



STAFF REPORT INFORMATION ONLY

Administrative Burden for Community Based Organisations Resulting From Funder Accountability and Compliance Practices

Date:	October 25, 2007
To:	Community Development and Recreation Committee
From:	Executive Director Social Development Finance and Administration
Wards:	All
Reference Number:	

SUMMARY

The Wellesley Institute commissioned Lynn Eakin and Associates to undertake research into the impact of grant-making policies, practices and processes on community based organisations. The researchers undertook a detailed review of 66 grant agreements to three community service organizations in Toronto. The research identifies a range of issues and challenges for community service organisations caused by the significant accountability and compliance demands of funders such as the City of Toronto.

Financial Impact

This report has no financial impact.

DECISION HISTORY

At its meeting of October 9, 2007, the Community Development and Recreation Committee directed staff to report on efforts taken by the City of Toronto to address the administrative burden on community agencies and on further opportunities to address this issue.

ISSUE BACKGROUND

The issue of the administrative burden caused by funder accountability and compliance requirements is not new. However, the burden has grown in response to the need for increased transparency and public accountability and resulting lower tolerance for risk. There have been notable audits of funding programs by all levels of government, often resulting in additional accountability and compliance requirements. This has occurred during a period of little or no growth in the value of funding agreements. At the same time there has been a shift from core funding to program or project funding reducing agency flexibility to manage its overall budget. From an agency perspective, they are being required to direct more organisational resources to meet funding accountability and compliance requirements, for less actual funding.

In 2004 the Community City Working Group on Stable Core Funding submitted its final report “Stability and Equity” to the Community and Neighbourhood Services Committee. This report built on City research such as the “Cracks in the Foundation: community agency survey-2003” report which analyzed the impact of funding trends on community organizations and community led research including the “Community Capacity Draining” report, a for runner report to “We Can’t Afford to Do Business Like This”.

COMMENTS

City funding program accountability and compliance requirements are Council directed. The requirements are based on funder best practices and specific requirements recommended by the Auditor General based on program reviews.

The City has undertaken a number of strategies to assist with the administrative burden. One strategy has been to develop a Corporate Grants Information System (CGIS) which will allow agencies to submit their applications electronically. This will be particularly beneficial for those funded on a year over year basis for the same activity, as they will be able to update their information electronically on an annual basis. CGIS was initiated in a limited pilot in 2007 and will roll out to all City funding programs over a 3 year period.

Another strategy has been to shift funding allocations to increase administrative funding and increase the overall average allocation. There has been an increase in the percentage of available funding directed to core administration and increases in the average allocations. These shifts have been slow due to little or no new funding.

Funding programs do provide a multi year assessment option for Partnership funding programs. The city has not been able to implement multi-year funding because the Community Partnership and Investment Program budget is approved on an annual basis. Any further development of a multi-year approach would also require consultation with the Auditor General to ensure program accountability and compliance requirements are not compromised.

Each order of government operates funding programs within its own political context and in response to periodic reviews by the various Auditor Generals. This limits the degree to which funder processes can be coordinated and integrated at the program level. Staff

continue to work with other funders where ever possible to align funding policies, practices and processes.

City staff will continue to work with funded organisations and other funders to minimize the administrative burden resulting from City accountability and compliance requirements.

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