



Office of the Auditor General of Canada
Bureau du vérificateur général du Canada



VFM Audit of Sponsorship, Advertising, and Public Opinion Research

Presentation to the Public Accounts Committee

Office of the Auditor General of Canada
19 February 2004

Management of Sponsorship Program Process



- 1. Selecting agencies**
- 2. Awarding contracts**
- 3. Selecting events**
- 4. Deciding levels of funding**
- 5. Ensuring value received for money**





1. Selecting agencies

The objective of government contracting is to acquire goods and services in a manner that

- enhances suppliers' access to government business;
- encourages competition and fairness; and
- results in the best value to the Crown or the optimal balance of overall benefits to the Canadian people.





1. Selecting agencies

Findings

Selection of communications agencies broke the rules.

- No evidence that requirements were advertised.
- Letter of interest lacked specific details (e.g. time period of services not specified, mandatory requirements not stated, and criteria for selection not given).
- Same process used in the selection of suppliers for advertising.





1. Selecting agencies

Consequences

- Other potential suppliers were never given a chance to compete for work.
- None of the companies were selected properly.
 - Same companies selected for advertising services were used in managing Sponsorship events.





2. Awarding contracts

Contracting policy states that

- to award a contract all suppliers on the pre-qualified lists must submit a proposal, and
- existing list of suppliers is to be posted annually to allow others to qualify.





2. Awarding contracts

Findings

- No annual posting of list to allow potential suppliers to qualify.
- CCSB never invited proposals from suppliers already on the list.
- No documentation of how each contract was awarded and why the agency was selected.
- Contracts awarded for specific events without following contracting policies.





3. Selecting events

Expected assessment of proposed events to include

- how the event would contribute to program objectives;
- analyses of the potential to provide federal visibility; and
- recommended sponsorship funding level.





3. Selecting events

Findings

In most cases:

- No criteria or assessment of project merits.
- No rationale supporting decision to sponsor the event.
- No information about event organizers, description of project, or discussion of visibility to be achieved.
- No rationale or documentation showing why events were declined or were declined initially and subsequently approved.





4. Deciding levels of funding

Findings

- No documented rationale supporting level of funding approved or record of discussion about the level of funding.





5. Ensuring value received for money

Findings

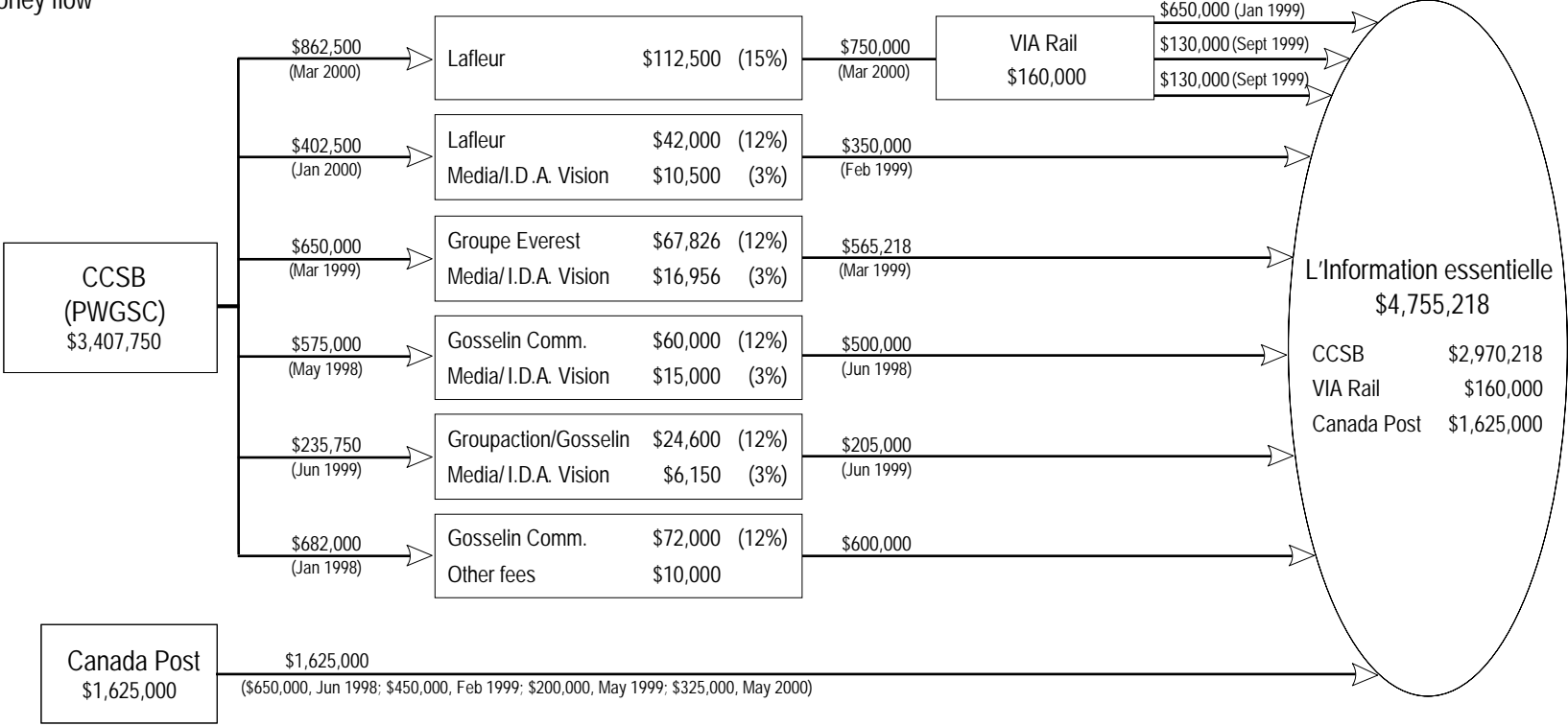
- Visibility plans absent or poor
- Little documentation of what was delivered
- Work subcontracted without competition
- Contracts amended without supporting documentation
- Lack of compliance with relevant financial authorities





Maurice Richard Series 1998 - 2000

Money flow*



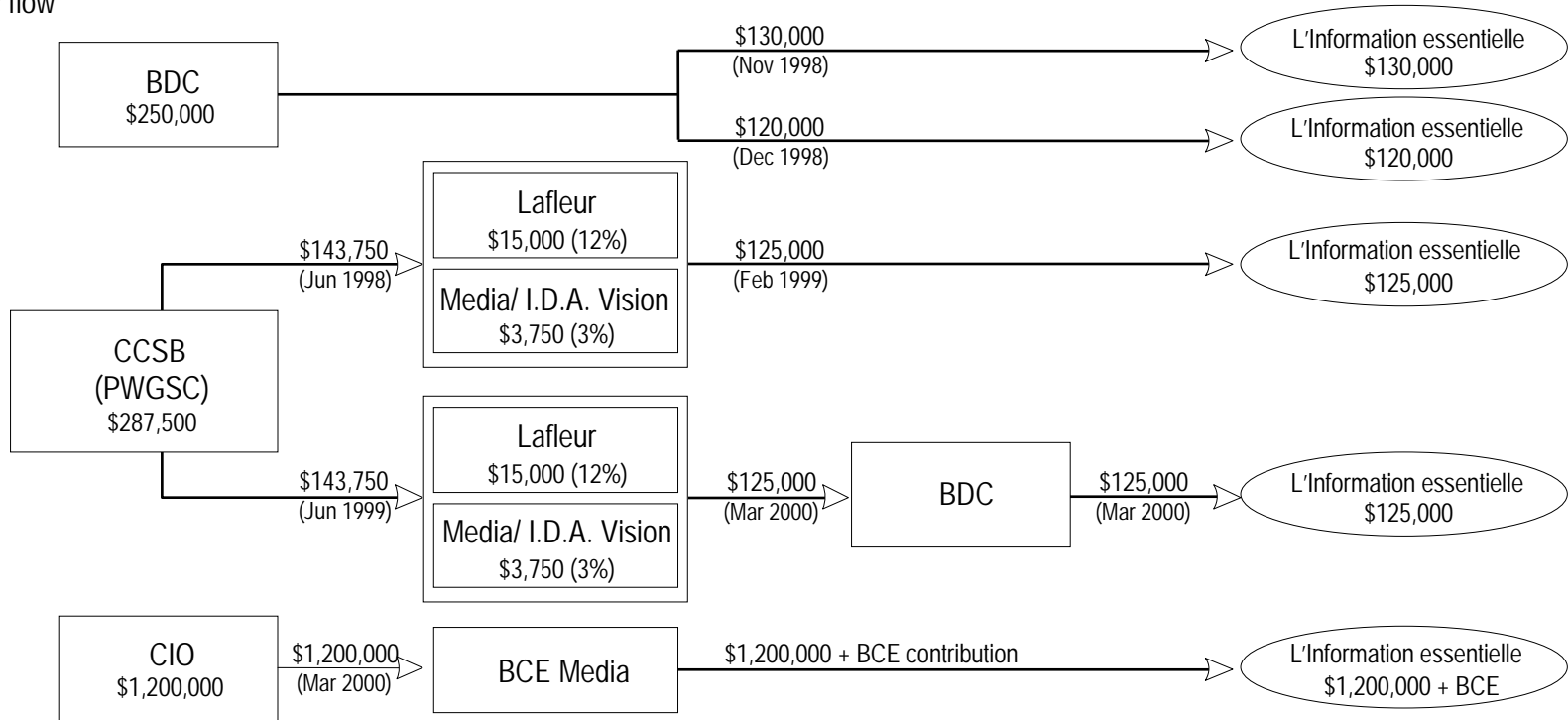
*Figures do not include GST and PST (when applicable)



Le Canada du Millénaire Series 1998 to 2000



Money flow*



*Figures do not include GST and PST (when applicable)

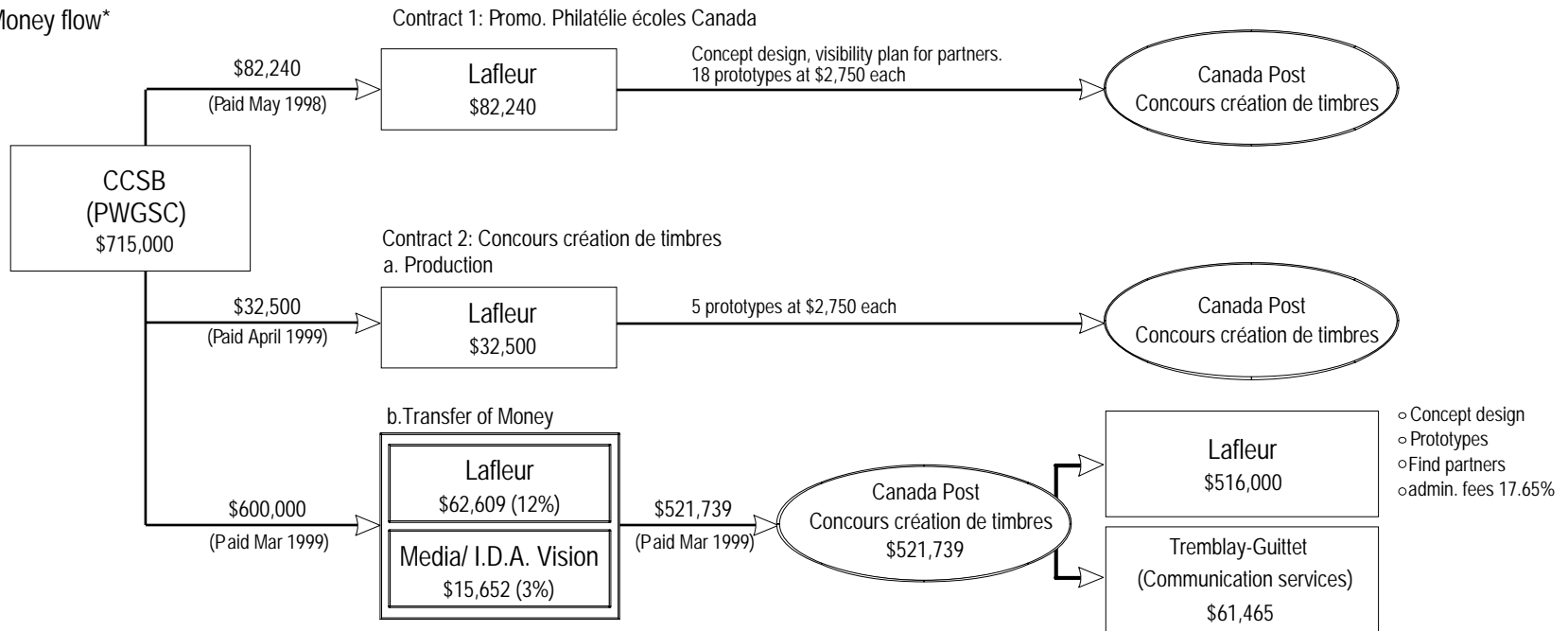


Canada Post - Sponsorship

Concours création de timbres 1998 - 1999



Money flow*



*Figures do not include GST and PST (when applicable)

