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## SUMMARY

Dec. 2010

### **REPORT ON EXPENDITURE TRUSTS – PHASE II**

The Office of the Comptroller General-Internal Audit and Advisory Services (completed the Report on Expenditure Trusts – Phase II on behalf of Treasury Board.

The purpose of the project was to provide government with assurance that expenditure trusts are managed in accordance with their legislation or agreements and contribute to the achievement of government objectives and priorities.

Alternative funding arrangements are arrangements whereby government funds are transferred to a third party to distribute on government's behalf in relation to a government priority. These arrangements are often referred to as "expenditure trusts."

Thirty-five of these arrangements, with a total value of \$831 million, were identified through a survey of ministries. Examples include the Northern Development Initiative Trust (\$185 million), the New Relationship Trust (\$100 million), the Orchard Renovation Program (\$18 million) and the Fetal Alcohol Syndrome Disorder Action Fund (\$10 million).

The Office of the Comptroller General-Internal Audit and Advisory Services selected 12 expenditure trusts, totalling \$609 million, for review.

The Office of the Comptroller General-Internal Audit and Advisory Services concluded that:

- Each of the expenditure trusts had an originating document that listed the purpose for the funding.
- Each of the organizations had a clear selection process for assessing any requests for funding that they received.
- All the organizations reviewed had processes for communicating their results to their key stakeholders.

There were no formal recommendations from this review. However, the report includes a number of best practices that the Office of the Comptroller General-Internal Audit and Advisory Services observed during the review.

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