



Examination at a glance

Why we did this examination

- On April 8, 2024, the Legislative Assembly directed us to examine MNP, a professional services firm, in its administration of the Advanced Research and Commercialization (ARC) grant program.
- The ARC program – which includes the Commercial Vehicle Innovation Challenge (CVIC) – supports B.C.'s zero-emission vehicle sector. The Ministry of Energy, Mines and Low Carbon Innovation has had a contract with MNP to administer the ARC program since 2018.
- Earlier this year, a program applicant (referred to as Company A) alleged that MNP had conflicts of interest regarding its administration of the ARC program. The allegations also raised questions about the ministry's oversight of the alleged conflicts.

Examination approach

Our examination of MNP's administration of the ARC program focused on three questions stemming from the allegations:

1. Did MNP provide applicant advising services (e.g., grant writing) for ARC or CVIC applications?
2. Did MNP influence the ARC or CVIC evaluation process to promote its clients?
3. Did MNP use ARC or CVIC information to solicit clients for MNP's business services, such as applicant advising, assurance or accounting?

Our examination of the Ministry of Energy, Mines and Low Carbon Innovation asked, in response to the allegations:

4. Did the ministry identify and manage conflicts of interest in MNP's administration of the ARC program?

We analyzed program documentation, reached out to all 99 program applicants, interviewed MNP and ministry staff, and re-performed key parts of the grant evaluation process.

We looked at ministry and MNP activity from Jan. 1, 2018, to August 1, 2024, to ensure we covered the program from its creation through to the ministry's response to the allegations.

Examination period: January 1, 2018 – August 1, 2024

Examination results

On Question 1:

No evidence that MNP provided applicant advising services for ARC or CVIC applications

- All 71 applicants who responded to our questions reported that MNP did not write their ARC or CVIC applications or provide any advice or support for their applications.
- No MNP grant-writing clients had hired MNP to write ARC or CVIC applications.
- MNP did not write, or offer to write, Company A's ARC or CVIC grant applications.

On Question 2:

No evidence that MNP influenced the ARC or CVIC evaluation process to promote its clients

- MNP was not responsible for scoring proposals or making funding decisions. This reduced the risk that MNP could influence evaluations to promote its clients.
- All decision points in the grant evaluation and approval process required and received ministry approval.
- The technical review panel scored Company A's proposal below the success threshold. The ministry rejected the project based on the panel's recommendation.
- Application instructions incorrectly implied that MNP had a role in funding decisions.

On Question 3:

No evidence that MNP used ARC or CVIC information to solicit clients for its other business services

- Sixty-eight of the 71 applicants who responded to our questions said MNP had never contacted them to offer grant-writing services.
- Three applicants, including Company A, responded that MNP had contacted them about grant-writing services. We found no evidence that MNP used ARC program information to contact them.
- No evidence grant administration team used program email to solicit clients for MNP.

On Question 4:

In response to the allegations, the ministry inquired with MNP to identify whether there was a conflict of interest for them to manage

- When the ministry learned of the allegations in February 2024, they worked with MNP and determined there was no conflict of interest.
- The ministry inquired further with MNP after the Legislative Assembly discussed the allegations in April.