

# Chapter 1

## Section 1.14

### Treasury Board Secretariat

## Follow-Up on 2020 Value-for-Money Audit: Business Case Development in the Ontario Public Service

### RECOMMENDATION STATUS OVERVIEW

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	4		2	2		
Recommendation 2	2			2		
Recommendation 3	2	2				
Recommendation 4	3	2		1		
Recommendation 5	3	1		2		
Recommendation 6	3		1	2		
Recommendation 7	1			1		
Recommendation 8	4	1	2	1		
Recommendation 9	2	1	1			
Recommendation 10	3			3		
Recommendation 11	2	1		1		
Recommendation 12	1		1			
Recommendation 13	4	2		1	1	
Recommendation 14	4		2	2		
Recommendation 15	2	1		1		
Recommendation 16	2			2		
Recommendation 17	4		1	3		
Recommendation 18	2				2	
Recommendation 19	4			4		
<b>Total</b>	<b>52</b>	<b>11</b>	<b>10</b>	<b>28</b>	<b>3</b>	<b>0</b>
<b>%</b>	<b>100</b>	<b>21</b>	<b>19</b>	<b>54</b>	<b>6</b>	<b>0</b>

### Overall Conclusion

The Treasury Board Secretariat (Secretariat), as of September 30, 2022, has fully implemented 21% of the actions we recommended in our *2020 Annual Report*. The Secretariat has made progress implementing an additional 19% of the recommendations.

The Secretariat has fully implemented recommendations such as updating the business case guidance to include cross-cutting issues, where applicable, such as data governance, intellectual property and environmental impacts, and to set guidelines for flexibility in length and content of business cases, proportionate to the level and likelihood of risks associated with the request. The Secretariat also updated guidance

provided to Secretariat analysts developing assessment notes, including requiring assessment notes to clearly identify what information is missing from the business case and assessing the impact on decision-making. The Secretariat has also implemented or plans to implement training sessions on conducting cost/benefit analysis, risk assessments and performance measurement.

However, the Secretariat has made little progress on 54% of the recommendations, including, for example, providing training to preparers of business cases on options analysis, conducting consultation and applying the results of consultation to business cases. The Secretariat has also not changed its process to require the earlier sharing of draft business cases, and still does not require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements before proceeding to the Treasury Board/Management Board of Cabinet, unless clear exemptions are provided. No changes have been made to improve sharing of information with Cabinet Policy Advisors, who may be reviewing Cabinet submissions with content similar to business cases. The Secretariat has informed our Office it will not implement 6% of our recommendations, including our recommendation to discontinue the practice of abstaining from providing the Board with a staff recommendation on high-risk requests. The Office of the Auditor General of Ontario continues to support the implementation of these recommendations.

The status of actions taken on each of our recommendations is described in this report.

## Background

In the Ontario government, ministries are generally required to submit a business case to the Treasury Board/Management Board of Cabinet (Board), a committee of Cabinet, when they are seeking a change to operations, organization, activities and spending that goes beyond the scope of their annual business plan (which includes ministries' total approved annual expenditures).

In 2020/21, approximately \$4.99 billion (approximately \$3.4 billion in 2019/20) additional expenditures were approved outside of ministries' annual business plans through in-year business cases submitted to the Board. At the time of our follow-up, the Board included the President of the Treasury Board (Board Chair), Minister of Finance (Board Vice-Chair) and five other Cabinet Ministers. According to the Board's 2019 Terms of Reference, the Board "will take a strategic approach to expenditure management, enabled by thorough long-term planning, rigorous analysis, and consideration of key risks" and will "assess and test each item under consideration, to ensure decisions are defensible and evidence-based."

Business cases provide the information necessary for Board members to make informed, evidence-based decisions. They are a record of the decision-making process, and they can be key resources for a project/program's life cycle.

Given the financial significance of these decisions, the Board requires that all requests are accompanied by a "robust business case." This includes the following:

- an evaluation of alternative options;
- sufficient evidence in support of the proposed option;
- a clear identification and analysis of costs;
- an assessment of risks and proposed mitigation; and
- plans for implementation and performance measurement.

Inadequate or incomplete business cases can pose a serious risk to the Province in achieving value for money.

The Treasury Board Secretariat (Secretariat) provides ministries with guidance on preparing business cases. The Secretariat is also ultimately responsible for providing the Board with a critical assessment and advice on a recommended course of action. This advice is formally documented in an "assessment note" and is considered the Secretariat's official advice to the Board.

Typically, business cases are first developed by policy/program staff in a ministry. Policy/program staff work with their corporate division (the division

responsible for financial administration) to receive support and validation for financial components of the business case. The corporate division serves as the ministry's liaison with the Secretariat. It communicates directly with the Secretariat, fields questions about the business case, and solicits the approvals and sign-offs required before the business case is provided to the Secretariat and the Board, including those of the ministry's Chief Administrative Officer, responsible Assistant Deputy Minister, and ultimately Deputy Minister and Minister.

Our review found that improvements had been made in the previous few years to better define and support the decision-making processes; however, opportunities existed to improve ministries' business cases submitted to the Secretariat and the depth of analysis provided.

Specifically, our review of a sample of 15 business cases submitted by various ministries and the accompanying assessment notes highlighted the following areas for improvement:

- business cases needed to reflect more analysis in regard to the presentation of options, cost analyses, performance monitoring plans and, where applicable, the consideration of environmental impacts, intellectual property and data governance; and
- assessment notes needed to provide clearer advice to the Board on the feasibility of ministries' requests, adequacy of ministries' risk mitigation and performance monitoring plans, and the sufficiency of consultation. Greater attention to costing assumptions, external factors and the impact of the request on provincial debt is also required.

Business cases and assessment notes are not developed in isolation and are accompanied by discussions, briefings and, at times, additional submissions to the Board or Cabinet. However, the business case and assessment note are the key documents shared with the Board and serve as a record in the decision-making and options assessment processes. It is therefore of paramount importance that they are robust and evidence-based.

We made 19 recommendations, with 52 action items, to address our findings.

We received a commitment from the Secretariat that it would take action to address our recommendations.

## Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the Treasury Board Secretariat that effective November 15, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

## Ministries Do Not Consistently Provide Decision-Makers with Complete Business Case Information

### Recommendation 1

*To provide decision-makers with sufficient and comprehensive information for decision-making in business cases, we recommend that the Treasury Board Secretariat provide training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases:*

- *present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option;*

**Status:** Little or no progress.

### Details

In our 2020 review, we found that business cases do not always consider alternative options and do not systematically compare options. Of the 15 business cases we reviewed, only two of the 15 met the Secretariat's requirement to assess three options as well as the status quo. One-third of the business cases did not provide any alternative options. Where business cases did not include alternative options, they did not provide a

rationale to explain why they did not do so, thereby leaving a gap in the business case rationale.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. However, these new resources and training do not include a focus on option analysis, including using consistent metrics, and processes have not been changed to ensure that ministries present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option.

We also found that in May 2022, the Secretariat provided ministries with updated business case and assessment note templates and guides. The updated business case template and accompanying guide recommends that ministries present and assess at least three options along with the status quo; however, the 2019 template (in place at the time of our 2020 review) did so as well. In the updated template and guide, it is mandatory to include the recommended option and rationale for why it was selected over other options in the Executive Summary. The actual options analysis is now located in an optional appendix, but ministries are required to complete a “completeness check” as part of the business case template where ministries are required to identify where the consideration of alternative options is located within the submission.

The Office of the Auditor General of Ontario continues to recommend that further work is needed by the Secretariat to provide more training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option.

- *provide a summary of options, where options related to the request have been previously presented to the Treasury Board/Management Board of Cabinet or Cabinet;*

**Status:** Little or no progress.

## Details

At the time of our 2020 review, ministries told us that where options were not included in a business case, they may have been considered in previous business cases or Cabinet submissions, but we found instances where the business cases in our sample either did not have an accompanying Cabinet submission or the earlier business case also had an incomplete assessment of alternative options. As such, we recommended that a summary of past options considered be included in business cases.

In our follow-up, we found that there was no change to the updated business case template or accompanying guide to require ministries to provide a summary of options to the Board, when options had been previously presented to the Board. Further, as outlined earlier in this recommendation, planned training for ministries still did not include a focus on option analysis. The Secretariat informed us that it has no plans to implement this recommendation as options presented in other submissions may not be under active consideration. However, given that options analyses have historically been incomplete and inconsistent in business cases we have reviewed, the inclusion of a summary of options previously considered helps ensure business cases contain complete information. As such, for transparency to decision-makers and to ensure that business cases contain complete information on options assessed, the Office of the Auditor General of Ontario continues to recommend this recommendation be implemented.

- *identify whether a cost/benefit or cost-effectiveness analysis is required for the request, the scope of that analysis, and conduct cost analyses as needed;*

**Status:** In the process of being implemented by December 2022.

## Details

In our 2020 review, we found that half of business cases reviewed made little or no attempt to analyze the benefits associated with a given proposal against costs, or explain if such analysis was not warranted. Complete cost analyses allow decision-makers to assess the

financial feasibility and sustainability of the proposal, providing transparency and accountability.

In our follow-up, we found that the Secretariat plans to develop and implement a voluntary training module on analyzing costs and benefits by December 2022. This training will provide guidelines and tips on choosing the appropriate type of cost analyses (for example, cost-effectiveness versus cost/benefit analysis) for a Business Case Submission. The training will be delivered by Secretariat staff in the Office of the Treasury Board and will be offered to all Ontario Public Service staff every three weeks.

- *systematically identify and assess key risks and mitigation strategies, including the risk of not proceeding with the proposed approach.*

**Status: In the process of being implemented by December 2022.**

### Details

In our 2020 review, we found that 60% of the business cases we reviewed identified most of the key risks and identified strategies to mitigate the risks, but the remaining 40% typically failed to identify and assess all of the key risks and/or did not do so in a systematic way. For instance, risks were not always presented in the same section of the template, assessed for likelihood or frequency, or linked to mitigation strategies. Further, none of the 15 business cases assessed the risk of not proceeding with the proposed request.

In our follow-up, we found that the Secretariat plans to develop and implement a new voluntary training module on risk management frameworks and methodologies (for example, risk identifications, risk mitigation) for application in the context of business cases by December 2022. The training will be delivered by Secretariat staff from the Office of the Chief Risk Officer and will be offered to all Ontario Public Service staff on a quarterly basis.

Based on the business case template and guidance, risk assessments were mandatory components of business cases when we conducted our review in 2020. They remain mandatory.

We note that in the communications plan section of the 2022 updated business case template, ministries

are told to work with their communications staff. For ministry staff developing a business case that are less familiar with conducting cost analyses, risk assessments, and options analysis, similar guidance could be offered, encouraging program area staff to work with their corporate branches, staff from the Office of the Chief Risk Officer or other Secretariat staff with the necessary expertise to assist ministries in completing such sections of their business case.

### Recommendation 2

*To provide decision-makers with complete information on internal and external consultations, we recommend that the Treasury Board Secretariat provide training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to:*

- *clearly identify who was consulted, when consultation took place, the subject and format of consultations, and the findings from the consultations;*

**Status: Little or no progress.**

- *summarize how the ministry proposes to address findings from the consultations.*

**Status: Little or no progress.**

### Details

In our 2020 review, we found that business cases did not generally take a systematic approach to linking who was consulted with the specific details on the type of consultation, the objectives of the consultation and the feedback obtained.

In our follow-up, we found that the Secretariat does not have plans to develop training materials on conducting consultation or applying the results of consultation to business cases.

The Secretariat updated the business case template and guide to prompt ministries to include additional information on internal (within government) and external (public) consultations. New in the 2022 template, with respect to external consultations, submitting ministries are encouraged to identify who was consulted, when the consultation took place, the subject and format of the consultations and the

findings. For internal consultation, the ministry is encouraged to outline how the consultations (if at all) impacted the business case and recommended option and the impacts of the business case on other provincial activities.

However, while consultation was previously a mandatory component of business cases at the time of our 2020 review, the May 2022 updates include an optional appendix for ministries to highlight the outcomes from public or other consultations, if they do not discuss it elsewhere in their submission. The ministry has also introduced a completeness check where ministries are required to identify where the outcomes of both public consultations, and internal consultations are located within the submission. The Office of the Auditor General of Ontario continues to recommend that the Secretariat provide training, coaching and mentorship opportunities to preparers of business cases on how to incorporate findings from consultations into their business cases.

### Recommendation 3

*To strengthen performance monitoring plans in business cases, we recommended that the Treasury Board Secretariat provide training, coaching and mentoring opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases:*

- *include quantifiable performance indicators that relate to the objectives, outputs, outcomes and end-user impacts of a proposal;*

**Status: Fully implemented.**

- *provide a plan for performance monitoring and reporting that includes a description of the data that needs to be collected, data sources, the frequency of collection and reporting, and assigned responsibility for monitoring and implementing continuous improvements, as needed.*

**Status: Fully implemented.**

### Details

Our 2020 review found that at least 80% of business cases we reviewed did not provide adequate

performance monitoring plans, including details of performance data to be collected, the sources of performance data and assigned responsibilities for continuous improvement. At the time of our 2020 review, the Secretariat offered training on performance measurement upon a ministry's request, but we found that in 2019/20, only four ministries participated in performance measurement training.

In our follow-up, we found that while the Secretariat implemented new training on performance measurement for Secretariat analysts in June 2022, there is currently no additional ongoing training planned for performance monitoring for line ministry staff completing business cases. However, the Secretariat has informed us that it intends to provide more specific training on performance measurement in the future.

However, in spring and summer 2022, the Secretariat conducted two outreach sessions with all line ministries. The first session covered key concepts in performance measures and how to identify and set performance measures in business cases. This is useful training, and could be expanded to include training on developing plans for performance monitoring and reporting that includes a description of the data that needs to be collected, data sources, the frequency of collection and reporting, and assigned responsibility for monitoring and implementing continuous improvements. In addition to expanding the scope of the training, we encourage the Secretariat to provide this to ministries on an annual basis.

The updated 2022 business case template asks ministries to describe available data for monitoring performance, and if not available, identify the plans for establishing ongoing data collection and reporting, this was also required in the 2019 template. While the 2019 and 2022 business case templates are very similar, the 2022 template also specifies that the performance measures should have a baseline, trend data, target values, and dates.

### Recommendation 4

*To provide decision-makers with concise business cases, we recommend that the Treasury Board Secretariat:*

- *enforce the page limit for executive summaries for business cases;*

**Status:** Little or no progress.

### Details

At the time of our 2020 review, we found that the business cases in our sample were long and repetitive. The average length of the 15 business cases reviewed was 42 pages, ranging from 13 to 136 pages. While there was no guidance on overall page length, the Business Case User-Guide (2019) required ministries to limit their executive summary to two pages. The 2022 Guide now states that “a strong summary will be as concise and precise as possible, including all key information and facts necessary for effective decision making, while not exceeding one (1) page (exceptions allowed for multi-ministry, joint, and multi-initiative submissions).”

During our follow-up, the Secretariat indicated that it would not return a business case if it was too lengthy, but instead provide feedback to the ministry throughout its formal briefing process. Based on 16 business cases completed using the new template from May 2022 to the time of this follow-up, the average page length was 33 pages, ranging from 13 to 92 pages. The average length of the executive summary was 2.3 pages, with the longest executive summary at seven pages. None of the 16 business cases noted above were multi-ministry submissions and only two were multi-initiative submissions.

The Secretariat has informed our Office no further action on this recommendation is proposed.

- *set guidelines for flexibility in length and content of business cases, proportionate to the level and likelihood of risks associated with the request;*
- *provide training, coaching and mentorship opportunities to preparers of business cases on how to make their business cases clearer and more concise.*

**Status:** Fully implemented.

### Details

In our 2020 audit, we found that other jurisdictions restrict the length or allow for tailored submissions, depending on the nature of the request. For instance,

in its guidance to departments, the Treasury Board of Canada Secretariat outlines examples of submissions where sections of the template are not necessary. It recommends early consultation with Treasury Board analysts to discuss the requirements and obtain advice on what elements of the submission would need to be included.

In our follow-up, we found that in addition to the one-page limit for executive summaries, the 2022 update to the business case guide and template includes a new dedicated section on proportionality, which outlines the factors a ministry should take into consideration when determining the amount of content and evidence to include in the business case. The guide illustrates elements of a business case that would necessitate more details, such as significant resources (funding and/or staffing), high risk, large impact on Ontarians, or a new program. The template also includes guidance about the amount of detail and evidence to provide. Throughout the template and guide, ministries are encouraged to not duplicate information and be as concise as possible. The updated business case guide emphasizes the importance of a clear and concise business case, including for example that a “strong summary will be as concise and precise as possible, including all key information and facts necessary for effective decision making, while not exceeding one page.”

Starting in August 2021, the Secretariat launched a general introductory business case session. The training emphasizes writers should be succinct.

## Secretariat’s Business Case Template Includes Most Key Criteria for a Robust Business Case but Omits Some Important Elements

### Recommendation 5

*To strengthen its business case template to allow greater scope for decision-makers to make informed decisions or to defer a decision where appropriate, we recommend that the Treasury Board Secretariat:*

- *update the business case template and guidance to require that: data gaps be clearly identified and the impact on decision-making explained;*

**Status: Little or no progress.**

### Details

In our 2020 review, we found that over half of the business cases we reviewed either made a limited attempt or failed to identify data gaps and/or explain the impact of the missing information on decision-making.

In our follow-up, we found that the 2022 updated business case template and guidance does not require ministries include information on data quality or data gaps and their impact on decision-making. Additional guidance has been added to the business case template encouraging ministries to describe the data currently available for monitoring performance, or the plans for establishing an ongoing data collection and reporting where data is not available. The template also asks ministries, as part of a completeness check, to identify what section in the business cases contains “evidence and data supporting the proposal.” However, the completeness check does not prompt ministries to identify data gaps, particularly in sections other than performance monitoring, such as options and cost analysis, and clearly explain the impact on decision-making.

- *cross-cutting issues be considered, where applicable, including data governance, intellectual property, and environmental impacts;*

**Status: Fully implemented.**

### Details

In our 2020 review, we found that the Secretariat’s business case template did not require ministries to consider the impacts related to data governance, intellectual property rights or the environment. Our past audits related to cross-cutting issues, such as intellectual property (the rights surrounding a methodology, design or other creation), data governance (the management of data to ensure its quality and security), and the environment have demonstrated a need to systematically include such considerations in government decision-making processes.

The updated 2022 business case template includes environmental impacts, data governance, and intellectual property on the completeness checklist, and a new section for ministries and analysts “to ensure that all key aspects of the business case have been captured.” There is also an optional appendix in the template and information in the business case guide on environmental impacts, prompting the preparer of the business case to describe how and to what extent the proposal will impact the environment. Preparers are asked to consider greenhouse gas emissions, pollution, resource depletion, etc. while also assessing the alignment of the proposal with broader government environmental priorities.

- *provide guidance and training to preparers of business cases on how to incorporate such issues into decision-making.*

**Status: Little or no progress.**

### Details

As noted in our 2020 review, our past audits related to cross-cutting issues, such as intellectual property rights, data governance, and the environment have demonstrated a need to systematically include such considerations in government decision-making processes.

In our follow-up, we found that while the business case template and guide have been updated to reflect environmental impacts, data governance and intellectual property, the Secretariat has no future plans to offer training to ministries on how to incorporate the consideration of such issues into business cases.

## Limited Opportunities for Business Case Training and Sharing of Best Practices

### Recommendation 6

*To strengthen the ability of preparers of submissions to develop robust, evidence-based business cases, we recommended that the Treasury Board Secretariat (Secretariat):*

- *incorporate business case training into ministry staff learning and development plans;*

**Status:** Little or no progress.

### Details

In our 2020 review, we found that the Secretariat’s policy/program staff draft the majority of business cases; however, we have found that they attended fewer Secretariat training sessions than corporate division staff.

In January 2021, the Secretariat discussed the findings from our review with Finance Directors and Managers from across ministries and highlighted the importance of continuous staff learning and the need for ministries to integrate training into staff learning development plans. However, to date, there has been no formal instruction to include business case training into ministry staff learning and development plans across the Ontario Public Service. Further, the Secretariat could not provide any evidence that this has been done in any line ministries or in the Secretariat.

The Secretariat informed our Office that it will not be instructing ministries to include business case training in learning and development plans across the Ontario Public Service as the staff involved in developing business case submissions is constantly in flux, and will instead rely on voluntary participation in training.

- *share best practices in business case development among initial preparers of business cases;*

**Status:** In the process of being implemented by December 2022.

### Details

In our 2020 review, through surveys of ministry staff, we found that 46% of all respondents (53% of corporate and 41% of policy/program respondents) highlighted training on business case development as an area for improvement. In their responses, multiple staff flagged that they would like regular training sessions (monthly or quarterly) on the in-year business case process and the Secretariat’s expectations on business cases. Such training could improve the quality of business cases.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. This includes a general introductory business case session, intended for “members of the Ontario Public Service with little or no experience in writing or reviewing such submissions” (launched in August 2021), as well as, new training on cost/benefit analysis (to be implemented in December 2022) and risk identification and mitigation (to be launched in December 2022).

However, as noted in **Recommendations 1, 2 and 5**, the training modules developed are missing important elements including option analysis, consultation, and how to consider cross-cutting issues such as environmental impacts, data governance and intellectual property rights in business cases. The Office of the Auditor General of Ontario continues to recommend that this type of training would be beneficial to provide to initial preparers of business cases.

- *consider identifying Secretariat staff as “business case champions” to proactively assist ministries in the development of business cases.*

**Status:** Little or no progress.

### Details

In our 2020 review, we found that the initial preparers of business cases do not routinely interact with Secretariat staff directly and may not receive all of the information or advice shared by the Secretariat, resulting in a missed opportunity to share feedback on the quality of business cases or expectations for what constitutes a robust business case. Further, while there are avenues for sharing best practices among management in corporate divisions (such as the Business Planning Managers Committee, the Finance Business Management Council for directors in corporate divisions and the Chief Administrative Officer’s Forum), similar opportunities are not available for policy/program staff or management. In contrast to Ontario, New Zealand’s Treasury has a team that meets quarterly with government and broader public sector staff to respond to questions and share information and updates about the business case process. Attendees are

expected to share updates and lessons learned with their colleagues.

The Secretariat informed our Office that it has not identified business case champions or initiated the creation of communities of practice for program and policy staff related to business cases, but that ministries could establish such communities on their own.

The Office of the Auditor General of Ontario continues to support the implementation of this recommendation. This recommendation would support the objectives outlined in the Secretariat's 2021/22 Published Plans and Annual Report, to provide "leadership and advisory services that support evidence-based decision making, prudent financial management and transparent public reporting across the public sector in Ontario."

## Business Case Development Process and Decisions Not Publicly Available

### Recommendation 7

*To promote transparency and government accountability, we recommend that the Treasury Board Secretariat publish overview information about key government decision-making processes, including Cabinet and Treasury Board/Management Board of Cabinet approval processes, and guidance on the development of business cases.*

**Status:** Little to no progress.

### Details

Ontario does not publicly communicate information about the Board or Cabinet processes, including committee memberships, mandates, responsibilities or other details. With the exception of transfers of financial resources between voted appropriations (referred to as Treasury Board Orders) and amendments to legislation/regulations, details about other Board items, such as business cases and accompanying templates or guidance are not made public.

By contrast, other jurisdictions such as the federal government and the government of Nova Scotia publicly communicate information about these government decision-making processes and publish business case templates and guidance material on

their public-facing websites. New Zealand not only posts information about government decision-making, including Cabinet committee memberships and business case processes for the general public, but, starting January 2019, also publicly shares the final results of government decision-making via Cabinet minutes that are not classified as highly sensitive or confidential.

At the time of our follow-up, the Secretariat concluded that it was comfortable publishing a high-level overview of the in-year business case process, similar to what was included in our *2020 Annual Report*, including the roles and responsibilities of key players, and displaying the process in a visual format. Upon finalizing this follow-up report, the Secretariat informed us that it was not ready to publish this information and instead would continue to internally evaluate the appropriate information that can be publicly shared.

The Office of the Auditor General of Ontario recommends the Secretariat publish information on the process beyond what is already publicly available in our 2020 report, including guidance on business cases. Providing such guidance would be beneficial for provincial agencies and broader public sector organizations, who do not have access to internal government training on business cases, to provide them with greater context on the process and information expected as the ministries develop business cases on their behalf.

## Assessment Notes Do Not Always Contain Sufficient Critical Analysis of Business Cases

### Recommendation 8

*To help ensure that business cases receive sufficient due diligence and critical assessment, we recommended that the Treasury Board Secretariat provide staff who prepare assessment notes with analytical skill-building opportunities (such as training, mentoring, coaching) in the following areas:*

- *assessing costing assumptions and considering impact of internal and external factors on revenue and expenditure projections, and the impact on provincial debt;*

**Status:** In the process of being implemented by December 2022.

- *critically evaluating risks of proposed initiatives and the sufficiency of the proposed mitigation plans;*

**Status:** In the process of being implemented by December 2022.

- *evaluating the sufficiency of consultation conducted and implications on decision-making;*

**Status:** Little or no progress.

- *evaluating ministry implementation plans and performance monitoring plans including performance indicators, data collection, oversight, and continuous improvement.*

**Status:** Fully implemented.

### Details

As part of our 2020 review, we reviewed the 15 Secretariat's assessment notes that accompanied the business cases in our sample to assess the level of due diligence and assurance documented in these assessment notes. Overall, we found that elements of the financial analysis of the request were consistently missing from assessment notes; the majority of assessment notes did not provide clear advice on the sufficiency of ministries' risk assessments and mitigation strategies; assessment notes did not provide an adequate assessment of the feasibility of ministry proposals; and the majority of assessment notes did not evaluate the implementation and performance monitoring plans in the business cases.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. This includes training on the updated components of the assessment note (launched in June 2022), as well as new training on cost/benefit analysis (to be implemented in December 2022), risk identification and mitigation (to be launched in December 2022), and performance measurement (launched in June 2022). At the time of our follow-up, we found that there is no training planned for analysts focused on evaluating the sufficiency of

consultation conducted and implications on decision-making. As stated in **Recommendation 2**, the Office of the Auditor General of Ontario continues to believe that additional training for ministry and Secretariat staff on consultation would be beneficial in ensuring robust business cases.

### Recommendation 9

*To provide decision-makers with a clear and concise analysis of requests, we recommend that the Treasury Board Secretariat (Secretariat):*

- *reassess the length and contents of the assessment notes; and*

**Status:** Fully implemented.

- *require compliance with assessment note length and content requirements.*

**Status:** In the process of being implemented.

### Details

In our 2020 review, we found that assessment notes were not concise and often repeated content of the submissions. Of the 15 assessment notes we reviewed, the average length was 25 pages, ranging from six to 48 pages.

In our follow-up, we found that, in May 2022, the Secretariat revised the assessment note template and it is now nearly half the length of the previous 2019 template that was in place during our review. A major reason why the new assessment note template is more concise is because important explanatory information related to the content of the assessment note is now located in a new guide, which accompanies the template. Similar to the 2019 template, there is no overall page limit for the assessment note in the 2022 revision.

According to the Secretariat, feedback on the length of the assessment note will be provided throughout the internal briefing meetings. However, based on 21 assessment notes completed using the new template from May 2022 to the time of this follow-up, the average page length was 21 pages, ranging from seven to 88 pages. The average length of executive summaries was 1.3 pages with the longest at three pages. Given the length of assessment notes using the new template,

we recommend the Secretariat continue to work with its analysts to develop more concise assessment notes.

## Timing and Format of Business Case Review Limit Opportunity to Add Value

### Recommendation 10

To support the development of robust business cases, we recommend that the Treasury Board Secretariat (Secretariat) work with the Secretary of the Cabinet to:

- revise current review and approval processes of business cases to require the review of business cases by the Secretariat prior to ministries obtaining final Deputy Minister and Minister sign-offs;

**Status: Little or no progress.**

### Details

In our 2020 review, we found that business cases are often far along in approvals process before Secretariat analysis is received. Having already received these approvals may limit the ministries' willingness to make the Secretariat's suggested improvements to their business cases as additional re-approvals may be required.

In our follow-up, we found that, in May 2022, the Secretariat revised the assessment note template to state "ministries are encouraged to share drafts of their submissions with TBS as early as possible, [and Secretariat] analysts should endeavour to share their draft [assessment] note with the ministry. Together, this helps ensure the development of both stronger business cases, and more accurate assessment notes." Likewise, the new business case guide states that drafts should be shared with Secretariat analysts to allow for "robust discussion, advice, analysis, and assessment."

However, ministries are still not required to submit draft business cases to the Secretariat and Secretariat analysts are not required to share their draft assessment notes. The Office of the Auditor General of Ontario continues to believe this is a significant recommendation and continues to recommend structural changes be made to the process to ensure Secretariat feedback can be provided while the business case is still in draft form.

- require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements before proceeding to the Treasury Board/Management Board of Cabinet, unless clear exemptions are provided;
- Status: Little or no progress.**

- define and provide examples of clear exemptions to this review and approval process in guidance materials for the Secretariat and ministries.

**Status: Little or no progress.**

### Details

In our 2020 review, we noted that compared to Ontario, other jurisdictions have a more structured review process. For instance, the Treasury Board of Canada Secretariat's practice is to conduct a preliminary quality review to assess whether Treasury Board submissions made by federal departments contain all required elements. If the submission does not meet the quality criteria, the department is to receive feedback and is expected to revise its submission accordingly before it proceeds to the Treasury Board of Canada. If the submission meets the quality criteria, the Treasury Board of Canada Secretariat will complete a substantive review by subject-matter experts and Treasury Board analysts. The process may entail multiple rounds of reviews and edits before the submission is assessed as ready to go to the Treasury Board of Canada. Final sign-offs by senior management and the Minister are not done until after this substantive review is complete. While exceptions are made for urgent submissions, the two-phased process provides federal departments with the opportunity to incorporate feedback into submissions prior to final senior management and Minister approvals.

As noted above, at the time of our follow-up, no changes have been made to the process to require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements, and no exemptions to this process have been clearly defined.

Further, as noted in our Highway Planning and Management audit, we continue to identify instances where key components of business cases are missing

and ministries do not update the business cases before proceeding to the Board. For instance, in its December 2021 submission, contrary to the Business Case Guide, the Ministry did not provide an analysis of the option to keep the current tolls; did not identify all key risks of removing tolls and the related mitigation strategies; and did not include a monitoring and evaluation plan for the recommended option to remove tolls. Similarly, in the Ministry of Transportation's February 2022 business case to eliminate licence sticker fees, the business cases did not present the status quo and related analysis as an option and did not identify significant risks. In both cases, where the above components were missing, the Ministry did not update the business cases before they went to the Board.

### Recommendation 11

*To support the development of robust business cases, we recommend that the Treasury Board Secretariat (Secretariat):*

- *clearly identify in the assessment note if required information is missing from the business case and the impact on decision-making; and*

**Status: Fully implemented.**

### Details

In our 2020 review, we found that assessment notes consistently did not identify non-compliance with the business case template. Out of the 15 business cases sampled, only one had all of the required components based on the Secretariat business case template. The other 14 had at least one component of the template missing (for example, analysis of at least three options and the status quo, a cost/benefit or cost-effectiveness analysis, risk assessment or performance monitoring plan). The assessment notes that accompanied these business cases did not analyze the impact of the missing content, and only one assessment note included a recommendation to report back to the Secretariat on the missing information.

In our follow-up, we found that as part of the update to the assessment note template in May 2022, the Secretariat added a new section requiring analysts include the rationale for their recommendations. As

part of the rationale they are requested to provide an overview and impact of any information gaps related to elements of the business case such as the implementation plan, performance measures or financial data, that could warrant a report back to the Board.

The newly created assessment note guide also asks Secretariat analysts to flag data gaps identified by the ministry and any identified by the Secretariat to the Board. The guide notes the importance of assessing the impact of these information gaps on the decision-making process.

- *establish a formal mechanism to allow the Secretariat to monitor and provide feedback to ministries on compliance with business case requirements, timeliness and quality.*

**Status: Little or no progress.**

### Details

In our 2020 review, we found that outside of the assessment note, there was no formal way of communicating feedback on the quality of business cases to ministries. In contrast, Treasury Board of Canada Secretariat reports back to all departments twice-yearly regarding the number of business cases that met or did not meet the criteria for the initial quality review, and the timeliness of analysts in conducting the reviews.

At the time of our follow-up, the Secretariat was still considering other options to deliver feedback to ministries.

The Office of the Auditor General of Ontario continues to recommend that the Secretariat establish a formal mechanism to allow the Secretariat to monitor and provide feedback to ministries on compliance with business case requirements, timeliness and quality.

## Secretariat Analysts Flag Need for Increased Training

### Recommendation 12

*To ensure that its analysts have a consistent understanding of what is required in the development of assessment notes, we recommend that the Treasury Board Secretariat provide analysts with on-going training, guidance, mentorship and coaching opportunities in conducting*

*evidence-based critical analyses of business cases.*

**Status:** In the process of being implemented by December 2022.

### Details

In our 2020 review, we found in our survey of Secretariat analysts that close to half (45%) responded that they did not have access to the necessary training and resources to carry out their duties in relation to in-year business cases. Staff turnover was flagged as a challenge in our interviews and survey of Secretariat staff.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. This includes training on the updated components of the assessment note, as well as new training on cost/benefit analysis (to be implemented in December 2022), risk identification and mitigation (to be launched in December 2022), and performance measurement (launched in July 2022). There currently is no training planned for analysts focused on evaluating the sufficiency of consultation conducted and implications on decision-making. Similar to **Recommendation 2**, the Office of the Auditor General of Ontario continues to believe that additional training for both ministry and Secretariat staff on consultation would be useful in ensuring robust business cases.

## Secretariat Abstains from Making Staff Recommendations on High-Risk Requests

### Recommendation 13

*To provide the Treasury Board /Management Board of Cabinet with impartial evidence-based recommendations and promote transparency, we recommend that the Treasury Board Secretariat:*

- *update training and guidance materials to clearly outline when different types of recommendations should be used;*

**Status:** Fully implemented.

### Details

During the course of our 2020 review, we identified a number of instances where the Secretariat abstained from providing the Board with a staff recommendation relating to high-risk requests. This limits the Secretariat's opportunities to provide impartial advice and to assist in promoting transparency in the advice provided to decision-makers.

According to the Business Case User-Guide (2019), Board judgment is used "when there is not enough information or the business case is insufficient, or there was inadequate time for Secretariat staff to develop a recommendation." This suggests that we would have found Board judgment to be used in instances where not all risks or costs were known or there had not been adequate time for the Secretariat to conduct the due diligence necessary to provide a recommendation. However, in practice, Board judgment has been used where the public service has conducted due diligence, but was not comfortable recommending the approval of a particular request because of the high risk associated with the request or because it was a government-driven request.

In our follow-up, we found that the Secretariat updated guidance provided to Secretariat analysts, including the creation of an assessment note guide with explanations on when types of recommendations should be used. These descriptions are not, however, included in the updated business case guide provided to line ministries. Doing so would help increase transparency with ministries on the Secretariat's recommendations.

- *require that assessment notes include a clear rationale for all staff recommendations;*

**Status:** Fully implemented.

### Details

In our 2020 review, we noted that Board judgment was used in situations that did not align with the intended use.

In our follow-up, we found that as part of the updated assessment note template in May 2022, the Secretariat added a new mandatory section requiring analysts include the rationale for their

recommendations, and in the executive summary a rationale for Board judgment (as required).

- *eliminate the use of Board judgment as an option available for staff recommendations;*

**Status: Will not be implemented.**

### Details

In the course of our 2020 review, we found that in practice, Board judgment was used where the public service was not comfortable recommending the approval of a particular request because of the high risk associated with the request or because it was a government-driven request. In our 2020 review, we surveyed Secretariat analysts and found that 69% of respondents had recommended Board judgment in the past. When asked the main reason for using Board judgment, the top two responses the analysts provided were that the business case is considered high-risk (45%) or is driven by a government choice (40%). One respondent indicated Board judgment would be used if they did not think the business case should be approved but there was government pressure to approve it.

During our follow-up, the Secretariat informed us that “After careful consideration, [the Secretariat] maintains that the use of Board judgment remains a valuable option for analysts and this recommendation will not be implemented at this time. [The Secretariat] continues to have strong processes and protocols in place to make evidence-based recommendations.”

As noted in **Recommendation 17**, the Secretariat does not track staff recommendations and therefore cannot monitor the consistency of their use. At the time of our 2020 review, there were approximately 14 business cases that received board judgments each fiscal year between 2014/15 and 2019/20. In the most recent fiscal year since our 2020 report, there were 16 business cases.

The Office of the Auditor General of Ontario continues to recommend that the use of Board judgment as an option available for staff recommendations be eliminated. Having an option to abstain from making a staff recommendation is not conducive to supporting analysts in providing impartial, evidence-informed advice and speaking truth to power. Further, other

jurisdictions, such as the federal government and the United Kingdom, do not have the option to abstain from providing a staff recommendation on Treasury Board submissions.

- *require and encourage Secretariat staff to provide recommendations based on their analysis that are fiscally sustainable and that support prudent financial management and the effective and efficient delivery of public services.*

**Status: Little or no progress.**

### Details

In our 2020 review, we noted that in contrast to Ontario, other jurisdictions have processes in place to safeguard the documentation and provision of evidence-informed advice, even in instances where it may conflict with political direction. For instance, the United Kingdom HM Treasury’s handbook, *Managing Public Money*, sets out four standards by which all public money must be handled: regularity (compliance with legislation or agreed-upon budgets), propriety (meeting the high standard of public conduct, including robust governance and transparency), value for money (achieving a good-quality outcome for the cost) and feasibility (likelihood of successful implementation). If a situation arises where a Minister decides to pursue a course of action that the accounting officer (comparable to a Deputy Minister) believes does not meet at least one of the above criteria, the accounting officer is required to write to the Minister expressing concern and requesting written direction to proceed. Upon receipt of a ministerial direction, the accounting officer is required to comply. A copy of the letter is shared with the Treasury, the Comptroller and Auditor General, Parliament’s Public Accounts Committee, and, starting in 2011, the public. In practice, a draft of the direction may accompany the Treasury submission, or may be issued after the decision is made.

As part of our follow-up, we reviewed the 20 instances of Board judgment issued since our 2020 review. Based on this review, we found evidence to suggest the Secretariat does not require Secretariat staff to provide recommendations based on their analysis that are fiscally sustainable and that support prudent financial

management and the effective and efficient delivery of public services.

For example, in February 2022, the Secretariat provided a Board judgment on a business case to eliminate licence plate stickers and to issue cheques to refund fees paid from March 1, 2020 onwards. The assessment note identified a number of high risks associated with requests in the business case, including the forecasted loss of non-tax revenue of \$1.1 billion annually and that the use of cheques to provide refunds is costlier than issuing refunds through electronic funds transfer. Despite the high risks flagged in the submission, the Secretariat refrained from providing a recommendation and deferred to the Board, using Board judgment, instead of other recommendations available, such as to approve or to not approve.

## Insufficient Time Provided for Adequate Due Diligence of Ministries' Business Cases

### Recommendation 14

*To provide the Treasury Board Secretariat (Secretariat) with sufficient time to review and conduct adequate due diligence, we recommend that the Secretariat:*

- *require the sharing of draft business cases with the Secretariat in situations where approvals from the Assistant Deputy Minister and Deputy Minister may not be possible within required timelines;*

**Status: Little or no progress.**

### Details

In our 2020 review, we noted that the assessment notes in our sample were generally of better quality the more time that was provided to review the initial drafts of the business cases. When Secretariat analysts were asked about areas for improvement, 62% of the survey respondents flagged adherence to timelines and sufficient time to review business cases as primary areas of concern.

According to the Board's Terms of Reference, since September 2018, Assistant Deputy Minister-approved business case drafts must be provided to the Secretariat no later than three weeks before the planned Board

meeting date; Deputy Minister-signed drafts must be provided to the Secretariat no later than two weeks before the planned Board meeting date; and Minister-signed final business case must be provided to the Secretariat no later than one week before the planned Board meeting date. Based on our sample of 15 business cases at the time of our review, from September 2019 and March 2020, we found that 67% did not meet at least one of the Secretariat's required timelines for senior management approval.

In our follow-up, we found that while the Secretariat continues to highlight the importance of receiving draft submissions in a timely manner from line ministries, it has not made any significant changes to the process to enforce the requirement to the share drafts since the time of our 2020 review.

- *centrally track compliance with required timelines for business cases;*

**Status: In the process of being implemented by December 2022.**

### Details

In our 2020 review, we noted that the Secretariat did not centrally track or monitor compliance with timeline requirements for business cases.

In our follow-up, we found that the Secretariat has started to monitor the number of submissions that meet the two-week (Deputy Minister-signed) and one-week (Minister-signed) timelines (two of the three deadlines outlined in the Board's Terms of Reference). The Secretariat has tracked this information from April 13, 2021 to August 25, 2022 and found that only 14% of the 724 submissions submitted met the two-week deadline and 24% met the one-week deadline. At present, the Secretariat is not tracking compliance with the three-week (Assistant Deputy Minister-signed) deadline, but intends to start tracking this by December 31, 2022.

While the information system collects the dates submissions were received, the Secretariat is currently only monitoring which submissions met the deadlines, but not the timing the submissions were received. Therefore, the Secretariat is not monitoring the timeliness for submissions that did not meet the deadlines.

The Secretariat is currently updating the information used by ministries to submit business cases to generate and present timeliness data automatically. New data metrics on submission reporting requirements (i.e., signature status of submissions, urgency, exemption requests, and types of report-backs), are being designed to track submission timeliness through a live interactive dashboard. This is expected to be completed by the end of 2022.

- *centrally track exemptions from timelines and reasons for the exemption;*

**Status: In the process of being implemented by March 2023.**

### Details

In our 2020 review, we found that the Secretariat did not track exemptions for the timelines and was unable to provide a complete listing of exemptions requested or provided in the last fiscal year. According to the Board's Terms of Reference, any request for exemptions to the timelines must be submitted to the offices of the Board Chair and Board Secretary and should include a strong rationale to support the request, with information on the risk to government if the business case does not proceed. (Responding to emergencies where public safety is at risk is one such rationale.)

The Secretariat has started to centrally track the exemptions, but does not currently track the reason for the exemption request. As such, it is still unable to monitor if exemptions are complying with the Terms of Reference. The Secretariat informed our Office that although it does not track the reason for the exemption request, the Secretariat collects the incoming memos and correspondence pertaining to the exemptions sought by ministries.

However, based on our review of the exemptions, the bulk of those business cases that missed the deadlines did not seek an exemption request. According to the Secretariat, 18 business cases were provided exemptions from April 1, 2021 to March 31, 2022, yet based on the Secretariat's timeliness tracking, between 491 and 556 business cases did not meet at least one of the deadlines. This demonstrates the majority of ministries do not meet the required timelines, but do not seek exemptions.

The Secretariat informed our Office that it is targeting updates to its information system used to track business cases to incorporate tracking of exemption requests. Completion is targeted for the end of the 2022/23 fiscal year. In addition to tracking exemptions, we recommend the Secretariat work with ministries to ensure they are requesting exemptions, where appropriate.

- *based on this information, make operational improvements.*

**Status: Little or no progress.**

### Details

In our follow-up, the Secretariat informed us that it communicated the findings from its timeliness tracking to directors, managers and team leads in the Secretariat and Ministry of Finance for the first time on March 17, 2022. On August 31, 2022, a memo was shared with all ministry Chief Administrative Officers to reiterate the deadlines are outlined in the Board's Terms of Reference. In its response to our Office, the Secretariat committed to deliver updates on a quarterly basis for Secretariat staff to communicate performance gaps to line ministry counterparts, but has not identified a date for this to start.

No operational improvements have been made to date based on this tracking.

## Late and Incomplete Reporting to the Board Reduces Accountability and Creates Inefficiencies

### Recommendation 15

*To strengthen the quality and timing of reporting to the Treasury Board/Management Board of Cabinet (Board), and to reduce the need for multiple business cases for the same item, we recommend that the Treasury Board Secretariat:*

- *require that report-backs include required information before they are submitted to the Board, where feasible; and*

**Status: Little or no progress.**

## Details

The Board may request ministries to report back to it with additional information if a business case is missing key components or to provide further information or updates on a project or program. In our 2020 review, we found that report-backs often contained incomplete information, which would lead to subsequent report-backs. Of the 185 report-backs received by the Board in 2019/20, 42 (or 23%) led to subsequent report-backs. In a sample of 30 report-backs reviewed by the Secretariat and submitted to the Board, we found that 40% did not meet the requirements, and in 11 of those cases the Board directed the ministry to report back again with the same information.

In our follow-up, the Secretariat informed us that it has started to maintain a comprehensive listing of all ministry report-backs and intend to use this list to identify potential process improvements. Further, in the updated Business Case Guide ministries are asked to indicate how the submission satisfies the report-back requirements. However, no changes have been made to the process to require that report-backs include all required information before they are submitted to the Board. For instance, Secretariat analysts will continue to document what is missing from report-backs in their assessment notes, but will not require the report-back to be updated before proceeding to the Board.

- *require analysts to assess if report-backs meet the initial request and clearly indicate this in the assessment note.*

**Status: Fully implemented.**

## Details

In our follow-up, we found that in May 2022, the Secretariat updated the in-year assessment note template and guide for analysts requiring analysts to highlight within the executive summary section of the assessment note whether report-back requirements are met and asks analysts to highlight any missing information, areas of uncertainty, and recommendations with respect to report-backs. Analysts are instructed to determine whether the report-back has been satisfied, including if all requested components have been provided, if the initiative has been fully implemented, if

the initiative has been modified/superseded by another decision and if the information in the requested report-back is being provided through a different reporting channel.

## Reporting to the Board Inconsistent for Significant Projects

### Recommendation 16

*To ensure the Treasury Board/Management Board of Cabinet (Board) receives sufficient information on significant initiatives, we recommend that the Treasury Board Secretariat:*

- *identify parameters for report-backs for all significant projects/programs, including both financially and publicly significant initiatives; and*

**Status: Little or no progress.**

## Details

In our 2020 Review, we found that there are no formal guidelines for Secretariat analysts or the Board when deciding what type of report-back to recommend or request. Aside from large I&IT projects, major infrastructure projects and high risks in provincial agencies, there are no specific or regular quarterly reporting requirements for other significant projects or programs (for example, a large grant program or social assistance program). The Board would need to request report-backs for these types of projects/programs on an ad hoc basis via the minute, if desired. In contrast, the Treasury Board Secretariat of Canada introduced a new directive in 2019 that mandates reporting to the Office of the Controller General on scope, schedule, costs and risks for all projects over \$25 million. The directive also includes requirements in relation to reporting performance measures and reviewing lessons learned from other similar projects/programs.

In our follow-up, we found that the Secretariat updated its quarterly reporting template to support Treasury Board Secretariat analysts in assessing whether report-backs remain relevant or should be discontinued in remaining quarters. The template asks ministries if the report-back is for a significant project/

program and/or a financially/publicly significant initiative (defined as above \$20 million).

However, no additional requirements or policies have been implemented to ensure ministries are providing Treasury Board/Management Board of Cabinet (Board) sufficient information on significant initiatives. It continues to be left up to the Secretariat and Board to recommend or request report-backs for these types of projects/programs on an ad hoc basis.

- *provide additional implementation and operational details in the quarterly reporting for significant projects/programs.*

**Status:** Little or no progress.

### Details

In our 2020 review, we found that the information in the quarterly reporting focuses primarily on financial risks. However, providing additional details to the Board, especially those related to operational and implementation risks, would provide the Board with key context on priority projects/programs. In our interviews with Board members, we found an interest in receiving more clarity on the types of projects that require a report-back and how often they are required. One Minister indicated interest in identifying key projects or priorities to receive more comprehensive and frequent report-backs, such as social assistance reform.

In our follow-up, the Secretariat informed us that the quarterly report process primarily includes “routine housekeeping report-backs” and it is “working to reduce the number of requested report-backs.” No changes have been made to the quarterly reporting process to provide the Board with additional implementation and operational details for significant projects/programs.

## Secretariat Does Not Have Sufficient Systems or Performance Measures in Place to Monitor Business Case Process

### Recommendation 17

*To effectively assess the quality of business cases and the effectiveness of its submission process, we recommend that the Treasury Board Secretariat (Secretariat):*

- *establish a performance measurement plan for the business case development process;*

**Status:** In the process of being implemented by December 2023.

### Details

In our 2020 review, we found that the Secretariat did not have any performance measures to monitor and assess business case development, assessment notes or the in-year process overall. In addition, the Secretariat did not collect, track or monitor data that would be useful in assessing the efficiency and effectiveness of the in-year process, such as compliance with the timelines for the submission of business cases or ministries’ requests for exemptions, or the types of recommendations its staff make.

In our follow-up, the Secretariat informed us that it is in the process of developing a performance measurement framework to monitor the overall in-year submission process. It has identified and implemented two performance measures for the first phase of the framework to monitor the timeliness for submissions:

- % of Deputy Minister signed Board submissions within two weeks of the Board meeting date; and
- % of Minister signed in-year Board submissions within one week of the board meeting date (to be centrally reported to the Board as part of the Secretariat’s Key Performance Indicators (KPIs)).

The Secretariat will review preliminary results for the above two measures by the end of 2022 and will communicate its findings to the line ministries.

Should additional KPIs be required, the Secretariat plans to implement them by December 2023.

While it is encouraging that the Secretariat has undertaken an initiative to develop a performance measurement framework, at present, there are no measures or performance measurement plans to monitor the outcome of these processes—the development of robust high-quality business cases. (For more information on performance measurement and reporting in ministries, see our 2022 Review on Measuring and Reporting on Performance.)

- *monitor ministries' performance in the development of robust business cases and communicate the results to ministries twice yearly;*

**Status: Little or no progress.**

### Details

In our 2020 review, we found that aside from the individual assessment notes or discussions throughout the briefing processes, the Secretariat does not assess the overall quality of business cases or formally communicate its performance evaluations to ministries on an ongoing basis. Having a monitoring or continuous improvement plan for business case development across government would provide the Secretariat with the information needed to communicate performance evaluations to ministries, identify areas for improvement in business case development, and provide targeted support to ministries where needed. In contrast, the Treasury Board of Canada Secretariat reports back to all departments twice-yearly regarding the number of submissions that passed or failed its initial quality review (as discussed in **Recommendation 10**).

In our follow-up, the Secretariat informed us that it plans to communicate the results of the timeliness of performance measures to ministries twice a year. However, at present the Secretariat has not finalized any plans to monitor or communicate ministries' performance in the development of robust business cases.

- *monitor the quality of assessment notes and communicate results to Secretariat analysts twice yearly;*

**Status: Little or no progress.**

### Details

In our follow-up, the Secretariat informed us that it will explore further data collection requirements to assess the quality of assessment notes, but no timelines or plans of action have been determined.

- *centrally track and review the types of Secretariat staff recommendations provided to the Board.*

**Status: Little or no progress.**

### Details

As noted in **Recommendation 13**, our 2020 review found that the Secretariat did not centrally track the types of recommendations its staff make (Approve, Do not approve, Board judgment, and others), or their frequency and consistency of use.

At the time of our 2020 review, the Treasury Board Secretariat committed to develop a mechanism to centrally track all Secretariat recommendations provided to the Board. However, in our follow-up, we identified that the Secretariat continues to not track the types of recommendations its staff make, and there are currently no plans to do so.

The Office of the Auditor General of Ontario continues to recommend the tracking of staff recommendations to provide insight into the frequency and consistency of use. For instance, in our 2020 report we noted the use of “Board judgment” was inconsistent with the guidance on when and how to use the recommendation (as discussed in **Recommendation 13**).

## Existing Practices Discourage Efficiency and Co-ordination with Other Approval Processes

### Recommendation 18

*To help ensure effective and efficient decision-making at the Treasury Board/Management Board of Cabinet (Board) by reducing the volume of less significant business brought before it, as appropriate, we recommend that the Treasury Board Secretariat:*

- *reassess current thresholds and applications of thresholds and delegations of authorities pertaining to Board approvals;*

**Status: Will not be implemented.**

- *reassess the role of delegated committees in supporting the work of the Board.*

**Status: Will not be implemented.**

### Details

In our 2020 review, the Secretariat responded to this recommendation stating: “the Secretariat accepts the recommendation and will work with the Minister’s Office to review the feasibility of reassessing existing thresholds and their application in the delegation of authorities pertaining to Board approvals. While the delegated committees have been suspended at this time, the Secretariat will discuss and assess the role they may serve once/if suspension is lifted. The Secretariat will reassess the use of existing delegated committees of the Board (for example, the Supply Chain Leadership Council and Infrastructure Delivery Leadership Council) and their approval thresholds.”

In our follow-up, we found that the Secretariat had not conducted any work to reassess the current thresholds and applications of thresholds and delegations of authorities pertaining to Board approvals or the role of delegated committees in supporting the work of the Board. The Secretariat informed us it will not implement this recommendation unless the elected government chooses to re-establish these or similar committees.

## Room for Co-ordination between Business Case and Cabinet Submission Processes

### Recommendation 19

*To ensure effective and efficient decision-making in the Cabinet and Treasury Board/Management Board of Cabinet (Board) submission processes and to leverage existing analysis, we recommend that the Treasury Board Secretariat (Secretariat), working together with Cabinet Office:*

- *improve sharing of information between Cabinet Office and the Secretariat relevant to the assessment of both Cabinet and Board submissions;*

**Status: Little or no progress.**

### Details

During our interviews with Cabinet Office policy advisors as part of our 2020 Review, they stated that they could receive the assessment note from the Secretariat but would need to request a copy of the accompanying business case directly from the submitting ministry. Similarly, Cabinet Office policy advisors noted that they would share their Cabinet Office briefing note with their Secretariat colleagues if the item had fiscal implications. However, formalizing these processes to improve access of information would provide Secretariat analysts and Cabinet Office advisors with more context and definitive information about previous approvals to support their assessment of the proposed request.

Since our 2020 report, no formal changes have occurred to improve the sharing of information between Cabinet Office and Secretariat staff relevant to the assessment of both Cabinet and Board submissions. For instance, there is no central repository of Secretariat Assessment Notes and Cabinet Briefing Notes, and Cabinet and Secretariat staff do not have access to information systems used to share respective submissions.

- *co-ordinate the review and assessment of submissions for requests seeking both Cabinet and Board approval;*

**Status: Little or no progress.**

### Details

As noted in our 2020 review, given the similarities in the processes and information required, there may be opportunities to improve co-ordination and information sharing. The Secretariat and Cabinet Office could co-ordinate their review to avoid potential duplication, in particular among items seeking approval by the Board and a Cabinet committee at the same time. A more interconnected process may provide an opportunity to reduce gaps in information during government decision-making processes, for instance, to ensure that financial costs are considered during policy approval processes. In other jurisdictions such as Nova Scotia, Cabinet and Board submissions are reviewed jointly by

a financial analyst at the Department of Finance and Treasury Board as well as a Cabinet policy advisor.

As of the time of our follow-up, the Secretariat had not pursued any changes to address this recommendation.

- *review how they can eliminate duplication in their work and co-ordinate/streamline their processes;*

**Status: Little or no progress.**

### Details

As of the time of our follow-up, the Secretariat had not reviewed the business case and cabinet submission processes to identify ways to eliminate duplication and streamline the processes. No changes have been pursued to address this recommendation.

- *consider having Board representation on all Cabinet policy and legislative committees to facilitate the sharing of information in government decision-making processes.*

**Status: Little or no progress.**

### Details

In our 2020 review, we found that there are opportunities to improve co-ordination through Cabinet Committee membership. At the time of our 2020 review, there were six other Cabinet committees, three of which review Cabinet submissions. Based on our interviews with Board members, those who sit on other Committees have the opportunity to review some requests as both a Cabinet submission and a business case. In these instances, the Minister benefits from reviewing both submissions and receiving analyses from both Cabinet Office and Treasury Board Secretariat. Based on the 2020 membership of Cabinet committees, two Board members sat on the Economic and Resource Policy Committee. However, there were no Board members on the Health and Social Policy Committee or Legislation and Regulations Committee—the two other committees that review Cabinet submissions.

At the time of our follow-up, no formal changes have occurred and there is still no requirement for Board members to sit on other Policy Committees or

the Legislation and Regulations Committee. Based on our review of current memberships, only one Board member sat on another Cabinet Committee (Legislation and Regulations Committee). There was no Board representation on the other two policy committees that review Cabinet submissions. The Secretariat has not made a recommendation to Cabinet to consider cross appointment of Board members to Cabinet policy committees.