



Audit at a glance

Why we did this audit

- The COVID-19 pandemic devastated B.C. tourism, with nearly two-thirds of people in the industry losing their jobs in 2020. The B.C. government included tourism-related Destination Development grants in its broader strategy for economic recovery.
- The Ministry of Tourism, Arts, Culture and Sport administered the grants, targeting community-led, small-scale infrastructure projects. The program was launched under a compressed timeline, raising the risk of grant applications being inconsistently assessed.
- In all, the ministry approved 106 grants totalling \$41.4 million between 2021 and 2022. The program continues as the Destination Development Fund because of high demand.

Objective

To determine whether the Ministry of Tourism, Arts, Culture and Sport administered the Community Economic Recovery Infrastructure Program – Destination Development grants according to government transfer payment policy and program guidelines.

Audit period

Sept. 1, 2020 to Nov. 30, 2022.

Conclusion

The ministry met most government grant policies and program guidelines. However, there were minor gaps and inconsistencies in the evaluation process and the monitoring strategy.

The ministry has accepted our four recommendations for improving the evaluation process, documentation, and monitoring strategy.

What we found

The ministry established the program according to government policy and program guidelines

- The ministry secured proper approvals.
- It set appropriate eligibility criteria and funding requirements.
- It developed appropriate written agreements with all 106 grant recipients.

No recommendation.

Application evaluations were well designed and implemented, with only minor gaps and inconsistencies

- The ministry used systematic evaluations for all applicants. They were assessed according to set criteria and in multiple reviews.
- There were minor gaps and inconsistencies related to the evaluation process. For example:
 - Twelve of 106 successful applicant files were missing notes from reviewers detailing the rationale for the funding decision.
 - Due diligence was done on all application files, but it wasn't well defined in the evaluation guidance.

Recommendations 1, 2, and 3.

Audit at a glance *(continued)*

The ministry implemented a strategy to monitor grant recipients, but there were minor issues in the design and implementation

- The ministry used a monitoring strategy for tracking compliance and addressed cases of non-compliance with funding requirements.
- However, we found minor issues:
 - The process to monitor recipient's expenditures led to delays in receiving information in some instances.
 - Not all progress reports were received on time.
 - There were gaps in documentation in the system used to track compliance.

Recommendation 4.

After reading the report, you may wish to ask the following questions of government:

1. How will this program evolve to support tourism development?
2. How will the program monitor the economic impact of the grants?
3. What is being done to help ensure all the projects are completed?