring guide and scoring weights

Typically, grant applications will be reviewed using a **scoring guide**, or rubric that provides a score for a specific criterion (e.g. project impact, organizational capacity, project plan etc.)

Not all criteria are equally important, so a **scoring weight** will be assigned to each criterion to determine how much each contributes to the total score (10 per cent, 50 per cent etc.).

Guides help to ensure consistent, objective, and fair evaluation by all reviewers, and weights help to prioritize which criteria matter the most.

- Supportive Housing Upgrading grants were designed to be administered on a rolling basis to eligible applicants without further competition;
- Theatre Rental grants had several assessment steps, including an initial pre-qualification process that involved meetings with applicants prior to the venue booking process; and,

¹⁹ We did not test the Neighbourhood House Capital grant and New Full Day Partner Space grant (together awarded as a single \$9.7 million grant) on this criterion as funding was directly awarded to one recipient to advance a specific policy outcome. We noted that staff used the eligibility established by section 206 of the *Charter*.

- A \$1.5 million Making Spaces for Arts and Culture grant was designed to facilitate a direct award to support property acquisition for a non-profit dance centre and relied on the eligibility established through a different grant stream with a shared goal.
83. In five grant streams (Core Support, Communities and Artists Supporting Culture, Cultural Operating Annual, Cultural Operating Institutions and Childcare Enhancement), we found that ACCS developed weightings for the assessment criteria and scoring guides with clear definitions that could support scoring and assessment.
84. However, for nine grant streams²⁰, ACCS did not fully establish each of these components, as summarized below:
- For both the Social Policy multi-year grant stream and the Arts and Culture multi-year grant stream, grants were awarded to all applicants who had been invited into the program. ACCS had documented assessment criteria on how applicants were selected for invitation, and we were told that organizations were invited based on information from previous applications; however, ACCS did not maintain a record that summarized how the criteria were applied to select which organizations would receive multi-year funding;
 - For a one-time, non-competitive grant stream designed to support capital upgrades in single room accommodation-designated buildings owned by historic non-profit Chinatown cultural organizations (Chinatown Housing Partnership grants), ACCS had established criteria for eligible activities and maintained documentation relevant to granting decisions, but it did not include a record of the assessments against the criteria;
 - For three grant streams administered by the Social Policy grants team (Building Safer Communities, Small Social Capital, and Childcare Small Capital), ACCS created a scoring guide but did not weight the assessment criteria, making it harder to ensure reviewers prioritized applicants most likely to meet the objectives over those meeting less critical criteria; and,
 - For three grant streams, Renter Services, Small Grants for Cultural Spaces and Cultural Infrastructure, ACCS had established weights for assessment criteria, but no scoring guide.

2.2.2.2 Guidance for Grant Assessors

85. Grant review panels were assembled from ACCS staff and external subject matter experts, depending on grant stream. Grant review panels assessed grant applications and

²⁰ Small Grants for Cultural Spaces, Cultural Infrastructure, Theatre Rental, Core Support, Childcare Small Capital, Small Social Capital, Building Safer Communities Fund, Renter Services, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading

recommended grant amounts. Grant assessors evaluated project feasibility, reviewed financial information and applied scores to assess and rank applications. The involvement of external experts is a common and good practice, and when functioning properly the processes utilized by ACCS should help ensure high scoring applications are prioritized.

86. However, as a result of not consistently having all components of assessment criteria defined, we found that ACCS' grant assessors did not always have clear guidance to inform their evaluations of grant applications.
87. For example, we found that although ACCS provided broad descriptions of anticipated funding ranges for each grant stream²¹ it did not consistently document how individual funding amounts within these ranges were to be determined. Instead, ACCS offered some internal guidance to staff on setting appropriate grant amounts within a range, depending on the stream. ACCS indicated that because the total funding requested by successful applicants exceeded available funding, staff allocated amounts lower than requested largely based on prior-year funding levels, with some consideration for inflationary adjustments. This process resulted in funding decisions based on historical allocations rather than a needs-based assessment based on predefined criteria.

2.2.2.3 Communicating assessment criteria to potential applicants

88. Clear and transparent information about the selection process helps applicants understand the factors being scored and their relative importance, enabling them to align their applications with City priorities.
89. We examined 14 grant streams that were part of ACCS' regular grant cycle. For six grant streams²², ACCS provided assessment criteria to potential applicants through information guides and/or via the City's website. However, for eight streams²³, ACCS did not publish information on the assessment criteria used to assess and select grant applicants, or the relative weightings assessors would assign to those criteria. This reduced transparency on how application merit and alignment with City priorities would be considered during the assessment process.

²¹ Information on funding ranges included the minimum and maximum amounts that applicants could receive

²² Communities and Artists Shifting Culture, Cultural Operating (Annual), Cultural Operating (Institutions), Small Grants for Cultural Spaces, Cultural Infrastructure, Childcare Enhancement

²³ Theatre Rental, Core Support, Childcare Small Capital, Small Social Capital, Building Safer Communities Fund, Renter Services, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading

90. Overall, while ACCS established comprehensive eligibility criteria for the grant streams we examined, it did not consistently develop and utilize all components of assessment criteria for all grant streams. In most cases, key elements such as documented criteria, weightings and scoring guides were incomplete or absent, reducing the ability of grant assessors to apply evaluations objectively and consistently. This inconsistency also affected transparent communication with applicants, limiting the ability to disclose assessment criteria and their relative importance. Strengthening the definition and application of assessment components, along with clear guidance for assessors and transparent communication to applicants, will help ensure fairness, objectivity, consistency and alignment with City priorities in future grant allocations.
91. We noted that both ACCS' Social Policy and Arts and Culture teams administered three-year operating grants. Although multi-year grants are dependent on annual budget approvals, available funding and Council priorities, they are considered advantageous for reducing the administrative burden for both applicants and staff and also for creating conditional funding certainty among grant recipients, both of which serve to optimize the value of grant funding. The multi-year cultural grants were structured as one-year agreements pre-approved for three years. This reduced ACCS' administrative workload while protecting the City from unexpected changes, since it was contractually committed for only one year at a time. In contrast, Social Policy's multi-year grants were approved and contractually committed for all three years, with funding for the second- and third-year contingent on recipients reporting their results and Council's approval of the annual operating budget. With some adjustments to the existing selection processes, there is an opportunity to expand the use of the multi-year grants to harness these advantages, which aligns with Council direction and recommendations provided in the Granting Model Review.

Recommendation 5:

To strengthen its grant assessment processes, ACCS should:

- Develop clear assessment criteria aligned with each grant stream's objective, including their respective weightings and rating scales (scoring guides);
- Communicate assessment criteria to potential applicants to ensure transparency in granting decisions; and,
- Document internal guidance to promote consistent, objective and appropriate assessment of applications across grant assessors.

Recommendation 6:

To enhance operational efficiency while also increasing funding certainty for grant recipients, ACCS should assess the opportunity to build upon its existing multi-year operating grant streams to increase the proportion of multi-year grants relative to one-year grants.

2.2.3 ACCS had processes to assess and recommend grant applications for Council approval but improvements should be made to departmental record keeping

92. Granting organizations are expected to maintain sufficient documentation to support their funding decisions and to demonstrate that grant recipients are selected in accordance with documented criteria. Documentation should be accurate, concise, clear and sufficient to withstand objective review for both ongoing grant streams and one-time grant awards. Because demand for grant funding will almost always exceed available resources, clear and transparent processes are essential to foster confidence in the fairness and integrity of the granting process.
93. ACCS had several steps in its assessment process for ongoing, competitive grants streams, the first of which included scores assigned to organizations based on a review of their application. ACCS explained that the subsequent steps in the assessment process included discussions of the alignment of the application with factors such as the alignment with Vibrant Vancouver (Council priorities), balance among program characteristics (e.g. seniors programs vs youth programs), continuity with prior year grants, and the viability of the application.
94. We examined ACCS documentation of final reviewer assessments and rationale to support recommendations to understand whether decisions were documented and linked to assessment criteria. Overall, we found that documentation on selection and assessment outcomes could be improved in the majority of the streams we sampled (14²⁴ out of 19). Although ACCS was able to explain why applications were selected for recommendation to Council, the notes in its files did not include a summary of the factors considered, quantified and weighted scores related to these factors, specific rationale for how individual grant amounts were determined, or a ranking of the applications.

²⁴ Cultural Operating (Institutions), Cultural Operating (Multi-year), Theatre Rental, Renter Services, Building Safer Community, Core Support (Annual), Core Support (Multi-year), Small Grants for Cultural Spaces, Making Space for Arts and Culture, Childcare Small Capital, New Full-Day Partner Space, Neighbourhood House Capital, Chinatown Housing Partnership, Single Room Occupancy (SRO) Upgrading

95. Incomplete documentation to support the selection of applicants recommended to Council can raise questions about whether departmental decisions were balanced, fair, and objective. Clearly documented selection rationale using scores, consistent qualitative descriptions and/or rankings reduces the risk of real or perceived conscious or unconscious bias in the evaluation process and can support streamlining and clarity in group decision-making. Ultimately, adequate documentation supports fairness and objectivity and Council's ongoing trust in the grant selection and recommendation process.

2.2.3.1 Grant Assessment Process

96. We reviewed the selection processes across a sample of 19 grant streams to understand the assessment processes ACCS used and whether the results of the assessments were connected to grant funding recommendations.
97. For five streams, when reviewing the documentation, we found sufficient connections to independently understand the selections that were made. However, for the remaining 14 streams, the rationale for the recommendations was not summarized or documented sufficiently to be a stand-alone record.
98. For two Social Policy grant streams²⁵ we found appropriate documentation in place that connected assessment results to grant funding recommendations. ACCS assessed applicants, using predefined eligibility and assessment criteria, and applied a clear funding formula based on staffing and priority areas.
99. A grant stream²⁶ designed to provide annual core operating funding declined to recommend five applications that scored the same as or higher (in the first phase of the assessment) than the 25 recommended applications. Although ACCS maintained documentation of the panel discussions, the file did not include a clear summary or rationale for the final recommendations. We found that prior grant history, and whether an applicant had received funding in the previous year was more closely aligned with grant recommendations than the initial scoring of the organization. As the secondary part of the selection process was not quantified and file notes were intended for internal purposes, other factors that led to the recommendations were not apparent without explanations from staff.
- Although ACCS had established criteria to invite applicants into its newly established three-year core operating grant stream, and staff explained how the criteria had been applied and used to decide among eligible applicants it did not retain documented

²⁵ Childcare Enhancement, Small Social Capital

²⁶ Core Support

eligibility assessments. These grants were awarded on a non-competitive basis to applicants who had been invited into the program.

- For the Building Safer Communities grant stream, ACCS had assigned scores to each application but did not include sufficient documentation to support the recommendations.

100. For three Arts and Culture grant streams²⁷, we found appropriate documentation in place that connected assessment results to grant funding recommendations. ACCS scored and ranked applications based on eligibility and assessment criteria. Rankings then informed funding decisions, with higher-scoring applicants generally receiving more funding and lower-scoring applicants receiving less. Where funding amounts were reduced from the requested amounts, we found that ACCS retained documentation that provided a clear rationale. However, for four Arts and Culture grant streams²⁸ we tested, documentation could be improved.
101. For one stream²⁹ designed to grant funds to five major cultural institutions in Vancouver, ACCS used scores to determine whether the City provided more, less or stable grant funding as compared to the previous year's grant with comparatively low scoring applicants eligible for a decrease. We found that the average scores related to the value of the recommended grant in four of five cases. For one application, assessors concluded that the organization was not aligned with the goals of the grant stream (to support the City's Culture|Shift Strategy) but it was still recommended for a \$466,900 and the rationale was not clearly documented.
102. ACCS also established a grant stream to provide arts and cultural organizations with three-year core operating funding. Selected recipients, that were competitively assessed for annual grants in prior years, were invited into the multi-year grant stream when it was established in 2022. Although staff explained how the criteria had been applied to decide which recipients to invite into the multi-year grant stream, it did not retain documented assessments.
103. For a grant stream designed to provide small capital grants for cultural spaces, six applications that scored the same as or higher (in the first phase of the assessment) than the 27 recommended applications were declined. While the adjudication notes for these six applications provided some information on the rationale for declining these projects, the records did not summarize why these applications were declined when others with similar or lower scores were accepted.

²⁷ Communities and Artists Shifting Culture, Cultural Operating (Annual), Cultural Infrastructure

²⁸ Cultural Operating (Institutions), Cultural Operating Funding (Multi-year), Small Capital Grants for Cultural Spaces, Theatre Rental

²⁹ Cultural Operating (Institutions)

104. For the in-kind Theatre Rental grants that provided applicants with use of civic cultural spaces, ACCS had documentation on the requested and recommended funding amounts and described considerations that factored into their decisions but did not maintain documentation that demonstrated how applications had been assessed against the criteria.
105. For the three Housing and Homelessness grant streams³⁰ in our sample we also found that records were not created to be stand-alone documentation of decisions. Therefore, the relationship between the team's assessment and recommendations made to Council were not apparent without staff explanation.
106. For one stream³¹, three of seven grants awarded during the audit period, totaling \$270,000, were provided to an organization that did not meet the eligibility criteria for the grant stream. ACCS explained that eligibility for the capital grant stream was restricted to non-profit organizations that operate *Single Room Accommodation By-law*-designated buildings or eligible private owners. Low grant stream uptake led to the funds being used to support a non-profit organization that partnered with a private owner to support building upgrades to improve the living conditions of residents. Additionally, the services provided by the grant recipient (primarily coordinating staff, repair supplies and stipends to tenants to carry out work) were operating expenses rather than capital upgrades, which was not explicitly stated in the grant recommendation to Council. While we take no exception to the good intent of this grant, it was not aligned with the eligibility criteria and the approved purpose and should have been channelled through a different, appropriate grant stream.
107. For the Chinatown Housing Partnership grants, a one-time grant opportunity was created to allocate \$1.6 million in capital funding among Vancouver's Chinatown's benevolent societies that own and operate SRO buildings. ACCS did not maintain documentation on the evaluation of the applications against the four criteria it had established.
108. The Renters Services grant stream maintained documentation, but it was not strongly connected to the funding recommendations.
109. We also reviewed three grants (Making Space for Arts and Culture; Neighbourhood House Capital and New Full Day Partner Space) that directly awarded funding to a specific recipient or a selection of recipients to advance specific policy outcomes. In these instances, ACCS explained the rationale for recommending a direct award, but the explanation was not documented in the file.

³⁰ Single Room Occupancy (SRO) Upgrading, Chinatown Housing Partnership, Renter Services

³¹ Single Room Occupancy Upgrading

110. Organizations can adopt different approaches to selecting grant recipients based on funding levels and risk, such as the distinction between attribution and contribution. Designing a process that aligns with the specific objectives of a grant can reduce administrative effort for both staff and applicants. This would apply to both ongoing grant streams and one-time grant awards. For example, when grants aim to simply contribute to a specific policy outcome on a one-time basis, it may be sufficient to verify eligibility without using a complex assessment tool, provided clear documentation is retained that demonstrates how eligibility was established.
111. To ensure transparency and integrity of the granting process and mitigate the risks of perceived conscious or unconscious bias, sufficient documentation should be retained that objectively demonstrates that funding decisions were based on established criteria, aligned with grant objectives.

Recommendation 7:

ACCS should review its grant assessment methods and tools, and improve documentation of factors considered during the grant assessment process to ensure that complete records are maintained that support grant recommendations to Council.

2.2.4 ACCS grants were approved by Council and grant agreements clearly outlined terms and expectations to help ensure funding was used as intended, with some exceptions

112. A grant agreement defines the relationship between grantor and grantee and specifies the details of the grant. It should be designed to:
- Clearly document the expectations of all parties regarding the grant;
 - Establish a shared understanding of required outcomes before payment is made;
 - Ensure appropriate accountability for funds, informed by a risk analysis;
 - Set agreed terms and conditions for the use of the grant, including any requirements for access to records; and,
 - Outline the performance information and other data the grantee must collect and report to the grantor, as well as the criteria that will be used to evaluate the grant.

2.2.4.1 Grants Approved by Council

113. Section 206 of the *Charter* requires that Council approve grants by a 2/3 majority. The grants we sampled all had documentation to show Council approval. We did not review financial

records to determine whether amounts provided to individual recipients aligned with amounts approved because this was outside of the scope of the audit.

2.2.4.2 Grant Agreements in Place

114. We tested whether grant agreements were signed and in place across the 19 grant streams in our sample. For each of these streams, ACCS had agreements in place as expected. All agreements tested were stored in VanApply, except for one, which was maintained in the City's official electronic document and records management system. This was considered appropriate given the nature of that agreement.

2.2.4.3 Completeness of Terms in Grant Agreements

115. The grant agreements used for most (13 of 19) of the sampled grant streams we examined included clear and appropriate terms and conditions to help ensure funds were used as intended, including provisions for returning unused funds and required reporting.
116. However, the grant agreements used for six grant streams in our sample did not require final reporting at the conclusion of the grant term, limiting the City's ability to confirm whether funds were used as intended. These streams included Core Support, Building Safer Communities, Childcare Enhancement, Renter Services, and multi-year operating agreements in the cultural and social portfolios. ACCS explained that because they sought reports back from grant recipients in the following year's application, they did not include this requirement in the grant agreement. This process creates a risk that if the grant is not reapplied for, the City would not receive a report on what the recipient accomplished with the grant. Expectations about reporting should be outlined in the grant agreement to promote a shared understanding among all parties and allow for timely monitoring of outcomes. Such monitoring should take place regardless of whether grant recipients reapply in the subsequent year.
117. Ensuring the City has sufficient information to assess performance at the end of the grant term not only confirms whether funds were used as intended but can also inform future funding decisions. This is particularly important for multi-year grants.

Recommendation 8:

The City should review and update its grant agreements to ensure they include reporting requirements where lacking.

2.2.5 ACCS conducted some grant monitoring activities, however, these activities were not designed to be proportionate with the projects' or grant recipients' risk profile

118. Grant monitoring helps grantors ensure that granted funds are managed appropriately and projects are on track and meeting grant objectives; as such, it is a key function supporting impact monitoring and reporting. A risk-based approach allows organizations to focus monitoring efforts on higher-risk grant recipients rather than applying the same level of oversight across all recipients, regardless of their risk profile.

2.2.5.1 Monitoring and Reporting

119. All three ACCS granting teams carried out some monitoring activities, including checking conditions required for installment payments, conducting site visits and tracking progress through interim or final reports (reports back) submitted by grant recipients. The Social Policy team had standard operating procedures that provided some high-level guidance to staff on monitoring. The Arts and Culture team included monitoring tasks such as “follow up on conditions” in planning documents but did not have documented guidance on monitoring.

Good Practice: Risk-Based Monitoring

The establishment of ongoing monitoring and management throughout the grant lifecycle should assure entities that grant opportunities are proceeding as planned and that money is being appropriately managed. This can include ongoing communication, active grants management, and performance monitoring requirements proportional to the risks involved.

Source: Adapted from Australian Government Department of Finance [Commonwealth Grants Framework 2024](#)

120. We examined 19 grant streams and found that required reporting from grant recipients was reasonable for recipients to capture. Grant recipients submitted reporting through VanApply and the level of staff review varied depending on the type of grant (e.g. invoices, receipts for capital grants). We also found that the reporting requirements were not overly burdensome for recipients and that ACCS had used strategies to streamline the process. For example, for Arts and Culture grants, recipients reported statistics from CADAC (a national joint centralized system through which arts organizations submit financial and statistical information for use by funding agencies).
121. The regularity with which ACCS applied its established monitoring tools varied across granting teams. Staff from one team told us that they also relied on informal feedback received by engagements with the community to develop a sense of the types of challenges that may be faced by grant recipients. Although ACCS had developed a standardized questionnaire to guide staff in the completion of site visits, another team told us that it was used by staff on only an optional basis. The questionnaire did not seek details or data, but asked recipients about their

operations, general trends and feedback. Monitoring activities could be improved by aligning them with identified risks associated with different granting scenarios.

122. Overall, we found that all three granting teams monitored grants primarily through reports back that outlined outputs or outcomes achieved with the grant funding. We reviewed 19 grant streams and found that for twelve of the streams³², ACCS had undertaken reasonable steps such as obtaining required reports back from grant recipients to track progress, to release future grant payments and/or to confirm completion of project milestones. This included a one-time grant for the expansion of Cedar Cottage Neighbourhood house. ACCS appropriately engaged other City stakeholders to assist in monitoring completion of the project over four phases, issuing installments upon completion of each phase.
123. However, for the remaining seven grant streams, we found the following:
- In three grant streams (Supportive Housing Capital, Small Grants for Cultural Spaces and Renter Services), grant recipients were required, either through the grant agreement or VanApply application documents, to submit status updates or reports back to ACCS; however, not all required status updates were received by ACCS;
 - In the SRO Upgrading grant stream, although the grant agreement indicated a report back could be submitted through a subsequent year's application, the application form was not configured to receive such reports;
 - In one grant stream, Childcare Enhancement, although ACCS proactively sought and received updates from recipients, there was no reporting requirement in the grant agreement and one brief question as part of subsequent applications that asked grant recipients how last year's funding was used; and,
 - In two grant streams (Social Policy Childcare Capital and Social Policy Small Capital), ACCS disbursed the grant in installments as provided for in the grant agreement and had documented informal correspondence with recipients to monitor project progress. Although ACCS did not have records of the twice-yearly status updates from grant recipients (also provided for in grant agreements), given the grants are generally up to \$25,000, formal monitoring may not be necessary.
124. Taken together there is an opportunity to review and refine the requirements for grant recipients to report back from a risk-based perspective, taking a structured, documented approach considering factors such as grant size, materiality, risk of programming (e.g., ambitious goals), recipient's years in operation and stream-specific risks. This approach would benefit both

³² Core Support (Annual and Multi-year); Cultural Operating (Annual, Multi-year and Institutions); Communities and Artists Shifting Culture; Cultural Infrastructure; Chinatown Housing Partnership; New Full-Day Partner Space; Neighbourhood House Capital; Building Safer Communities; Theatre Rental.

ongoing grant streams and one-time grant awards. Using a risk-based approach to manage these requirements would allow staff to focus efforts on recipients most likely to benefit from increased oversight. For example, in two streams, the grant amount was relatively small and so the level of monitoring could be reduced proportionate to the level of risk.

2.2.5.2 Using the results of monitoring activities

125. We found that granting teams used the results of monitoring activities to inform decisions about stopping or reducing future grants.
126. During the audit period, we found cases where ACCS staff used information from recipient reporting to adjust future funding decisions. For instance, one granting team³³ identified three situations where a multi-year grant recipient either failed to submit reports or reported challenges in delivering funded programs (e.g., closure or discontinuation of services). In these cases, ACCS either redeployed remaining funds within the granting organization or subsequent funding to those recipients was discontinued.
127. Given this approach, monitoring is especially important for operating grants which are issued as a single payment and any considerations for future payments apply only to subsequent grant requests. Monitoring is also especially important in assembling information on impact that should be reported to Council.

Recommendation 9:

In alignment with a risk-based approach to granting, the City should establish grant monitoring activities proportionate to grant risk and ensure that each ACCS granting team develops corresponding monitoring protocols.

2.3 Information to Council

What we looked for

128. We examined whether ACCS evaluated and reported on the performance of its grant programs, including (where possible) assessing the impact of grant programs against objectives and Council priorities, and whether reporting provided accurate and meaningful information to inform decisions on grant programs and funding prioritization decisions. We also assessed whether

³³ Core Support– (Multi-year)

Council received timely, accurate and complete information to inform its decisions on budgets, priorities and approval of recommended grants.

What we found

2.3.1 ACCS provided Council with reports on community grants, however, these reports did not illustrate grant program performance to inform strategic decisions or continuous improvement

129. ACCS reports to Council (and the public) about community grants from an overall program perspective and to seek Council approval on individual (or specific) grants.
130. Both the Arts and Culture and Social Policy teams (but not the Housing and Homelessness team) had Council-approved grants frameworks for 2024. The frameworks had a number of elements that could help to inform Council and also to solicit input and approval from Council about the direction of the grant programs including:
- Strategic alignment;
 - Grant streams, descriptions and budget allocations;
 - General grant purpose;
 - Type of funding (e.g. multi-year, one-time, capital, operating, project based);
 - Grant ranges per applicant (e.g., range, cap);
 - Specific eligibility and compliance criteria; and,
 - Grant recipient requirements for reporting, measurement, and accountability.
131. However, neither framework:
- pointed to Vibrant Vancouver;
 - defined the operational objectives for each grant stream;
 - identified the application model for each stream (e.g., closed call, open call, direct award, competitive);
 - identified assessment criteria for all grant streams with weights to support transparency and clarify how applicants would be assessed; or,
 - identified intermediate outcome metrics and targets to track and demonstrate progress and accountability.
132. Over the course of the 24-month audit period, ACCS provided 43 reports to Council recommending grant approvals, averaging 23 days before Council meeting. In general, these reports included components that could help inform Council decisions, such as alignment of

grant streams with City strategic priorities and policies, grant stream information including a description of the grant with the budgeted and recommended funding amounts, lists of organizations funded and not funded, project descriptions for capital grants, and rationales for funding decisions at the stream level.

133. Other detailed information was provided to Council to support grant approvals; however, the type of information was not consistent across streams. It is reasonable to expect that information reported to Council would be tailored to be relevant to different grant streams, however we did not find this to be the case. Reports included varying information about items such as the assessment process, neighbourhood distribution, criteria and rationale for why organizations did not receive grants.
134. We noted that the frequency with which ACCS reported to Council had not been reviewed to determine whether the timelines for grant approvals across granting teams could be streamlined while maintaining flexibility for urgent or rolling in-take grants. While Council was engaged at the time of approval, reporting to Council at the end of the cycle was not used to demonstrate accountability, evaluate grant stream performance or guide future planning.
135. Additionally, from a program perspective, ACCS issued annual, public-facing Grant Impact Reports that were also emailed as information to Council. The reports contributed to accountability by tracking and publicly disclosing information on the distribution of grant funding across grant streams and the amount of individual grants by recipient. The reports also captured service metrics relating to grant outputs (e.g., total attendance at public activities, number of childcare spaces supported, number of renters accessing services).
136. The content of the Annual Impact Reports is important, but more attention to performance measures would provide Council, stakeholders and the general public with a clearer picture to understand and assess the information being reported and the effectiveness and efficiency of the grant programs. For example, the Grant Impact Reports did not routinely:
- Present results in relation to grant stream objectives;
 - Provide clear comparisons between planned and actual results such as baselines, multi-year trend data, prior-period results or benchmarks; and,
 - Present data on key outcome areas such as affordability or quality of service. While Housing and Homelessness Services reported some metrics related to livability and safety improvements (e.g., number of SRO rooms renovated, number of supportive housing units improved with cooling mechanisms), these were not consistently linked to broader objectives.
137. On a quarterly basis, ACCS provided Council with summary tables listing Council-approved grants from the previous quarter. These tables consolidated information already provided in

recommendation reports and were intended to illustrate the totality of committed grant funding across each ACCS team. However, ACCS had not confirmed whether this met Council's needs.

138. Council was also not provided with information on the implementation status or disbursement of approved grants, nor with progress updates. This would be especially informative for large scale, multi-year capital projects that may be complex to initiate and progress. For example, Council approved a total of \$6.2 million in capital grants in 2024, however, \$3.9 million had not yet been disbursed by the end of the audit period.
139. Further, the total funding per organization (where an organization receives funding across multiple grant streams) was not provided to Council. Our analysis of ACCS' data showed although ACCS awarded grants to 488 unique organizations in 2024, approximately one-third of total grant funding (\$10 million) was provided to just 16 organizations. This information is important for Council to be aware of.
140. On October 22, 2024, Council approved a motion and directed staff to deliver an annual report back to accompany the annual Grant Impact Report. To work towards this direction, ACCS published a landing page for grants and provided the 2024 Grant Impact Report to Council via email but had not planned further work to implement the motion believing it to have been satisfied. A report back to Council would provide an opportunity for greater transparency, accountability, and oversight.
141. We noted that the production of the annual Grant Impact Report and the quarterly reports was not automated and instead relied on staff across each grant team to cut and paste information from Council reports into Excel tables. While efforts to streamline quarterly reporting were underway during our examination, manual processes include the risk of error and typically require more time to compile.
142. ACCS provided Council with frameworks for its Arts and Culture and Social Policy programs, however these did not include information about the grant selection criteria and processes. There is an opportunity for Council to become more engaged through the development of a Council-endorsed grant policy and for it to receive information about the grant process prior to recommendations for funding. This would support Council's confidence in the criteria and considerations used to recommend and prioritize grants.

Recommendation 10:

ACCS should:

- Inform Council about the processes used to arrive at grant recommendations; and,
- Report to Council on key performance indicators.

About the Audit

143. This report presents the results of a performance audit conducted by the Office of the Auditor General for the City of Vancouver (OAG) under the authority of the *Auditor General By-Law No 12816*. All audit work was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001 – Direct Engagements, set out in the CPA Canada Handbook – Assurance.
144. The Office of the Auditor General applies Canadian Standards on Quality Management, CSQMs 1 and 2, which require it to maintain a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
145. The OAG complies with the independence, other ethical requirements and rules of professional conduct of Chartered Professional Accountants of British Columbia (CPABC) applicable to the practice of public accounting and related to assurance engagements and the standards of conduct of the City of Vancouver.

Objective

146. The objective of this audit was to determine whether the City of Vancouver designed and administered its community grant programs to effectively and efficiently deliver on Council-approved policy and priorities.
- “Effectively” means having clear and measurable objectives, designing the grant programs to achieve these objectives, and measuring and reporting out on the resulting level of performance to track progress and improve the program. The audit focus is on whether ACCS can demonstrate its grant programs have met stated objectives and achieved intended results.
 - “Efficiently” refers to the optimal use of resources to achieve given outputs or outcomes through means such as streamlined processes.

Period Covered by the Audit

147. The audit covered the period of July 1, 2023, to June 30, 2025. The audit included materials produced prior to July 2023 that were used as policies, guidance or administrative processes during the audit period. We conducted our examination work between July 2025 and March 2026 and completed the audit on April 23, 2026.

Audit Scope and Approach

148. The scope of this audit included ACCS-managed grants that were active during the examination period (including multi-year, one-time, and co-funded grants).
149. The scope of this audit did not include evaluating:
- Non-profit leases;
 - Urgent Mental Health and Substance Use Service Enhancements grant awarded to Vancouver Coastal Health Authority (\$4.6 million);
 - Vancouver School Board School Food grant;
 - Grants administered outside of ACCS (e.g., VEMA grants, Greenest City grants, PDS capital grants);
 - Evaluation of specific grant recipients;
 - ACCS' adherence to or compliance with financial control processes or compliance with corporate policies;
 - Processing approved grant payments via the City's accounts payable system and EFT transactions; and,
 - Implementation of potential recommendations included in the Council-directed jurisdictional scan "Comparative Review of Municipal Granting Models" October 2024 report.
150. We used several methods to obtain sufficient and appropriate evidence. This included reviewing ACCS documentation related to the administration of grants including grant program objectives, strategies, frameworks, standard operating procedures, application guides, adjudication matrices and grant agreements; interviewing staff; and meeting with Councillors.
151. We completed interviews with representatives from a sample of grant recipient organizations that were collectively awarded \$1.67 million across 41 separate grant and 18 grant streams over the audit period.
152. Across the ACCS grant portfolios, we sampled the 19 grant streams in Figure 6 below. Grant streams indicate various subsets of grant funding; each grant stream may have specific eligibility and assessment criteria, application and project/program requirements depending on the objectives of the stream. The 19 streams included samples from all granting teams that varied in the value and volume of grants distributed and the grants' goals. Where appropriate, we performed audit testing on fewer than the 19 grant streams in our sample as all audit criteria were not relevant to all sampled streams. This is noted throughout our findings. Our sample included:

- 10 operating grant streams via which ACCS distributed a total of \$20.5 million in funding, which included amounts approved in prior years and in 2024, representing over 73 per cent of the value of ACCS operating grants for that year; and,
- Nine capital grant streams via which ACCS awarded a total of \$5.4 million, representing 87 per cent of the value of ACCS capital grants in 2024.

Figure 6: Sampled Grant Streams and Strategies

| | <i>Grant Stream</i> | <i>Strategies</i> |
|-----------------------------------|---|---|
| Arts and Culture | Communities and Artists Shifting Culture | Culture Shift Making Space for Arts and Culture |
| | Cultural Operating (Annual) | Accessibility Strategy |
| | Cultural Operating (Multi-year) | City of Reconciliation |
| | Cultural Operating (Institutions) | Equity Framework |
| | Theatre Rental (in-kind) | UNDRIP Action Plan |
| | Small Grants for Cultural Spaces | Vancouver Music Strategy |
| | Cultural Infrastructure | |
| | Making Space for Arts and Culture | |
| | | |
| | | |
| Social Policy and Projects | Building Safer Communities | Youth Safety and Violence Prevention Strategy |
| | Core Support (Annual) | Vibrant Vancouver |
| | Core Support (Multi-year) | Healthy City Strategy City of Reconciliation Accessibility Strategy Equity Framework Vancouver Food Strategy Women’s Equity Strategy Youth Safety and Violence Prevention Strategy |
| | Small Social Capital | Vibrant Vancouver Healthy City Strategy Accessibility Strategy City of Reconciliation Equity Framework Spaces to Thrive: Vancouver Social Infrastructure Strategy TGD2S Safety and Inclusion Strategy Climate Change Adaptation Strategy Resilient Vancouver Strategy |
| | Childcare Enhancement | Making Strides: Vancouver’s Childcare Strategy |
| Childcare Small Capital | Healthy City Strategy Making Strides: Vancouver’s Childcare Strategy | |

| | | |
|---------------------------------|---|---|
| | | Accessibility Strategy City of Reconciliation Equity Framework |
| | New Full Day Partner Space Neighbourhood House Capital | Spaces to Thrive: Vancouver Social Infrastructure Strategy Making Strides: Vancouver’s Childcare Strategy |
| Housing and Homelessness | Renter Services | Vancouver Housing Strategy Accessibility Strategy City of Reconciliation Equity Framework |
| | Single Room Occupancy (SRO) Upgrading | Vancouver Housing Strategy |
| | Chinatown Housing Partnership | Chinatown Cultural Heritage Asset Management Plan Strategic Framework Uplifting Chinatown Action Plan |

Audit Criteria

- 154. A performance audit uses specific criteria that are determined in advance to assess how the department or program is performing in the area being examined. Criteria are intended to be reasonable expectations of how a program, operation, system or practice is managed to achieve intended results.
- 155. The sources of criteria used for this audit included good practice guides in public sector granting, audit criteria used in similar performance audits of other municipal, provincial and federal governments, regulations included in the *Vancouver Charter*, and consultation with subject matter experts.
- 156. We used the following criteria in this audit:

Figure 7: Audit Criteria

| Lines of Enquiry | Criteria |
|---------------------------------|---|
| Governance and Oversight | ACCS had appropriate policies, processes, and objectives in place to support stewardship of grant funding in alignment with Council-approved policy and procedures. |
| Selection and Monitoring | ACCS developed and applied suitable grant selection processes to effectively and efficiently deliver on grant program objectives and align with Council-approved policy and priorities. |

| | |
|------------------|---|
| | ACCS developed and applied efficient grant monitoring processes to manage risk and ensure accountability. |
| Reporting | ACCS tracked and reported on the performance of the City's grant programs. |

157. ACCS acknowledged responsibility for the subject matter of this report and agreed with the suitability of the criteria we applied.

Follow Up

158. The recommendations within this report will be included as part of the OAG's semi-annual follow-up process agreed to by Council.

Appendix A: Management Response and Action Plan from ACCS

Overall Comments

ACCS acknowledges the work undertaken by the Office of the Auditor General in conducting this audit. We accept, in whole or in part, the recommendations.

We note some areas of the report do not fully reflect the operational realities or practices of the department; some City and operational processes relevant to ACCS grant programs were not in scope of the Audit. Accordingly, this response outlines our commitments and provides clarification where further explanation is warranted.

ACCS's grant programs advance City objectives for arts, culture, social and community services, providing critical funding to support a wide range of non-profit organizations delivering programs, services and infrastructure.

They are designed to meet the requirements of the Vancouver Charter, as well as the City's legal and financial obligations, and policy objectives. They are informed by best practices across municipalities and other funders and seek to balance strong administrative oversight with funding delivery objectives, while operating within resource and system constraints. Within this context, recent jurisdictional reviews indicate that ACCS grant programs align with, and in some areas lead, municipal best practices.

The audit identifies areas for practical action and enhancements. Some recommendations align with work already underway, including the expansion of multi-year grants. Several are also already in place and supported by existing processes and governance, including Council approved grant frameworks and regular reporting to Council through reports, briefings and annual grant impact summaries.

Certain audit recommendations, such as those focused on performance measurement, present feasibility challenges within a municipal context, where grant programs support a wide range of priorities and services. Some recommendations could introduce additional administrative requirements that could reduce ACCS' funding delivery or increase barriers to applicants. These need to be approached carefully to ensure there is a commensurate benefit.

ACCS will implement the recommendations in a way that takes a risk-based approach, seeks efficiencies, reflects operational realities, available resources, and the municipal context. This work will build on existing practices to strengthen coordination and consistency while maintaining accessible and responsive funding programs that advance City priorities.

Margaret Wittgens

General Manager
Arts, Culture and Community Services
City of Vancouver

Auditee's Action Plan

Exhibit 2: Auditee's Action Plan

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|---|---|--|--------------------------|
| <p>Recommendation 1</p> <p>ACCS should create measurable objectives for all grant programs, demonstrate how they align with Council priorities, determine if their intent is attribution or contribution, and develop a grant balance aligned with these considerations.</p> | <p>The Department partially accepts the recommendation with the following notation.</p> <p>Staff acknowledge the recommendation seeks to enhance clarity, alignment and efficiency within the grants program yet do not fully agree with the narrative and conclusions related to optimal grant administration.</p> <p>Establishing measurable objectives is a common challenge of municipal funders due to the complex and broad scope of municipal funding programs (as outlined in the 2024 Municipal grant review).</p> <p>Staff will undertake an assessment of opportunities to further define measurable objectives considering resourcing, opportunities for efficiencies, and best practices from other municipalities and funders, and considering the difference between attribution and contribution grants.</p> <p>Staff will clarify when grant streams are contributive or attributive as part of the Grant Impact Report and seek opportunities where shifts may result in efficiencies. The vast majority of ACCS grants streams are</p> | <p>Departmental Services and Partnerships; Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2027</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|--|--|--|--------------------------|
| | <p>contributive and the grant is often a small portion of an organization's budget.</p> <p>Staff will implement a process to receive confirmation of Council's grant program priorities at the beginning of each Council term; this will help to refine grant program objectives. As part of this process, staff will explore opportunities to further demonstrate and communicate the alignment of grant programs to key Council-approved policies and priorities (Vibrant Vancouver, Healthy City Strategy, Culture Shift, Housing Vancouver Strategy, SRO Revitalization Framework, etc.).</p> <p>Staff will continue to adapt grant programs to address emerging Council priorities as directed.</p> | | |
| <p>Recommendation 2</p> <p>ACCS should develop performance measurement frameworks for its grant programs to ensure performance data is well-connected to grant stream objectives.</p> | <p>Staff recognize the value in continuous improvement in this area and accordingly, the Department partially accepts the recommendation with the following notation.</p> <p>All five municipalities surveyed in the 2024 jurisdictional scan experienced difficulties creating meaningful 'measurement frameworks' due to the complex nature of impact measurement and broad scope of municipal funding programs, available resourcing for both</p> | <p>Departmental Services and Partnerships; Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2027</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|---|--|---|-----------------------|
| | <p>municipalities and the grant recipients, and diverse strategic priorities.</p> <p>Considering the jurisdictional context and the intent of Recommendations 1 & 2, staff will assess the feasibility of performance measurement for applicable grants and reflect any new metrics in the Annual Grant Impact Report. Staff see opportunities related to measurement of process efficiency and recognize the challenges with establishing specific measurable outcomes for complex and varied grant streams.</p> <p>Additionally, as noted in Recommendation 1 staff will seek input on Council priorities at the beginning of Council term which will help to inform the focus and emphasis of impact measurement and reporting going forward.</p> | | |
| <p>Recommendation 3</p> <p>Building on the granting risks ACCS has identified, ACCS should improve its risk-assessment process by developing and monitoring a grant risk register that documents:</p> <ul style="list-style-type: none"> • Risks in each granting area; • Likelihood and consequences of identified risks; | <p>Accept recommendation.</p> <p>Staff recognize the value in further expanding the existing departmental risk register to highlight additional granting risks, beyond those included. This will include identifying appropriate risk treatments for priority grant streams and ensuring quarterly reporting centralizes the ongoing monitoring of relevant risks. In alignment with harmonized policies and procedures,</p> | <p>Departmental Services and Partnerships</p> | <p>March 31, 2027</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|---|---|--|---------------------------|
| <ul style="list-style-type: none"> • Appropriate risk treatments; and, • Monitoring activities to ensure the risk register remains relevant and actionable over time. | <p>departmental guidelines for monitoring risks will be included.</p> | | |
| <p>Recommendation 4</p> <p>ACCS should enhance the efficiency of its grant programs by improving guidance for processes and decisions that apply across the grant lifecycle, through establishing:</p> <ul style="list-style-type: none"> • A clear definition of a grant; • Minimum requirements and guidance developed from the results of the risk-assessment process for each phase of the grant lifecycle; • Circumstances and processes for new grant opportunities and one-time direct award grants; and, • Standardized and consistent practices, as appropriate, across granting streams. | <p>Accept recommendation.</p> <p>Staff will develop a departmental policy to summarize the existing City processes to which ACCS grant programs adhere, develop a definition of a grant, define the processes associated with one-time and direct award grants, and standardize processes, where possible. Staff will explore opportunities for the policy developed to be adopted for all grant programs Citywide to support consistent granting standards and practices across all departments.</p> | <p>Departmental Services and Partnerships</p> | <p>September 30, 2027</p> |
| <p>Recommendation 5</p> <p>To strengthen its grant assessment processes, ACCS should:</p> <ul style="list-style-type: none"> • Develop clear assessment criteria aligned with each grant stream's objective, including their respective | <p>The Department partially accepts the recommendation with the following notation.</p> <p>Staff do not fully agree with all aspects of how the grant program has been characterized.</p> | <p>Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2027</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|--|---|--|--------------------------|
| <p>weightings and rating scales (scoring guides);</p> <ul style="list-style-type: none"> Communicate assessment criteria to potential applicants to ensure transparency in granting decisions; and, Document internal guidance to promote consistent, objective and appropriate assessment of applications across grant assessors. | <p>While recognizing some variability, ACCS grant programs have established assessment criteria, scoring guide and internal guidance documents, and processes that support fair and consistent evaluation of applications.</p> <p>In response to this recommendation, staff will review the exceptions without established assessment criteria and the existing documentation of decision making. Where feasible enhancements will be made to this process.</p> <p>Further, communication around assessment criteria will be reviewed for enhancement and to increase transparency.</p> | | |
| <p>Recommendation 6</p> <p>To enhance operational efficiency while also increasing funding certainty for grant recipients, ACCS should assess the opportunity to build upon its existing multi-year operating grant streams to increase the proportion of multi-year grants relative to one-year grants.</p> | <p>Accept recommendation.</p> <p>The expansion of multi-year funding, where feasible, has been underway since 2022 and further expanded when direction was received by Council in 2024. In-line with other public funders, multi-year grants provide a consistent level of core funding over a three-year period, reduce administration burdens on non-profits and the Department, and enable groups to focus on the delivery of programming and services to the community. Multi-year grants are an opportunity to build on long standing relationships with organizations providing services that support City priorities. They</p> | <p>Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2026</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|--|--|--|--------------------------|
| | <p>reduce administrative burden (assessing similar applications every year) and enable staff to focus on an organizations' impact year over year.</p> <p>Staff will complete an assessment by the end of 2026 and then continue to build upon existing multi-year operating grant streams on an ongoing basis, as budgets allow, and in-line with Council priorities.</p> <p>The delivery of multi-year funding needs to be balanced with the need for in-year flexibility, and the ability to monitor organizations in challenge or transition. Not all groups choose multi-year funding as it limits their ability to request funding increases.</p> | | |
| <p>Recommendation 7</p> <p>ACCS should review its grant assessment methods and tools, and improve documentation of factors considered during the grant assessment process to ensure that complete records are maintained that support grant recommendations to Council.</p> | <p>The Department partially accepts the recommendation with the following notation.</p> <p>Staff do not fully agree with all aspects of how the grant programs have been characterized.</p> <p>Staff recognize the importance of having clear methods and documentation that connect the grant assessment with recommendations to Council. Staff have a number of practices in place that ensure that grant assessments and rationale for recommendations is documented, defensible and can support robust debriefs with applicants as needed.</p> | <p>Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2027</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|--|--|--|--------------------------|
| | <p>Staff recognize the opportunity to enhance the synthesis and consistency of the documentation.</p> <p>Staff will review grant assessment methods and tools in alignment with Recommendation 4, identifying where departmental policies and procedures may apply and guide standardization across the department. Any documentation changes will consider privacy, relevant legal and financial parameters, and will balance administrative requirements with operational and staff capacity</p> | | |
| <p>Recommendation 8</p> <p>The City should review and update its grant agreements to ensure they include reporting requirements where lacking.</p> | <p>Accept recommendation.</p> <p>Grant agreements are updated as needed and were last reviewed in 2023. ACCS includes reporting requirements for the majority of the grant streams administered by the department. Staff will review each grant stream to increase consistency and ensure final reporting is included at the appropriate time(s), where it was deemed lacking.</p> | <p>Departmental Services and Partnerships; Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2026</p> |
| <p>Recommendation 9</p> <p>In alignment with a risk-based approach to granting, the City should establish grant monitoring activities proportionate to grant risk</p> | <p>Accept recommendation.</p> <p>As outlined in Recommendation 3, staff will further expand the existing departmental risk register to highlight granting risks proportional to the size of grant disbursed, beyond those already in practice. Staff will</p> | <p>Departmental Services and Partnerships</p> | <p>March 31, 2027</p> |

| Recommendation | Management Response and Next Steps | Responsibility | Target Date |
|--|---|--|--------------------------|
| <p>and ensure that each ACCS granting team develops corresponding monitoring protocols.</p> | <p>include monitoring processes in alignment with existing and future policies and procedures and consider a risk-based approach to identify potential efficiencies.</p> | | |
| <p>Recommendation 10</p> <p>ACCS should:</p> <ul style="list-style-type: none"> • Inform Council about the processes used to arrive at grant recommendations; and, • Report to Council on key performance indicators. | <p>Accept recommendation with the following notation.</p> <p>ACCS provides Council information on grant processes, priorities and practices through Council briefings, weekly Council Q&As, Council reports, corporate metrics reporting, and annual grant impact reports.</p> <p>As noted in Recommendation 1, staff will implement a process to receive confirmation of Council’s grant program priorities at the beginning of each Council term and will adapt the ongoing reporting to Council to reflect those priorities. Staff will continue to adapt grant programs to address emerging Council priorities as directed.</p> | <p>Social Policy and Projects; Arts & Culture; Housing and Homelessness Services</p> | <p>December 31, 2026</p> |

Office of the Auditor General

Audit of Community Grants

May 7, 2026 Auditor General Committee Meeting



CITY OF
VANCOUVER

Office of the
Auditor General

- The audit was undertaken at the urging of past and present Council members
- Council approved 931 grants recommended by Arts, Culture and Community Services (ACCS), totalling \$34.19 million, for 2024

- The City of Vancouver provides grants to non-profit organizations (NPOs) to support the delivery of a range of programs, services and infrastructure that align with Council strategic and policy priorities
- Operating and capital streams fund:
 - One-time Grants
 - Ongoing Grants

Audit Objective

- To determine whether the City of Vancouver designed and administered its community grants programs to effectively and efficiently deliver on Council-approved policy and priorities

Audit Scope and Period

- July 1, 2023, to June 30, 2025
- We examined 19 grant streams, each with different goals, funding levels and number of grants distributed

We examined whether ACCS had, in alignment with Council-approved priorities:

- Appropriate policies, processes and objectives to support grant stewardship
- Developed and applied suitable grant selection and monitoring processes
- Tracked and reported on the performance of the grant program

Not In Scope

- ACCS' compliance with financial control processes and corporate policies
- Grant payment processing via the City's accounts payable system
- Implementation of potential recommendations from the Council-directed "Comparative Review of Municipal Granting Models" Sept 2024 report
- Evaluation of specific grant recipients
- Grants administered outside of ACCS
- Grants awarded to the Vancouver Coastal Health Authority, the Vancouver School Board School and to grant recipients as Non-profit leases

We found ACCS' granting program was aligned with Charter requirements, linked to Council strategic priorities and included good practices to support the effective and efficient delivery of Council-approved policy and priorities through its community grant streams.

We also identified opportunities for improvement in several of the areas we examined. Therefore, we concluded that ACCS was partially able to demonstrate that it had designed and administered its community grants programs to effectively and efficiently deliver on Council-approved policy and priorities.

- Ten recommendations to enhance ACCS's ability to continue to strengthen the administration of community grants
- ACCS accepted and provided responses to each recommendation

Grant program planning and design

- ACCS had goals that directly or indirectly linked to Council priorities and strategies for all 19 streams in our sample
- However, objectives were specific, realistic and measurable objectives for 5/19 grant streams we examined
- The stream objectives did not distinguish between attribution and contribution

ACCS should create measurable objectives for all grant programs, demonstrate how they align with Council priorities, determine if their intent is attribution or contribution, and develop a grant balance aligned with these considerations.

Grant performance metrics

- ACCS reported on granting metrics that provided insight into activity levels
- ACCS metrics did not demonstrate how well ACCS grants were meeting Council or departmental objectives
- 5 metrics linked to measurable trends but not to granting decisions
- ACCS' metrics also did not include efficiency measures

ACCS should develop performance measurement frameworks for its grant programs to ensure performance data is well-connected to grant stream objectives.

Risk management activities

- From 2023 to 2025, ACCS identified seven high-level granting risks via the City's Enterprise Risk Management (ERM) process
- Connection to the individual grant streams and nuances of each area should be strengthened

Building on the granting risks ACCS has identified, ACCS should improve its risk-assessment process by developing and monitoring a grant risk register that documents:

- Risks in each granting area;
- Likelihood and consequences of identified risks;
- Appropriate risk treatments; and,
- Monitoring activities to ensure the risk register remains relevant and actionable over time.

Granting policy and procedure documentation

- The City relies on section 206 of the *Vancouver Charter* to govern granting but did not have a dedicated granting policy
- ACCS did develop some procedure documents which were applicable to specific grant streams but not department wide

ACCS should enhance the efficiency of its grant programs by improving guidance for processes and decisions that apply across the grant lifecycle, through establishing:

- A clear definition of a grant;
- Minimum requirements and guidance developed from the results of the risk-assessment process for each phase of the grant lifecycle;
- Circumstances and processes for new grant opportunities and one-time direct award grants; and,
- Standardized and consistent practices, as appropriate, across granting streams.

Criteria clarity

- ACCS established clear eligibility criteria for each of the grant streams we examined
- The assessment criteria for 9 streams we examined contained gaps

Promotion and transparency with applicants

- ACCS appropriately promoted grant opportunities to potential applicants through email distribution and postings on the City's website
 - Application assistance tools were available on the website
 - Translated materials and webinar sessions were available for select streams
- ACCS did not always publish the assessment criteria or the relative weightings used to select grant applicants

To strengthen its grant assessment processes, the City should:

- Develop clear assessment criteria aligned with each grant stream's objective, including their respective weightings and rating scales (scoring guides);
- Communicate assessment criteria to potential applicants to ensure transparency in granting decisions; and,
- Document internal guidance to promote consistent, objective and appropriate assessment of applications across grant assessors.

Multi-year Grants

- Two ACCS teams administered three-year operating grant streams
- Funding is approved for Year 1, with subsequent years pre-approved pending Council approval of the grants budget and satisfactory reporting by recipients, which creates:
 - A “win-win” by reducing the administrative burden for both applicants and staff, and
 - Conditional funding certainty among grant recipients

To enhance operational efficiency while also increasing funding certainty for grant recipients, ACCS should assess the opportunity to build upon its existing multi-year operating grant streams to increase the proportion of multi-year grants relative to one-year grants.

Assessment records

- The assessment process for ongoing, competitive grants streams involved an initial scoring of the application
- This was followed by staff discussions of factors not considered in the initial scoring

Assessment records

- In some cases, the 1st phase of the assessment was well documented, but subsequent phases were not
 - It was unclear how initial and subsequent assessments were consolidated into final recommendations
- ACCS explained selection decisions, but assessment documentation needs improvement across most streams

ACCS should review its grant assessment methods and tools and improve documentation of factors considered during the grant assessment process to ensure that complete records are maintained that support grant recommendations to Council.

Grant agreements terms and conditions

- All grants were appropriately approved and stored
- Grant agreements had clear terms and conditions including provisions for returning unused funds and required reporting
 - However, six grant streams did not require final reporting

Recommendation 8

The City should review and update its grant agreements to ensure they include reporting requirements where lacking.

Monitoring activities

- The reporting process was not overly burdensome for recipients
- Gaps and variation the in application of monitoring tools included:
 - Some status updates not being received as required by grant agreements
 - Some inconsistencies in follow-up processes
- Grant teams used monitoring results to inform future granting decisions

In alignment with a risk-based approach to granting, the City should establish grant monitoring activities proportionate to grant risk and ensure that each ACCS granting team develops corresponding monitoring protocols.

Reports to Council

- During the audit period, ACCS provided Council with 43 reports
 - Mostly focused on administrative details such as
 - Grant recommendations
 - Budgeted amounts
 - Stream descriptions, etc.
 - However, they did not compare
 - Results to grant stream objectives
 - Planned and actual results

ACCS should:

- Inform Council about the processes used to arrive at grant recommendations; and,
- Report to Council on key performance indicators.

- THAT the Auditor General Committee endorse the ten recommendations in the Report dated April 30, 2026, entitled “Community Grants”;
- FURTHER THAT the Auditor General Committee recommend that Council endorse the ten recommendations in the Report dated April 30, 2026, entitled “Community Grants.”

Questions