

**Ministry of  
Municipal Affairs  
and Housing**

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REFERRAL TO Corporate Services  
RECOMMENDED \_\_\_\_\_  
DIRECTION REQUIRED \_\_\_\_\_  
RECEIPT RECOMMENDED \_\_\_\_\_

234-2021-3562

August 16, 2021

Dear Head of Council:

The Ontario government is committed to helping municipalities improve local service delivery and ensure taxpayers' dollars are being used efficiently. That is why we launched the Audit and Accountability Fund in 2019.

At the Association of Municipalities of Ontario 2021 Conference, I announced a third intake under the Audit and Accountability Fund. Impacts of the COVID-19 pandemic have highlighted the importance of efficient municipal services that are financially sustainable. Even as municipalities continue to face challenges, there are opportunities to transform services and stimulate new ways of doing business.

The third intake of the program will support Ontario's large municipalities so they can benefit from further provincial funding to conduct service delivery and administrative expenditure reviews, with the goal of finding efficiencies while protecting and modernizing front-line services. Applications related to any area of municipal service delivery will be considered, but I encourage you to submit proposals that support the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals

To apply, submit a completed Expression of Interest form with supporting documents via the Transfer Payment Ontario system by **October 28, 2021**. Visit [www.Ontario.ca/getfunding](http://www.Ontario.ca/getfunding) to access program guidelines and the Expression of Interest form. If you have questions on the program, or would like to discuss a proposal, I encourage you to contact your [Municipal Services Office](mailto:municipal.programs@ontario.ca) or e-mail [municipal.programs@ontario.ca](mailto:municipal.programs@ontario.ca).

By continuing to work together to deliver modern, efficient local services, we are continuing to chart a path to a strong recovery and getting Ontario back on track.

Sincerely,

Steve Clark  
Minister

c. Chief Administrative Officers and Treasurers

# Audit and Accountability Fund

## Intake 3 Program Guidelines

### WHAT YOU NEED TO KNOW

Ontario is committed to helping municipalities improve local service delivery and ensure taxpayers' dollars are being used efficiently.

Large urban municipalities can apply to Intake 3 of the *Audit and Accountability Fund* for funding to undertake third party reviews with the goal of finding service delivery efficiencies.

Eligible municipalities can apply individually or collectively, with other eligible municipalities, to undertake independent third-party reviews.

### ELIGIBILITY CRITERIA

To be eligible under Intake 3, the proposed review project must:

1. Be a review of municipal service delivery or administrative expenditures by an independent third-party reviewer for the purpose of finding savings and efficiencies. The review project could take a number of forms including:
  - a line-by-line review of the municipality's entire budget;
  - a review of service delivery and modernization opportunities; or
  - a review of administrative processes to reduce costs.
2. Result in a final report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and efficiencies.
3. Begin field work no earlier than August 16, 2021 with a final report completed and posted publicly on the municipal website by October 17, 2022.

Project proposals will be reviewed on a case-by-case basis. Only third-party service provider fees will be eligible. Municipal administrative costs, such as staff time, are not eligible.

The program will not cover review projects where:

- the object of the review project is to identify opportunities for revenue generation or reductions in front line services; or

- the review does not result in a formal report prepared by a third party that the municipality is prepared to make publicly available online; or
- the object of the review extends beyond municipal accountability; or
- the review is related to requirements under the asset management regulation.

## PRIORITY AREAS

The impacts of the COVID-19 pandemic continue to make it more important than ever that municipalities deliver modern, efficient services that are financially sustainable. We encourage applicants to consider submitting proposals that support the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals

## HOW TO APPLY

1. Log onto the Transfer Payment Ontario (TPON) system ([Ontario.ca/getfunding](https://ontario.ca/getfunding)) and select the *Audit and Accountability Fund: Intake 3 Expression of Interest* form.
2. Complete all required fields of this Expression of Interest.
  - Ensure that the completed Expression of Interest includes an attestation made by the appropriate municipal staff.
  - Attach an outline of your project costs and timelines in TPON. Draft procurement documents, project charters, workplans, or other similar documents detailing your proposed review project are examples that would be sufficient to meet this requirement.
3. If the municipal council passed a resolution in support of the project, attach a copy to your TPON submission along with your form and other documents. (Note: a resolution of council is not a requirement for the program.)
4. Submit your completed application(s) through TPON by **October 28, 2021**.

## HOW IT WORKS

The ministry expects to advise municipalities of the outcomes of their applications in January 2022. If your application is approved, a proposed transfer payment agreement with the ministry will be sent to confirm the funding amount and set out the terms, including reporting requirements and a payment schedule. Municipalities can expect to receive an initial payment following execution of a transfer payment agreement.

## PROGRAM TIMELINE

October 28, 2021	<ul style="list-style-type: none"><li>• <b>Submit your Expression of Interest and any supporting documentation through Transfer Payment Ontario (TPON) at <a href="http://www.ontario.ca/getfunding">www.ontario.ca/getfunding</a></b></li></ul>
January 2022	<ul style="list-style-type: none"><li>• Learn whether your application is approved. If it is approved, enter into a <b>transfer payment agreement</b> for project funding, and receive an <b>initial payment</b> once the agreement is executed.</li></ul>
October 17, 2022	<ul style="list-style-type: none"><li>• Post the <b>third-party reviewer's final report</b> online and submit your <b>final report</b>. The final report will include: a hyperlink to the publicly posted third-party reviewer's report; the amount paid to the third-party reviewer and a copy of the invoice; a statement of the total amount of expenditures reviewed and the total amount identified as potential savings; and a 250-word abstract of the project and its findings.</li></ul>

## FOR MORE INFORMATION

Please direct program questions to your [Municipal Services Office Municipal Advisor](#) or [Municipal.Programs@ontario.ca](mailto:Municipal.Programs@ontario.ca).

For support with the Transfer Payment Ontario (TPON) system contact the Transfer Payment Ontario Client Care from Monday to Friday 8:30 a.m. to 5:00 pm, except for statutory holidays:

- [Tel: 416-325-6691](tel:416-325-6691)
- [Toll-free: 1-855-216-3090](tel:1-855-216-3090)
- [TTY: 416-325-3408](tel:416-325-3408)
- [Toll-free TTY: 1-800-268-7095](tel:1-800-268-7095)
- Email: [TPONCC@ontario.ca](mailto:TPONCC@ontario.ca)