

NEWS RELEASE

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Weak oversight and administrative practices at Main Street Project: Auditor General

WINNIPEG – Manitoba Auditor General Tyson Shtykalo has found some allegations of past financial irregularities at Main Street Project are substantiated. The finding is contained in a new report, *Main Street Project Investigation*, released today.

“Main Street Project serves an important role in our community,” Shtykalo said. “It is my hope that the 12 recommendations in this report will help improve the organization’s performance, so it can continue to focus on helping those in need.”

The forensic examination is the result of a request from the Minister of Finance to look at alleged financial irregularities at the not-for-profit, which receives the majority of its funding from the province. The audit request was made to the Auditor General under Section 16 of *The Auditor General Act*.

The investigation confirmed allegations that credit card use was not in compliance with policy, that there were inappropriate travel expense claims made, and that the former Executive Director filed claims with 2 funding agencies for the same costs. Other allegations were partially substantiated, or unsubstantiated.

The audit found weak board oversight of the former Executive Director and weak administrative policies and practices created an environment where these incidents could occur. Additionally, the board of directors did not perform sufficient due diligence prior to hiring the Executive Director. We also found that some recommendations made in a 2013 internal audit by the Winnipeg Regional Health Authority had not been implemented.

“I believe many of our recommendations for Main Street Project could also benefit other government not-for-profit organizations,” Shtykalo said. “The recommendations related to oversight of executive director expenses, board practices, and administrative policies are important considerations for improved oversight and performance for any not-for-profit organization.”

To view the report, please visit <https://www.oag.mb.ca/reports>.

ABOUT THE AUDITOR GENERAL OF MANITOBA

The Auditor General is an officer of the Legislative Assembly mandated to provide independent assurance and advice to Members of the Legislative Assembly. Through its audits, the Office of the Auditor General seeks to identify opportunities to strengthen government operations and enhance performance management and reporting. For more information visit <https://www.oag.mb.ca/>

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