



Report of the Auditor General  
of Québec  
to the National Assembly  
for 2015-2016

Follow-Up of a Value-for-Money Audit  
of the Sustainable Development Commissioner

Green Fund: Management  
and Financial Assistance

Highlights

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# Green Fund: Management and Financial Assistance

## Highlights

### Work Objective

In its report dated December 2014, the Committee on Public Administration (CPA) asked the Auditor General to follow up on the Green Fund audit. We also assessed the implementation of the two recommendations that the CPA made to the Ministère du Développement durable, de l'Environnement et la Lutte contre les changements climatiques (MDDELCC) after it heard the MDDELCC's Deputy Minister in 2014.

The objective was to ascertain whether the recommendations have been taken into account and whether the entities in question have remedied the underlying deficiencies. We completed our audit work in November 2015.

The results of the initial audit were published in Chapter 4 of the *Report of the Sustainable Development Commissioner* (spring 2014).

The Report is available at [www.vgq.qc.ca](http://www.vgq.qc.ca).

### Follow-up Results

Our work covered the recommendations that we had submitted in spring 2014 and the two recommendations from the CPA to the MDDELCC. This work concerned the MDDELCC and the Ministère des Transports du Québec (MTQ), i.e. the two departments that participated in the CPA's fall 2014 hearing regarding the initial audit.

The objectives of that audit were to obtain the assurance that the MDDELCC has implemented a management framework to ensure the achievement of the Green Fund's objectives and to verify whether the departments responsible for programs funded by the Green Fund manage the resources at their disposal with efficiency and effectiveness.

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**Conclusions.** The progress made is unsatisfactory for most of the recommendations made to the MDDELCC and to the MTQ (Table 1). Progress was also deemed unsatisfactory for the two CPA recommendations made to the MDDELCC (Table 2).

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**Satisfactory progress for two recommendations.** The MDDELCC made satisfactory progress regarding the publication of information related to the Green Fund. As for the MTQ, it ensured that the agreements made with recipients of financial assistance could be terminated and that the grants could be recovered when these agreements are not complied with.

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**Several actions to be implemented.** Both departments took actions to follow up on all the recommendations; however, they are both behind schedule.

The MDDELCC will have to step up its efforts to determine specific, measurable and results-oriented objectives and to monitor the achievement of those objectives to assess the Green Fund's contribution.

Likewise, the MDDELCC and the MTQ will have to continue their work on the management of assistance programs funded by the Green Fund. For instance, they will need to proceed with a call for proposals and use specific criteria to assess, prioritize and select projects, as well as conduct program assessments or complete those underway.

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**Table 1 Recommendations of the Sustainable Development Commissioner**

	Satisfactory progress	Unsatisfactory progress
<p><b>Management of the Green Fund</b></p> <p>Implement a management framework that allows for the contribution of the Green Fund to sustainable development to be assessed, including:</p> <ul style="list-style-type: none"> <li>■ determining precise, measurable and results-oriented objectives and by carrying out a follow-up of their achievement;</li> <li>■ publishing important information related to the Green Fund, including information concerning its operation, related objectives and programs, revenues, expenditures and results.</li> </ul>	MDDELCC	MDDELCC
<p><b>Management of the Programs funded through the Green Fund</b></p> <p>Proceed with a call for proposals and use specific criteria to assess, prioritize and select projects; in the event of departure from this procedure, record and keep sufficient justifications to support the choices made.</p>		MDDELCC MTQ
Define expenditures eligible as administrative costs that recipients can claim from the Green Fund and their limits.		MDDELCC MTQ
Ensure that agreements made with recipients allow for their termination and for the recovery of the grants when their terms are not complied with.	MTQ	
Set specific and measurable objectives for each of the Green Fund's financed projects, periodically assess their results and take corrective measures so that the situation is rectified, when required.		MDDELCC MTQ
Set specific and measurable results-oriented objectives for each Green Fund's financed program and periodically assess their achievement.		MDDELCC MTQ
Conduct program assessments, complete those underway and take corrective measures, when necessary.		MDDELCC MTQ
Ensure that administrative costs charged to the Green Fund are relevant and reasonable.		MDDELCC

**Table 2 Recommendations of the Committee on Public Administration**

	Satisfactory progress	Unsatisfactory progress
That the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques revise the action plan prepared following the recommendations of the Sustainable Development Commissioner to adopt the results-oriented management framework of the Green Fund before fall 2015.		MDDELCC
That the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques publish online the Green Fund dashboard as soon as possible. The dashboard must include all information related to the Fund.		MDDELCC

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