

4.11–Training Division

(Follow-up to VFM Section 3.11, *2002 Annual Report*)

BACKGROUND

The mandate of the Training Division (Division) of the Ministry of Training, Colleges and Universities is to set standards for employment services and adult literacy, to help employers develop a skilled workforce to stay competitive, and to provide leadership on labour-market and training issues. The Division's programs and services are intended to assist individuals and employers in increasing skill levels and to help individuals make the transition from unemployment to employment and from education and training to the labour force.

Division expenditures for the 2001/02 fiscal year totalled \$346.3 million. Our 2002 audit focused on the following major programs: Job Connect; Summer Jobs Service; Apprenticeship; and Literacy and Basic Skills. These programs account for approximately 75% of the Division's expenditures.

Colleges of Applied Arts and Technology (community colleges), school boards, and community-based, not-for-profit organizations form the network of agencies responsible for delivering three of the major transfer-payment programs: Job Connect; Summer Jobs Service; and Literacy and Basic Skills. Employers are the primary deliverers of apprenticeship training, while community colleges and private training institutions that are funded by the Ministry and the federal government deliver in-school training assistance.

In our *2002 Annual Report*, we concluded that the systems and processes necessary to ensure cost-effective and efficient delivery of services to meet the programs' objectives and expected outcomes were not yet fully implemented. Some of our specific observations included:

- While the Ministry had set clear expectations for the performances of its delivery agencies and linked funding to the achievement of those expectations, it did not have adequate procedures to ensure that the actual results that the agencies reported were reliable and that service-delivery requirements were being met.
- Efforts to co-ordinate enforcement responsibilities and share information with the Ministry of Labour and other bodies responsible for workplace inspections had not been sufficient to determine the extent to which uncertified individuals were working in restricted trades. Effective enforcement of restricted trades is necessary to ensure that legislated objectives for protecting public and workplace safety are met and to maintain the value of obtaining certification in restricted trades.

- The Ministry was not monitoring the quality of apprenticeship training provided by employers and in-school training providers.
- The systems and procedures needed to collect and report meaningful performance information were under development. The Ministry had not linked funding for Literacy and Basic Skills services to performance in providing quality training.

We also found that the Ministry did not adequately control the acquisition and management of approximately \$11 million of consulting and other services that were acquired on its behalf through not-for-profit agencies over the past several years. In particular, the Ministry did not adhere to prudent purchasing practices and did not obtain the approvals from the Minister and the Management Board of Cabinet that would have been required if the projects had been undertaken and the services acquired by the Ministry directly. We found that:

- Services amounting to about \$8 million were acquired from private-sector suppliers with little or no competition.
- GST charges totalling \$600,000 were incurred because the agencies were not GST-exempt—\$235,000 of that amount was overbilled and should be recovered.

We made a number of recommendations for improvement and received commitments from the Ministry that it would take corrective action. Some corrective actions were underway at the time of our audit.

CURRENT STATUS OF RECOMMENDATIONS

According to information we received from the Ministry of Training, Colleges and Universities, progress has been made on all of the recommendations in our *2002 Annual Report*, with significant progress being made on several. The current status of each of our recommendations is as follows.

JOB CONNECT AND SUMMER JOBS SERVICE PROGRAMS

Measuring and Reporting on Program Effectiveness

Recommendation

To help ensure its Continuous Improvement Performance Management System (CIPMS) operates as intended to monitor and improve the overall performance of delivery agencies for the Job Connect and Summer Jobs Service programs, the Ministry should:

- *establish procedures to periodically verify the reliability of the performance information reported by delivery agencies;*

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- *complete the development of benchmarking for the Job Connect program to allow comparisons with other jurisdictions; and*
 - *establish more meaningful measures for assessing the performances of the Summer Jobs Service delivery agencies and the effectiveness of the program overall.*

Current Status

According to the Ministry, the following actions have been taken to periodically verify the reliability of the performance information reported by the delivery agencies:

- Site-visit procedures have been updated, documented, and implemented. These procedures include using a risk-based management-decision model for site visits and a tracking mechanism. Pre-testing of the updated process was completed in March 2003. In September 2003, guidelines and risk-based tools were issued to ministry staff for prioritizing and scheduling visits to Job Connect and Summer Jobs Service agencies.
- A consultant was hired in August 2003 to validate the accuracy of results reported in 2003/04 by all funded sites in the Job Connect program, with respect to employment outcomes and participant and employer satisfaction. The consultant identified: 1) barriers to surveying employers, participants, and good processes; and 2) practices for gathering and reporting results. A final report was received in April 2004.
- A benchmarking plan was developed for the Job Connect program. The first step was to validate employment and satisfaction results, as mentioned previously. Inter-provincial benchmarking is scheduled to begin in the 2004/05 fiscal year. The Ministry is working with contacts in other provinces to identify common elements of comparison benchmarking. The Ministry will publicly report its results in 2005/06.

The Ministry also informed us that new measures to assess satisfaction were implemented for the Summer Jobs Service program in 2004/05.

Monitoring Compliance with Program Guidelines

Recommendation

To help ensure that delivery agencies for Job Connect and Summer Jobs Service programs comply with ministry guidelines and that the performance information on which funding is based is reliable, the Ministry should establish a risk-based program of periodic visits by field consultants to delivery agencies.

Current Status

The Ministry indicated, as we noted previously, that site-visit procedures have been updated, documented, and implemented. The procedures now include using a

risk-based management-decision model for site visits, as well as guidelines, forms, and a tracking mechanism.

APPRENTICESHIP PROGRAM

Measuring Program Effectiveness

Recommendation

The Ministry should ensure that the information and performance management systems it is developing will, as soon as possible, allow it to begin reporting publicly on achievements with respect to apprenticeship completion and employment rates as well as the extent to which the apprenticeship program is meeting the expectations of apprentices and employers.

Current Status

The Ministry informed us that it had completed a draft Logic Model for the Apprenticeship program that links program resources, activities, outputs, and short-, medium-, and long-term outcomes. The Ministry also indicated that it was in the process of reviewing its core business objectives for the program and developing outcome-based performance measures on effectiveness and customer service that would capture achievements with respect to apprenticeship completion, employment rates, and the extent to which the program is meeting expectations.

Increasing Opportunities for Apprenticeships

In our *2002 Annual Report*, we indicated that we would follow up on the Ministry's efforts to expand opportunities for apprenticeship. The Ministry advised us that it has added seven new apprenticeship opportunities since April 2002: automotive glass technician; elevating devices mechanic; pool and hot tub installer; welder; special events co-ordinator; chef; and turf equipment technician. The Ministry also indicated that the number of new registrations had increased from 15,820 in 2001/02 to 19,098 in 2003/04, with a target of 26,000 in 2007/08.

Updating Apprenticeship Standards

Recommendation

To help ensure that apprenticeship graduates acquire the skills needed to meet employer needs, the Ministry should ensure that all training standards and examinations are up to date and reflect current demands of the workplace as soon as possible.

Current Status

Our *2002 Annual Report* identified seven active trades for which the examinations had not been updated for several years—some for as long as 30 years. According to the

Ministry, since our audit, examinations for four trades—domestic and rural electrician, construction millwright, motive power machinist, and transmission technician—have now been updated. Examinations for the three remaining trades—alignment and brakes, tower crane operator, and mobile crane operator-2—were under development and are expected to be completed in the 2004/05 fiscal year.

Our 2002 audit also identified two active trades for which training standards had not been updated in at least 10 years. According to the Ministry, since our audit, the training standards for domestic and rural electrician have been developed; the standards for motorcycle mechanic are under development and are expected to be completed during the 2004/05 fiscal year.

Monitoring Program Quality and Compliance

Recommendation

To better ensure the quality of apprenticeship training and compliance with training requirements, the Ministry should monitor the performance of employers and in-class training providers. Such monitoring should include:

- *on-site visits by field staff to employers and training providers with identified performance problems; and*
- *tracking of the extent and results of monitoring visits to ensure any necessary corrective action is taken.*

Current Status

The Ministry indicated that the new apprenticeship information system, when completed, will permit ministry staff to record the results of site visits for monitoring purposes. The Ministry expects that the reports provided by the new information system will help staff identify employer and training-provider performance problems. Once information-sharing agreements and enforcement protocols with the Ministry of Labour are in place, a risk-based monitoring policy and process will also be developed.

Enforcement of Legislation on Restricted Trades

Recommendation

To help reduce the extent of uncertified individuals working in restricted trades, the Ministry should:

- *establish information-sharing protocols with the Ministry of Labour and other organizations that conduct safety inspections;*
- *train field staff on ministry expectations for enforcement across the province;*

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- *use its new information system to help focus enforcement effort on industries, trades, and workplaces where the risk is greatest; and*
 - *monitor the impact of enforcement activities on apprenticeship program results.*

Current Status

The Ministry informed us that to reduce the number of uncertified individuals working in restricted trades, it has drafted a protocol for sharing information with the Ministry of Labour. A working committee was established with the Ministry of Labour to implement the protocol and to address other enforcement issues. However, implementation depends on resolving privacy concerns relating to the exchange of client information among ministries; as well, the Ministry of Labour's computer system must be upgraded to enable it to record/report certification checks.

Our *2002 Annual Report* found that there were no formal information-sharing protocols with the Ministry of Transportation and the Electrical Safety Authority (ESA), other organizations that conduct safety inspections. Information sharing with the Ministry of Transportation can be accomplished by system changes. The Ministry holds regular discussions with the Ministry of Consumer and Business Services and the ESA. However, due to the required regulatory and system changes, it will be three to five years before any initiatives can be fully implemented whereby the ESA would assume a greater role in enforcing electrician certification. At that time, appropriate information-sharing initiatives would be undertaken.

The Ministry indicated that it was working with the Ministry of Labour to enhance enforcement effectiveness. For instance, pilots for joint enforcement efforts have been introduced in Hamilton and Ottawa, focusing on electricians.

Our 2002 audit also noted that field staff required more training regarding the Ministry's expectations for enforcing non-compliance in restricted trades. We were advised that work was now underway to clarify existing enforcement practices and to identify additional activities that could be undertaken within the current program. Nine ministry employees attended workshops to improve co-operation and communication among the ministries that provide enforcement services. To help focus enforcement efforts where the greatest risks exist, the Ministry informed us that it is incorporating system design changes into the new apprenticeship information system. These changes will be based on discussions with the ministries of Labour and Transportation.

Effectively Assessing Prior Learning and Academic Readiness

Recommendation

To better ensure that the Ministry's learning assessment tools for the Apprenticeship program—both the assessment of prior learning and of academic readiness—are being used effectively, the Ministry should:

- *standardize and make available exemption tests for each applicable trade;*
- *develop and communicate to ministry and college staff a standard policy on the use and administration of such tools; and*
- *monitor the use and results of both tools and take corrective action where necessary.*

Current Status

According to the Ministry, the following actions have been taken so that apprenticeship candidates can be assessed more effectively. The Ministry now offers exemption tests for 38 trades, an increase of 31 trades since 2002. It is planning to add exemption tests for 16 more trades in 2004/05, leaving 38 trades to be added by the end of 2005/06. A policy on the use of exemption tests has been developed and communicated to ministry staff. An exemption-test service agreement has been drafted with the colleges and will be incorporated into the 2004/05 funding agreements for apprenticeship training.

The general policy on Evaluating Academic Readiness for Apprenticeship Training (EARAT) was reviewed and quarterly reports on usage of this tool are being received from the field offices. A work plan was developed to test the feasibility of using the EARAT tool in the Job Connect and the Literacy and Basic Skills programs. Pilot projects will determine its potential for assessing candidates in these programs.

Managing Program Funding for In-school Training

Recommendation

To help ensure that funding levels for in-school apprenticeship training are appropriate, the Ministry should:

- *work with training providers to develop financial reporting that reflects the actual cost of program delivery; and*
- *introduce funding that is linked to the provision of training that results in positive outcomes for apprentices and employers.*

Current Status

The Ministry indicated it will undertake a review of in-school funding in 2004/05 and develop a proposal based on this review. When the outcome-based performance

measures are established and the new apprenticeship information system is implemented, funding will be linked to performance.

LITERACY AND BASIC SKILLS PROGRAM

Tracking and Reporting Participant Outcomes

Recommendation

To strengthen accountability and provide a sound basis for making informed funding decisions about its Literacy and Basic Skills program, the Ministry should:

- *ensure all program delivery agencies consistently conduct and report the results of their participant outcome surveys;*
- *require that all program delivery agencies take steps to minimize lost contacts and to report them as part of program performance;*
- *track and report the length of time clients remain in the program; and*
- *report actual performance results in its Business Plan to permit a comparison with its commitments.*

Current Status

The Ministry indicated that the Literacy and Basic Skills program had clarified the participants with whom agencies need to follow up at the exit stage, and again at three and six months after exit. The policy regarding follow-ups has been finalized and distributed to agencies. Lost contacts are now included in the program-outcome calculations, and a goal to reduce the number of lost contacts to 15% or less of learners exiting the program was included in the program's Business Plan for 2003/04.

Ministry staff developed a baseline report on how long clients remained in the program, based on learners who exited up to March 2003. They determined that learners spent an average of 133 days in the system before exiting. The Ministry indicated that it will continue to collect data annually and refine its analysis of the data. The Ministry has not yet reported actual performance results related to clients who received intensive training.

Linking Funding to Performance

Recommendation

To help ensure that funding to delivery agencies for the Literacy and Basic Skills program is appropriate and equitable based on the level and quality of services provided, the Ministry should implement a funding model that:

- *sets out the conditions and process which will result in adjustments in funding; and*

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- *recognizes whether delivery agencies have been successful in helping their clients achieve positive outcomes.*

Current Status

The Ministry indicated that a consultant was hired to review the existing funding model. Initial recommendations were received in mid-2003. Ministry staff reviewed the consultant's recommendations and developed options for consideration. According to the Ministry, the plan is to phase in a new funding model starting in the 2005/06 fiscal year.

Monitoring Delivery Agency Performance

Recommendation

To more efficiently and effectively ensure that field consultants and delivery agencies for the Literacy and Basic Skills program are meeting its expectations, the Ministry should:

- *ensure that field consultants formally assess the risk of performance problems when selecting and conducting monitoring visits to delivery agencies; and*
- *track and summarize the results of all monitoring visits to determine whether visits are being conducted as expected and whether corrective actions are being taken when problems have been identified.*

Current Status

Our audit had noted that it was important for field consultants to visit agencies to evaluate their adherence to program guidelines and standards but that agency monitoring through on-site visits needed to be strengthened. The Ministry has indicated that, since April 2003, field consultants have been using a new monitoring form to rate agency performance. The new form was redesigned to focus on financial and administrative accountability, program delivery, community links, and client feedback. Agencies are rated as not meeting requirements, meeting requirements, or exemplary, based on assessments in each of the focus areas. These ratings have been integrated into the decision-making process for selecting agencies to visit beginning in 2004/05 and will determine the frequency of field visits to the agencies. A site-visit tracking system is still under development.

ACQUISITION AND MANAGEMENT OF CONSULTING AND OTHER SERVICES

Recommendation

To better ensure that value for money is achieved in acquiring consulting and other services, the Ministry should:

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- *comply with government policies for the acquisition of such services regardless of the source of funds used to acquire them; and*
 - *recover any funding provided to transfer-payment agencies that relates to GST that they were not required to pay.*

Current Status

With respect to the acquisition of consulting and other services, the Ministry has completed a ministry-wide assessment project to identify, prioritize, and mitigate risks relating to procurement. Procurement training for senior ministry staff was developed in conjunction with the Shared Services Bureau, and the training has been completed.

The Ministry also indicated that a repayment schedule was agreed to in order to recover the GST, which the transfer-payment agency did not have to pay. As well, the 2003/04 Job Connect and Summer Jobs Service contracts were amended to include the reporting and repayment of GST rebates.