



Employment Ontario 2016 Value-for-Money Audit

Why We Did This Audit

- To determine whether programs and services funded by the Ministry of Advanced Education and Skills Development (Ministry) through Employment Ontario are effective in helping Ontarians develop skills and find sustainable employment.
- Programs and services are offered through 400 third-party service providers.

Why It Matters

- With an annual budget of over \$1 billion, this program can play a significant role in the Ontario economy.
- Ontario's overall unemployment rate in 2015 was 6.8%, and 14.7% for youth.
- A lack of appropriate labour market information to inform skills training could keep the Ontario unemployment rates from dropping.

What We Found

- The Ministry does not collect or analyze regional information on labour-force supply and skills demand to determine which jobs face a shortage of skilled workers.
- In one program, designed to find long-term sustainable employment for clients, 68% of individuals that received employment services in 2015/16 reported being either employed or on a career path, but only 38% were employed full-time at the time of program completion. For those that received employment services in the prior year, although outcomes at program completion were similar, within 12 months the percentage of individuals employed or on a career path had dropped to 52%.
- Fewer than half of those who begin an apprenticeship program in Ontario complete it. Despite this, the Ministry does not fully review and analyze apprentice completion rates by training provider or employer to determine why.
- The number of apprentices at risk of not completing their apprenticeship remains high even after Ministry intervention to help them succeed. In November 2014, the Ministry identified 16,350 such cases, of which about 68% were resolved by having the apprentice exit the system. By June 2016, the number of apprentices at risk had again risen to 20,800, and an additional 18,200 apprentices were identified under an expanded definition of at risk.
- In the last three years, \$26.6 million in overpayments to participants in a program to help them retrain for high-demand jobs have been written off as uncollectible.
- At the time of our audit, the Ministry had integrated youth employment offered by three other ministries. However, it had no plans to integrate employment services offered by the Ministry of Citizenship, Immigration and International Trade to new immigrants, even though both ministries used many of the same service providers.

Conclusions

- The Ministry lacks detailed and timely labour market information on which to make informed program and funding decisions, so there is little assurance that funding is directed toward areas that will bring sustainable employment.
- Although the Ministry is redesigning some of its programs, more effort is still needed to increase their effectiveness.
- The Ministry needs to do more to increase completion rates for apprentices.