



Canadian
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AUDIT OF SINGLE RECIPIENT CONTRIBUTION PROGRAMS

SUMMARY OF FINDINGS

TV5

FEBRUARY 26, 2003

Department of Canadian Heritage
Corporate Review Branch
Assurance Services

Canada[™]



TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	OBJECTIVE	1
3.0	SCOPE	2
4.0	APPROACH AND METHODOLOGY	3
5.0	CONCLUSIONS	4
6.0	OBSERVATIONS AND RECOMMENDATIONS	5
6.1	Use of a Single Recipient Contribution Program	5
6.2	Opportunities for Improving the Management of the Program	7
6.3	Reliability of the Information Used for Decision Making	10
6.4	Effectiveness of Management Controls and the Risk Management Framework	10
6.5	Program Outcomes and Results	11
6.6	Advisability of Joint Audits with Other Government Departments	13



1.0 INTRODUCTION

As a result of a department-wide risk assessment, the 2002/03 audit plan of the Assurance Services Directorate, Corporate Review Branch (CRB) of the Department of Canadian Heritage (PCH) identified a requirement to conduct an audit of the single recipient contribution programs in the Department. The audit was conducted in August and September 2002.

Over the years and for a variety of reasons, Canadian Heritage (PCH) has established a number of contribution programs, each of which has only one recipient. Six such programs were examined in the course of this audit. These were:

- Canadian Conference of the Arts (CCA) administered by the Arts Financing and Legislation Directorate of the Cultural Affairs Sector;
- Canadian Museum Association (CMA) administered by the Cultural Property Directorate of the Citizenship and Heritage Sector;
- Centre for Research and Information on Canada (CRIC) which is part of the Council for Canadian Unity, administered by the Canadian Identity Directorate within the Public Affairs and Communications Sector;
- Confederation Centre of the Arts operated by the Fathers of Confederation Building Trust which is administered by Atlantic Region with support from the Arts Financing and Legislation Directorate of the Cultural Affairs Sector;
- Radio Canada International (RCI) administered by Broadcasting Programming Services Directorate of the Cultural Affairs Sector; and
- TV5 which is broadcast in Canada by the Consortium de télévision Québec Canada (CTQC). This agreement is administered by the International Affairs Directorate of the International and Intergovernmental Affairs Sector.

This report represents the summary findings of the audit with respect to TV5.

2.0 OBJECTIVE

The overall objective of the audit was to provide Departmental senior management with:

- information on the criteria used for selection and determination of six single recipient programs and their compliance with the intent of the transfer payment programs;
- information that can be used to improve the management of the programs and



- enhance the department's success in meeting its objectives;
- assurance that information for decision-making is reliable;
- assurance that management controls and risk management frameworks of the programs and the recipients are effective;
- assurance that outcomes and results for the programs and for the recipients have been identified and are measurable and that these outcomes and results are in support of government objectives; and
- advice on where joint audits with other government departments might be advisable.

Areas that were addressed included:

- the extent to which the **program design and implementation** reflected the intent of the TB *Policy on Transfer Payments* and the objectives of PCH.
- the strengths of the **program processes** and provide advice for improvement; and
- the **recipient's control and governance framework** and provide advice for improvement.

3.0 SCOPE

Over the years and for a variety of reasons, Canadian Heritage (PCH) has established a number of contribution programs, each of which has only one recipient. One of them supports television broadcasting of TV5 signals in Canada and around the world.

TV5 started in Europe in 1984 and now provides French language programming in over 150 countries Europe, North Africa, the Middle East, Latin America and North America. Since 1986, Canada, represented by Consortium de télévision Québec Canada¹ (CTQC), has been a partner in TV5 providing Canadian television programming in French for use elsewhere in the world by TV5 and broadcasting foreign French-language programming in Canada. Following discussions at the meeting of the Summit of the Francophonie in 1987, TV5 Québec-Canada operated by CTQC obtained a broadcasting license from the Canadian Radio-television and Telecommunications Commission (CRTC) in November 1987 and started broadcasting in Canada in September 1988. Up until August 1, 2001, the CTQC was responsible for operating the signals for TV5 Québec-Canada, TV5 USA and

¹Before August 2001, the CTQC was composed of three French-language public broadcasters (Société Radio-Canada/Canadian Broadcasting Corporation, Télé-Québec, and TFO (le réseau de télédiffusion en français de TVOntario)); and three of the largest French-language private broadcasting undertakings (Groupe TVA Inc., Cogeco Inc. and Télévision Quatre-Saison Inc.). Two representatives of the Government of Canada and two representatives of the Government of Quebec were also on the board of directors. CTQC's Board is now composed of Radio-Canada, Télé-Québec, TFO, Association des producteurs de films et de télévision du Québec (APFTQ), 2 representatives of the government of Canada, 2 representatives of the government of Québec and the President-Director General of the CTQC.



TV5 Latin America and Caribbean. Satellimages² in France was responsible for the signals for TV5 Europe, TV5 France-Belguim-Switzerland, TV5 Asia, TV5 Africa and TV5 Far East. Since August 1, 2001, the CTQC has only been responsible for broadcasting the TV5 signal within Canada. The other signals are managed by TV5 Monde (formely Satellimages)

The audit considered how the four contribution agreements that were in place for 2000-2001 and 2001-2002 fiscal years, were managed. These agreements were administered by the International Francophonie Directorate within the International and Intergovernmental Affairs Sector of Canadian Heritage.

4.0 APPROACH AND METHODOLOGY

The criteria against which observations, assessments, and conclusions were drawn in this audit were based on:

- the requirements of the October 1996 and June 2000 Treasury Board Secretariat *Policy on Transfer Payments*³.
- the approved terms and conditions for the contribution;
- the contribution agreements between Canadian Heritage and the recipient; and
- attributes of a well managed contribution program as defined in the Auditor General of Canada's 1998 Report, Chapter 27, *Grants and Contributions*. The attributes are:
 1. selection of the appropriate funding mechanism;
 2. program management at all levels can explain how recipients are expected to benefit from funding;
 3. program officers understand who is eligible for funding, under what conditions, for what purposes, and in what amounts;
 4. potential applicants are aware of the program;
 5. projects makes sense for the applicant to carry out and for the program to fund;
 6. more deserving projects are funded at an appropriate level;

²Before August 1, 2002, the board of directors of Satellimages included representatives from the European channels and some organizations in the French audiovisual community, and one representative from CTQC. Since August 1, 2002, Radio-Canada and Télé-Québec share on an annual rotation the role administrator and observer on TV5 Monde's Board.

³The revised policy was effective June 1, 2000. It replaced the Policy dated October 15, 1996 and the Policy on Repayable Contributions. The approved terms and conditions for existing transfer payment programs continue to apply until the earlier of their expiry date or March 31, 2005, at which point Departments must obtain Treasury Board approval to replace or renew such terms and conditions. An Information Notice issued by TBS June 1, 2000 indicated that only transfer payment agreements signed after August 31, 2000 had to reflect the changes in the policy.



7. funding is used for the purposes agreed;
8. problems with project and program performance are resolved quickly;
9. management reporting demonstrates a good knowledge of program performance; and
10. money owed to the government is collected.

The audit fieldwork was carried out between July and August 2002. Specific audit activities included:

- review of the documentation that authorized the establishment of the contribution agreements between PCH and the CTQC;
- review of the contribution agreements between PCH and the CTQC for the periods April 2000 to October 2000, April 2000 to March 2001, April 2001 to December 2001 and January 2002 to March 2002;
- review of internal approval documents and briefing notes associated with the contribution agreements;
- review of financial reports and activity reports submitted to PCH by the CTQC during the 2000-2001 and 2001-2002 fiscal years;
- review of the accounts and records of CTQC, TV5 USA and TV5 ALCI supporting the claimed expenditures. This included invoices, receipts, cheques, payroll records, etc.
- audited financial statements as of December 31, 2000, March 31, 2001 and December 31, 2001;
- review of *Grants and Contributions Approval and Payment Form* and supporting documentation for payments made to the CTQC during the 2000-2001 and 2001-2002 fiscal years;
- review of ongoing correspondence between the CTQC and PCH that was used in lieu of periodic activity reports to keep PCH abreast of the CTQC's activities;
- a review of the Results-based Management and Accountability Framework (RMAF) and Risk-based Audit Framework (RBAF) for the contribution agreement prepared by PCH;
- review of an evaluation of the contribution that was completed in October 2001; and
- discussions with program management responsible for administering the contribution agreement; and
- senior management and financial staff within the CTQC.

The audit was carried out according to the requirements of the April 2001 Treasury Board Secretariat *Policy on Internal Audit*.

5.0 CONCLUSIONS

We offer the opinion that:



- the contribution agreements between the CTQC and PCH were generally in compliance with the requirements of the approved program Terms and Conditions and the *Policy on Transfer Payments* that were in effect at the time the agreements were signed except with respect to the manner in which funding was provided to TV5 Monde for operating TV5 signals outside of Canada on which Canadian content is broadcast and to SRC for the selection of Canadian programming;
- several opportunities exist for improving the management of the program;
- reliable information was available on the CTQC's operations;
- the management controls and risk management framework for CTQC's operations were adequate;
- recent steps have been taken to establish well-defined program outcomes and results that program management can utilize to better focus attention on results achievement, measure performance regularly and objectively, learn from this information and adjust to improve efficiency and effectiveness; and
- while an opportunity for a joint audit with CIDA exists, the size of Canada's total contribution in comparison to other funding partners is such that PCH should first explore the potential for joint audits with the Government of Quebec and the other stakeholders in TV5 Monde.

Based on the information it had available to it, the audit team is unable to draw any conclusions about the reliability of information available on the funded activities of TV5 that were not managed by the CTQC, or on the management controls and risk management framework that was applied to these activities.

6.0 OBSERVATIONS AND RECOMMENDATIONS

6.1 Use of a Single Recipient Contribution Program

The Canadian government has chosen to use a contribution agreement to fulfill its obligations that result from international agreements with countries in Europe and Africa with a significant French-speaking population, for the operations of TV5. Canada represented by Canadian Heritage, is part of the Conference of Ministers that governs the overall direction of TV5. Other representatives include the Associate Minister for Cooperation and Francophonie from France, the Ministry of Culture and Communications of the Government of Quebec, a Minister from the francophone community in Belgium, federal advisor responsible for communications in Switzerland as well as the ministries of three African countries (Ivory Coast, Senegal and Cameroun) that are partners but do not provide operating funds.

The budget for TV5 Monde is approved by the Conference of Ministers. The five funding governments make contributions for any additional monies TV5 requires in excess of the revenues earned and are assessed based on a formula as follows: 6/9 France, 1/9



Belgium, 1/9 Switzerland, and 1/9 Quebec-Canada (60% Canada, 40% Quebec).

Up until March 1999, federal funding for the CTQC was provided by PCH, Foreign Affairs and International Trade, and the Canadian International Development Agency (CIDA). As a result of new Terms and Conditions that were approved effective April 1, 1999, Canadian Heritage became responsible for providing most of Canada's contribution to TV5 except for \$500,000 that CIDA continued to provide for TV5 Africa. The funding provided by CIDA was not considered to be within the scope of this audit and thus was not examined.

Since August 1, 2001, the budget for TV5 Monde is approved annually by the Conference of Ministers while the budget for the CTQC is approved by its Board of Directors in consultation with the governments of Quebec and Canada. Prior to that, both budgets had been approved by the Conference of Ministers.

The contribution with the CTQC is utilized to meet Canada's commitments for both CTQC and TV5 Monde. Approximately 1/3 of the contribution monies stayed with the CTQC and the balance of the funding was sent on to TV5 Monde by the CTQC. The 1999 approved terms and conditions indicate simply that funding will be provided to the CTQC for the distribution of the TV5 signal. There is some indication that some of the funding will be utilized outside of Canada but the language is not clear.

In terms and conditions that became effective April 1, 2002, it was quite clear that Canada's contribution to TV5 Monde would flow through the CTQC. This type of arrangement is highly unusual and was not envisaged in the 2000 Policy on Transfer Payments. In the policy, there is an expectation of an arms length relationship between the original contribution recipient and the ultimate beneficiary. This type of relationship does not exist between the CTQC and TV5 Monde as the CTQC was represented on Satellimages's Board of Directors until August 1, 2001. The only reporting back to PCH on the funding sent to Satellimages/TV5 Monde by CTQC was that the required funds were sent. However, Satellimages/TV5 Monde reported back to the funding governments at the annual Conference of Ministers. This level of reporting is inconsistent with the accountability expected with a contribution agreement. A grant made directly to TV5 Monde would enable Canada to meet its international obligations and be more in keeping with the requirements of the *Policy on Transfer Payments*. It would also better recognize PCH's limited ability to exercise all aspects of due diligence for funds subject to the provisions of an international protocol.

Furthermore, under the terms of its contribution agreement for January 1st to March 31st, 2002, the CTQC received \$250,000 under the terms of its contribution agreement with PCH, that was to be used to select Canadian programming for subsequent broadcasting on TV5 Monde. The Société Radio-Canada (SRC) was given the sole responsibility for choosing how the money would be spent under the terms of the contribution agreement. A significant portion of the funds ultimately go to the producers of the selected



programming including the SRC. This could lead to the perception of a conflict of interest. The audit team did not examine the process for selecting productions and thus, is not in a position to comment on whether a conflict of interest actually exists.

Recommendation

6.1.1 It is recommended that the Director International Francophonie consult with the Director General, Financial Management to determine the appropriate mechanism for funding TV5 Monde for its broadcasting of TV5 signals around the world.

Management Response

6.1.1 The management of International Francophonie will consult with the Director General, Financial Management, in order to determine the appropriate financing mechanism for TV5 Monde by June 2003. If necessary, we will implement by January 2004, the new financing mechanism with TV5 Monde.

6.2 Opportunities for Improving the Management of the Program

During the period under audit, four different contribution agreements were in place. The different fiscal years utilized by TV5 (January to December) and the federal government (April to March) was the primary reason for so many agreements. The terms and conditions for the contribution agreements in place for the 2000-2001 fiscal year were subject to the requirements of the 1996 *Policy on Transfer Payments* and the agreements in place for the 2001-2002 fiscal year were subject to the requirements of the 2000 *Policy*. The two contribution agreements for 2000-2001 were found to be consistent with the requirements of the applicable *Policy*.

A key difference between the 2000 *Policy* and the agreements in place for 2001-2002, was how funds were provided to third parties. The payment to TV5 Monde was indirectly addressed in the approved terms and conditions as already noted. The responsibility for the selection of programs and use of the funds for Canadian programming broadcast on TV5 signals other than the one in Canada given to SRC was not.

The 2000 *Policy* does not envisage the type of third party payment that the CTQC makes to TV5 Monde or the SRC. The policy (paragraph 8.4.3) implies that the initial recipient will have considerable independence on their choice of final recipients with minimal guidance from departments. This is not the case in this instance. If Canadian Heritage wants money to flow to TV5 Monde or SRC to support the Department's objectives, it would appear that a contribution agreement directly with each of these organizations would be a more appropriate vehicle than the indirect mechanism employed through the CTQC.



Further, no evidence was found of a contribution agreement or contractual agreement between the CTQC and TV5 Monde or SRC as described in Appendix C—Requirements for Contribution Agreements in the 2000 *Policy*. If it is deemed appropriate to continue with a single contribution agreement with CTQC for all of the funding provided for TV5 after the consultation as recommended occurs, PCH must ensure that all the requirements of the applicable *Policy on Transfer Payments* are complied with or appropriate exemption must be obtained.

The payment to SRC is further complicated by the fact that it is a Crown Corporation. The *Policy on Transfer Payments* requires that where a department is considering a grant or a contribution to a Crown corporation, it must consult with the Treasury Board Secretariat to determine whether specific Treasury Board approval is required. There was no evidence found in the files examined that this in fact occurred.

The audit team understands why there were four different contribution agreements during a two year period. Each one, however, takes a significant amount of time to negotiate and finalize. Furthermore, each was signed some months after the effective date, potentially limiting PCH's ability to monitor the contribution agreement. An overall multi-year agreement that sets out the general terms and conditions of the agreement with a separate attachment that establishes the maximum funding limits for the applicable fiscal period may provide the flexibility required while at the same time, reducing the administrative overhead associated with putting in place separate agreements for each period funded.

Recommendations

It is recommended that the Director International Francophonie:

- 6.2.1 consult with Legal Services and the Treasury Board Secretariat to determine what is the appropriate mechanism for funding SRC;**
- 6.2.2 ensure that any exceptions to the *Policy on Transfer Payments* are properly approved; and**
- 6.2.3 explore possibilities for reducing the number of distinct agreements on an annual basis between PCH and the CTQC.**

Management Responses

The Director of International Francophonie will

- 6.2.1 consult Legal Services and the Treasury Board Secretariat, in order to determine the appropriate financing mechanism for CBC by May 30, 2003.**



6.2.2 consult with the Treasury Board Secretariat for approval, if necessary, of any exceptions to the policy on transfer payments by August 31, 2003.

6.2.3 look at how to reduce the number of annual agreements between PCH and the CTQC By October 31, 2003.

The management of the contribution agreement with the CTQC was also compared with the attributes of a well-managed contribution program as defined by the Office of the Auditor General. Several of the attributes were difficult to apply or not applicable because this is a single recipient program that has been specifically tailored to meet the needs of CTQC and Canada's international commitments.

The examination of the management of the program against the OAG's criteria did result in the identification of several opportunities for improvement in addition to those already identified in the discussion above with respect to the requirements of the *Policy on Transfer Payments*. They are as follows:

- **how the funds are used.** CTQC provides regular financial reports to PCH. These reports, however, cover all of CTQC's operations and do not address specifically how the funds from Canadian Heritage are utilized. The funds provided by the Canadian government are simply recognized as a source of funding and are not directed towards particular activities.

The contribution agreement between PCH and the CTQC for the period January 1st to March 31st, 2002 defined the project as:

1. in Canada, all the activities carried out by the CTQC in conformity with its CRTC licence;
2. the assembly and provision by the CTQC to TV5 Monde of Canadian content selected by SRC; and
3. the delivery of the Canadian government's financial contribution to TV5 Monde by the CTQC.

Because the "project" has been defined in the manner in which it has been in the contribution agreement, it is difficult to require more explicit reporting than is provided. The level of reporting does not provide the level of accountability that is typically provided under the requirements of a contribution agreement and in many respects, is more consistent with the requirements of a grant.

Beyond a line item that shows that funding is provided to TV5 Monde for its operations on the CTQC reports, no additional information is provided by the CTQC on a regular basis on how the funding provided by PCH has been utilized. There



is no specific requirement in the contribution agreement requiring the provision of detailed information on how TV5 Monde spends the money provided. The level of detail that PCH can reasonably expect to receive on the operations of TV5 Monde should be taken into account in any deliberations, as already recommended, on the appropriate vehicle for providing funding for TV5's operations outside of Canada. However, as mentioned before, TV5 Monde reports back to the funding governments at the annual Conference of Ministers and provide more details on its operations.

- ***management reporting shows knowledge of program performance.*** A constant exchange of information between PCH and CTQC was noted in the program files on the operations of CTQC. Reporting on TV5 Monde's activities was not found to the same level of detail in PCH's program files. High level budget documents prepared to support Conference of Ministers meetings or meetings of senior bureaucrats did provide some details on TV5's activities and costs. If this funding remains as part of a contribution agreement, following the requirements of the *Policy on Transfer Payments* will ensure that PCH has sufficient information on TV5 Monde's activities to enable it to monitor performance and ensure that there is accountability for how the funds are utilized.

Recommendation

6.2.4 It is recommended that the Director International Francophonie determine in consultation with the Director General, Financial Management, what is the most appropriate mechanism for the provision of transfer funding to CTQC for operating the TV5 signal in Canada.

Management Response

6.2.4 The International Francophonie Branch will consult with the Director General, Financial Management, by August 31, 2003, in order to determine the appropriate financing mechanism for the TV5 Monde and if necessary, implement the new financing mechanism with the CTQC.

6.3 Reliability of the Information Used for Decision Making

Under the terms of its contribution agreements, the CTQC was required to provide to PCH:



- quarterly financial reports;
- audited financial statements; and
- minutes of the Board of Directors and all of its committees.

All of these requirements were met. There is evidence that the Grants and Contributions Directorate reviewed the financial reports submitted by the CTQC that pertained to the operations for which it was responsible (i.e. programming in Canada and the operations of TV5 USA, TV 5 ALCI up to July 31, 2001).

The audit team's examination of the CTQC's records found that funds had been utilized to cover operating and special project expenses that were consistent with the terms of the contribution agreement with PCH.

As already noted, there was only limited information on TV5 Monde's operations that were funded that provided a basis for decision making. There was no requirement in the contribution agreement for detailed information on TV5 activities that were managed by Satellimages.

6.4 Effectiveness of Management Controls and the Risk Management Framework

The RBAF prepared early in 2002 identified four key risks associated with this contribution. These risks were:

- improper use of the funds;
- the interests of PCH were not taken into consideration;
- inability to demonstrate the achievement of objectives; and
- inadequate information.

The adequacy of the controls over three of these risks were considered as part of this audit. The RBAF recommended that a program evaluation study should consider whether PCH's interests were adequately taken into consideration.

The audit team observed no control weaknesses with respect to the CTQC's operations. The audit team was unable to test the controls in place to mitigate the risks for TV5's activities that were not controlled by the CTQC based on the information available to it in PCH's and the CTQC's files.

6.5 Program Outcomes and Results

The approved terms and conditions for the program indicate that this contribution agreement will:



- provide a cultural and commercial window for Canadian programs and artists; and
- offer Canadian viewers with unique programming.

The most recent signed agreement for the period ending March 31, 2002 indicates that the:

- CTQC will broadcast in a manner consistent with its CRTC license;
- increase the number of cable operators who carry the TV5 signal, particularly in areas with significant francophone populations;
- provide Canadian programming to TV5 Monde; and
- work with TV5 Monde and SRC to develop TV 5 elsewhere in the world

As outlined in the management framework for the federal government, *Results for Canadians*, public service managers are expected to define strategic outcomes, continually focus attention on results achievement, measure performance regularly and objectively, learn from this information and adjust to improve efficiency and effectiveness. None of the objectives as set out in the contribution agreement have been framed in a manner that facilitates meaningful measurement. An RMAF as required by the 2000 *Policy on Transfer Payments* was completed in April 2002, however, and has set out more measurable performance indicators.

Further, an evaluation of the program was completed by Canadian Heritage in October 2001. The evaluators concluded that the objectives of the Canadian government were being satisfactorily achieved, that it was possible to measure certain results such as the costs per viewer and that the public was poorly informed on the funding provided by the federal government.

Periodic surveys of Canadian television viewing habits provide the CTQC with information on its market share. This information is provided to Canadian Heritage. For the period June 2000 to the spring of 2001, the CTQC's market share ranged from 0.7% to 1.5% with viewers watching between 2.2 and 3.6 hours daily. More recent information was only available for Greater Montreal area. It showed:

- during the period April 1, 2001 to December 31, 2001, the CTQC had a market share between 0.7% and 1.6% with viewers watching between 2.9 and 3 hours daily, and
- from January 1, 2002 to March 31, 2002, the CTQC had a market share between 0.9% and 1.4% and the average daily viewing was 2.8 hours.

Detailed information on the programming of TV 5 was not available for the period April 1, 2000 to December 31, 2001. CTQC management advised the audit team that approximately 11% of the programming would have had to be Canadian to have reflected



the funding provided but they do not believe that was attained.⁴ However, since the restructuring of TV5, the five funding governments have agreed that TV5 Monde's programming would be selected based on quality and relevance to the targeted audiences. Therefore there are no longer a correlation between the pourcentage of funding provided and the level of programming. In the CTQC's own analysis of two weeks of programming in March 2002 (weeks of March 16th and March 23rd), it was determined that the amount of Canadian content was:

- Latin America: 2.9% to 7.7%;
- Europe: 5.2% to 5.5%;
- France, Belguim and Switzerland: 5% to 7.7%;
- Africa: 4.1% to 5.9%;
- Middle East: 4.1% to 6.5%; and
- Asia: 3.4% to 6.5%.

The lack of information on how Canada's funding is utilized by TV 5 internationally and the amount of Canadian programming that is broadcast, further calls into question whether a contribution agreement is the appropriate funding vehicle to meet Canada's obligations under its international agreement with the Francophonie. Action by the International Francophonie Directorate on the recommendation already made to consult with Legal Services and the Treasury Board Secretariat will help to address this issue.

Recommendation

6.5.1 It is recommended that the Director International Francophonie ensure that any future transfer payment agreement covering the CTQC's broadcasting activities in Canada and/or TV5 Monde's broadcasting activities elsewhere in the world include a requirement for the reporting of clear and measurable program results.

Management Response

6.5.1 The Director of International Francophonie will, if necessary, include the requirement to file a report that provides clear and measurable results in the agreements, by March 2004.

⁴The evaluation prepared for PCH arrived at a different conclusion than did the CTQC on whether the amount of Canadian programming distributed abroad is commensurate with the funding provided. This may be attributable to the fact that different information sources were utilized and because, according to the CTQC, the basis for measuring programming content utilized outside North America is different than that employed here by the Bureau of Broadcast Measurement.



6.6 Advisability of Joint Audits with Other Government Departments

There are no other sources of federal government funding for TV5 Monde except for \$500,000 from CIDA that is targeted to Africa. The size of this contribution from CIDA is such that they may be interested in participating in a periodic audit of the recipient. Because TV5 Monde, however, receives its funding as a result of an international agreement with the Canadian government responsible for only 6.7% of the expenses allocated by formula, an audit of the recipient is more likely to be readily facilitated if there is broad support for it amongst all of the funding governments.

With the funding for CTQC, no other federal government department besides PCH is providing funding. The Government of Quebec, however, also provides significant funding to the CTQC (2/3 of the amount provided by PCH) and could be a potential partner for any in-depth recipient audit.

Recommendation

6.6.1 It is recommended that the Director International Francophonie explore with other funding partners, the feasibility of a joint audit of the CTQC and TV5 Monde.

Management Response

6.6.1 The Director of International Francophonie will explore the following options:

- **conduct a joint audit of the CTQC with the Government of Quebec by June 2003; and**
- **conduct a joint audit of TV5 Monde with the governments of Quebec, Switzerland, the *Communauté française de Belgique* and France. Discussion among senior officials of the donor governments to determine their interest in such an audit before June 2003.**