

Chapter 1

Section 1.17

Ministry of Colleges and Universities

Follow-Up on 2021 Value-for-Money Audit: **Private Career Colleges Oversight**

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		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable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	3		1	2		
Recommendation 2	1	1				
Recommendation 3	1	1				
Recommendation 4	3	1	1	1		
Recommendation 5	1			1		
Recommendation 6	3	1		2		
Recommendation 7	3			3		
Recommendation 8	5		1	4		
Recommendation 9	3			3		
Recommendation 10	2	2				
Recommendation 11	4		4			
Recommendation 12	2	1		1		
Recommendation 13	2	2				
Recommendation 14	2				2	
Recommendation 15	1			1		
Recommendation 16	3	3				
Recommendation 17	2	1		1		
Recommendation 18	1	1				
Recommendation 19	5	1		4		
Recommendation 20	2	2				
Recommendation 21	2	1	1			
Recommendation 22	1			1		
Total	52	18	8	24	2	0
%	100	35	15	46	4	0

Overall Conclusion

The Ministry of Colleges and Universities (Ministry), as of November 1, 2023, has fully implemented 35% of actions we recommended in our *2021 Annual Report*. The Ministry has made progress in implementing an additional 15% of the recommendations.

The Ministry has fully implemented recommendations such as updating its information system to flag registration files that remain incomplete for long periods; establishing and implementing written guidance with expected timelines for each stage of the administrative monetary penalty review process; and working with the federal government to clarify the roles and responsibilities of sharing information on unusual trends and establishing a protocol to share such information.

The Ministry was in the process of implementing recommendations such as completing the implementation of a risk-based plan to prioritize inspections and requesting and obtaining approval to increase program fees.

However, the Ministry has made little progress on 46% of the recommendations, including establishing performance indicators for registration processing time and publishing the quantity and nature of substantiated complaints received on specific private career colleges.

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

Background

Private career colleges train adults seeking specific and practical job skills. Graduates work as paramedics, massage therapists, personal support workers, hair-stylists, truck drivers and many other occupations that serve the public. Private career colleges are a part of the province's post-secondary education system; however, unlike universities and public colleges, they are not funded by the government. They are private, independent organizations that range from large,

multi-campus institutions teaching multiple subjects to small, focused specialist institutions.

Private career colleges are governed and overseen by the Private Career Colleges Branch in the Ministry of Colleges and Universities (Ministry) under the *Private Career Colleges Act, 2005* (Act). The Act requires the Ministry to regulate private career colleges, including oversight on institution registrations, program approvals, inspections and investigations, complaints handling and the administration of the Training Completion Assurance Fund (Fund), which compensates students if their institution closes unexpectedly before they complete their training.

Our audit found that the Ministry had not effectively carried out its regulatory activities to meet its primary objective of protecting students. First, it had not established adequate systems and processes to validate that private career colleges were providing quality, up-to-date education to students. For example, as of June 2021, the Ministry had not inspected 214 or 30% of the college campuses within three years even though its internal target was to inspect all colleges within three years.

As well, the Ministry did not have an overarching post-secondary education strategy to link labour market needs with the vocational options offered to students. The Ministry required colleges to submit labour market research and recent local job advertisements when submitting vocational programs for approval. However, it did not gather more robust data on an ongoing basis to determine whether there was saturation or shortages existed in any geographic area for training with respect to impacted vocational programs.

Nor did the Ministry use the information it did gather to make its regulatory oversight activities more effective. For example, the Ministry did not use program data to identify the institutions that were providing training to international students without being designated as approved institutions. It also did not analyze the nature of the most common complaints it received from students to inform and update its inspectors.

Finally, we found that the Ministry did not sufficiently inform the public and students about its student-protection mandate or the performance of private career colleges. For example, the Ministry did not publish accurate and complete information on its enforcement activities and up-to-date results on private career colleges' performance indicators, hindering students from making informed decisions about which program or college to select.

Some of our significant findings were:

- The Ministry did not act on unusual enrolment trends of international students in private career colleges. We found that four private career colleges were not designated as learning institutions, yet had 10 international students enrolled in 2018 and seven in 2019 in programs of over six months in duration, the threshold required for designation. As well, we noted that the number of international students enrolled in private career colleges had increased by 420%, from 1,994 in 2015 to 10,368 in 2019. This increase was unusual given that students of private career colleges, unlike their counterparts in the public college system, could not apply to stay in Canada on a federal post-graduation work permit. The Ministry did not act on these trends, explaining to us that its agreement with Immigration, Refugees and Citizenship Canada did not explicitly specify whether the Ministry was responsible for sharing enrolment information with the federal government.
- The Ministry did not have any processes in place to identify colleges that overcharged students. Posing as a prospective student, we contacted a sample of private career colleges and found that in one-third of the cases, college representatives quoted fees higher than those recorded on the Ministry's fee list. Where colleges quoted us higher fees, the tuition fees were on average \$485 above the fees held on record by the Ministry.
- The Ministry did not collect sufficient fees from private career colleges to cover its regulatory

costs. Between 2016/17 and 2020/21, on average about \$2 million in fees and penalties were collected from private career colleges annually, whereas it cost \$6 million a year to regulate the sector.

- The Ministry did not inspect program delivery to confirm that programs were delivered as approved. To have a vocational program reviewed and approved, a private career college had to submit a detailed outline of its proposed program as well as a program evaluation from a qualified evaluator. However, we found that the Ministry's inspections of private career colleges did not include examining whether the content delivered to students was the same program that had been approved.
- The Ministry could not effectively confirm instructor qualifications in private career colleges providing commercial truck driving programs. We found that the Ministry inspectors and investigators could not easily verify that instructors met the standard of having a Class A licence for at least five years, partly due to a lack of clarity on the type of documents each college should have available to meet Ministry of Transportation standards.
- Almost 1,400 outdated programs were still being delivered by private career colleges. Under the Act, the Ministry must review private career college programs every five years to determine whether they provide students with the skills and knowledge required to obtain employment. We found that the Ministry was not conducting re-approvals for all vocational programs, as required by its own policies. About 25% of approved programs with enrolled students had received their approval more than five years before our audit. These programs included information technology and paramedicine, fields in which learning the most current standards is critical for ensuring public security and public safety.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2023 and August 2023. We obtained written representation from the Ministry of Colleges and Universities that, effective November 1, 2023, it had provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Registration and Program Approval

Recommendation 1

To validate that programs delivered by private career colleges are updated before the five-year program approval period expires, we recommend that the Ministry of Colleges and Universities:

- *update its information system to allow for proper tracking and flagging of programs that are approaching their expiration period;*

Status: In the process of being implemented by October 2024.

Details

In our 2021 audit, we found that the Ministry's information system did not have a capability to alert Ministry staff when certain programs had surpassed their approval period. Instead, Ministry staff would need to download system data to examine individual approval dates. However, we could not find any evidence that Ministry staff had undertaken such an exercise.

In our follow-up, we found that the Ministry had updated its information system in October 2022 to create reports based on data elements such as the approval date and the next approval date for all programs. Ministry staff would use these reports to track programs that are approaching their expiration date.

The Ministry informed us that the changes to its information system are a pilot and the Ministry plans to monitor the functionality of the changes and determine

whether any additional updates would be required based on the implementation of the second and third action items in **Recommendation 1**, expected to be completed by October 2024. This may include adding a notification or alert in its information system to inform Ministry staff when the programs are approaching their expiration date.

- *initiate the re-approval process with all private career colleges to address the backlog of already expired programs, including assessing the third-party experts' qualifications, prioritizing those programs with actively enrolled students;*

Status: Little or no progress.

Details

In our 2021 audit, we found that the Ministry did not have an internal process to flag programs that were up for renewal. As well, we found that Ministry staff did not reassess whether third-party expert assessments of programs were still valid if a private career college submitted a program that it purchased from another private career college and the Ministry had already approved that program.

In our follow-up, we found that the Ministry issued a memo to all private career colleges in April 2022 informing the sector that the Ministry plans to develop an approach to re-approve programs that were approved more than five years ago. The memo noted that, as the Ministry's first step, effective May 2022, the Ministry would require an assessment from a third-party expert for program changes and for newly introduced programs that are a copy or purchase of an approved vocational program from another college and have not had a third-party expert assessment in the last five years. In addition, the Ministry reinforced this third-party assessment requirement when it issued another memo to the sector in November 2022 regarding a new policy directive for virtual programs.

The Ministry informed us that, since the issuance of the memos, private career colleges have submitted program changes with a new assessment performed by third-party experts based on the memos' direction and the Ministry has re-approved these programs. The

Ministry plans to begin a structured approach to more systematically re-approve programs by October 2024.

- *determine an approach to more efficiently re-approve programs going forward, such as placing a condition on colleges' registration to submit program renewal documents at the end of each approval period or face possible enforcement actions.*

Status: Little or no progress.

Details

In our 2021 audit, we noted that the Ministry did not have an internal process to flag programs that were up for renewal.

In our follow-up, we found that the Ministry had not yet determined an approach to re-approve programs going forward. The Ministry informed us that it will develop a long-term approach to efficiently re-approve programs by October 2024, after it completely addresses the backlog of already-expired programs.

Recommendation 2

To better validate that the public has sufficient information to help make an informed decision when choosing a program in a private career college, we recommend that the Ministry of Colleges and Universities update its process and verify at more frequent intervals whether private career colleges' advertising complies with requirements under the Private Career Colleges Act, 2005, in addition to the annual registration renewal process.

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry did not have a process to regularly detect colleges that stated on their website that they were registered with the Ministry, but did not distinguish between programs that needed to be approved by the Ministry and those that did not need approval. This might cause students to enrol in an unapproved program believing it was approved by the Ministry.

In our follow-up, we found that the Ministry developed an advertising operational process in April 2022. This process requires inspectors to

conduct an in-depth advertisement review of the colleges and document any non-compliances during a compliance inspection, at the annual renewal of registration process, and if a student complaint or tip is received related to misleading advertisement. The advertisement review is to confirm that the colleges are not misrepresenting themselves or their programs, and whether each college is posting information, such as key performance indicators, as required by the *Private Career Colleges Act, 2005*. The Ministry provided training to its inspectors on the advertising operational process in July 2022 and the process was implemented in the same month.

Recommendation 3

To better ensure it is registering private career colleges that will act in the students' best interests and strengthen its ability to verify that the applicant has met all registration criteria as outlined in the Private Career Colleges Act, 2005, we recommend that the Ministry of Colleges and Universities develop and implement internal procedures outlining expected application file review steps and the circumstances where a new applicant may not be operating in accordance with the law and with integrity and honesty.

Status: Fully implemented.

Details

In our 2021 audit, we noted that Ministry staff were provided with written guidance on the type of information they should review when assessing a registration application, but this guidance fell short of defining in which circumstances a new applicant might not be operating in accordance with the law and with integrity and honesty. This led to the Ministry approving an application of a college despite concerns that its director had questionable integrity and honesty.

In our follow-up, we found that the Ministry updated its written guidance in October 2022 to include details on the areas to be reviewed when assessing a registration application as well as examples of circumstances that may make an applicant ineligible for registration, such as current or past contraventions

of the *Private Career Colleges Act, 2005* and any false and misleading information provided by the applicant.

As well, in October 2023, the Ministry developed and implemented procedures to confirm whether the applicant is compliant with its tax obligations. Evidence of the compliance could support the view that an applicant is financially responsible and would operate within the requirements of the law.

Recommendation 4

To improve processing times for registering private career colleges, we recommend that the Ministry of Colleges and Universities:

- *keep track of the duration of registration timelines to determine areas where time delays are present and regularly address those delays;*

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

Details

In our 2021 audit, we found that the Ministry took a significant amount of time to approve registration requests. These delays in the registration process could prevent a private career college from offering its programs in a timely manner.

In our follow-up, we found that the Ministry implemented changes to its information system in April 2022 to create reports on the registration process such as application submission date and days since submission. Since April 2022, the Ministry has exported the report on a monthly basis to capture trends of the registration-processing timelines. The Ministry informed us that it reviewed the data from December 2022 to May 2023 but was unable to identify any trends where time delays were present. Beginning December 2023, the Ministry will generate the reports on the registration process on a biweekly basis and managers will follow up on applications that have been under review for more than 60 days to determine whether action is needed for the application to progress to the next stage.

- *update its information system to flag registration files that remain incomplete for long periods;*

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry's information system did not flag registration files that remained incomplete for long periods.

In our follow-up, we found that the Ministry implemented changes to its information system in October 2022 to flag incomplete registration applications that have been returned to the applicant and the application has been with the applicant for six months. The information system alerts Ministry staff to evaluate whether the status of such applications should be kept active or changed to "abandoned." "Abandoned" files would not be considered active applications and the Ministry would require the applicant to submit a new registration application. For example, in October 2022, the Ministry returned an incomplete registration application to an applicant. By April 2023, the applicant had not submitted further information. In this case, the Ministry's information system flagged the application for staff evaluation due to inactivity for six months. Ministry staff evaluated the application and recommended that the application status be changed to "abandoned"; the recommendation was then presented to the program manager and Superintendent of Private Career Colleges—both are Ministry staff—for final approval before the status was eventually updated in the information system.

- *establish performance indicators, including turnaround time targets, for registration processing time.*

Status: Little or no progress.

Details

In our 2021 audit, we found that the Ministry did not maintain performance indicators or set key targets, such as turnaround times, to determine where delays may be taking place during the registration process or when to flag and address a registration that may be long overdue.

In our follow-up, we found that the Ministry had not yet established performance indicators for registration-processing time. The Ministry informed us that it prioritized implementing the first and second action items in **Recommendation 4**; pending full implementation of these items, the Ministry will use the collected information to establish performance indicators, including turnaround targets for registration-processing time, by June 2025.

Compliance Inspections

Recommendation 5

To support graduate achievement of competencies from private career colleges for proficiency in the workforce, we recommend that the Ministry of Colleges and Universities update its compliance inspection checklist on a defined time frame (either annually or biennially) for inspections conducted in industries selected based on a risk assessment to include an assessment of program delivery and emerging issues.

Status: Little or no progress.

Details

In our 2021 audit, we found that the Ministry neither reviews nor updates its compliance inspection checklist, and only amended the checklist when there was a change to the legislation or its regulations.

In our follow-up, we found that the Ministry engaged an external consultant in May 2022 to develop a risk-based inspection prioritization framework and a risk-based tool (discussed in greater detail in **Recommendation 8**). This work was completed in September 2022.

The Ministry informed us that it began drafting inspection protocols for Truck Driver (Class A), Commercial Flight and General Inspections in 2021 and through 2022, which would provide inspectors with additional information to use during inspections for private career colleges providing education in these specific areas. At the time of our follow-up, however,

the protocols were in early drafts and not yet completed. The Ministry expects the inspection protocols to be implemented by March 2024.

Recommendation 6

To confirm that all private career colleges' instructors teaching the mandatory entry-level training course for commercial Class A truck drivers meet qualification requirements in accordance with the Private Career Colleges Act, 2005 and Ministry of Transportation standards, we recommend that the Ministry of Colleges and Universities:

- *work with the Ministry of Transportation to clarify the documents each private career college should obtain to substantiate instructor qualifications;*

Status: Fully implemented.

Details

In our 2021 audit, we noted that Ministry inspectors and investigators could not easily verify that instructors in private career colleges providing commercial truck driving programs met the standard of having a Class A licence for at least five years. This was partly due to a lack of clarity on the type of documents each college should have available to meet Ministry of Transportation standards.

In our follow-up, we found that the Ministry of Transportation issued a memo in March 2023 to the sector to clarify the type of documents private career colleges providing commercial truck driving programs should have available to meet the Ministry of Transportation's standards. The memo highlighted that a Driver's Licence History Abstract is required to verify that the instructor has met the standard of having a Class A licence for at least five years and a three-year or five-year driver record is required to verify the instructor currently holds a valid Class A licence.

- *incorporate into its processes a check to verify the completeness of the records that colleges maintain*

on instructors' qualifications, for example, by matching records with the college's payroll;

Status: Little or no progress.

Details

In our 2021 audit, we found that the Ministry relied on private career colleges to produce all instructor files to prove that instructors were qualified, but did not verify the number of instructors against the college records to ensure it was presented with information on all the instructors.

In our follow-up, the Ministry informed us that it began drafting inspection protocols for Truck Driver (Class A) programs in 2021, which would incorporate a check to verify the completeness of the records that colleges maintain on instructors' qualifications. At the time of the follow-up, however, the inspection protocols were in early drafts and not yet completed. The Ministry expects the inspection protocols to be implemented by March 2024.

- *establish formal procedures to follow up with colleges to confirm they do not continue to employ unqualified instructors.*

Status: Little or no progress.

Details

In our 2021 audit, we noted that the Ministry did not follow up on issues identified in inspections to validate that colleges had indeed undertaken corrective actions to confirm instructor qualifications. We found that the Ministry, in one case for example, relied on a college's written assertions that it had ceased employing an unqualified instructor.

In our follow-up, the Ministry informed us that it began drafting inspection protocols for Truck Driver (Class A) programs in 2021, which would incorporate procedures to follow up with colleges to confirm they do not continue to employ unqualified instructors. At the time of the follow-up, however, the inspection protocols were in early drafts and not yet completed. The Ministry expects the inspection protocols to be implemented by March 2024.

Recommendation 7

To better protect students from being overcharged for tuition and materials when enrolling in vocational training and to confirm that private career colleges comply with the Private Career Colleges Act, 2005 and its regulations, we recommend that the Ministry of Colleges and Universities:

- *review and update its processes for verifying that colleges charge fees within the amounts approved by the Ministry, including implementing mechanisms to detect and remedy overcharging;*

Status: Little or no progress.

Details

In our 2021 audit, we found examples of colleges that were charging students fees that were above those posted on the Ministry's fee list, but the Ministry did not identify these cases as it only addressed fee-related concerns if there was a complaint; inspectors were not required to verify that the fees in students' contracts were equivalent to or less than the fees on record at the Ministry.

In our follow-up, the Ministry informed us that it began drafting inspection protocols in September 2022 that would check and cross-reference the fees posted on the Ministry's website with the fees charged to students. At the time of the follow-up, however, the inspection protocols in early drafts and were not yet completed. The Ministry expects the inspection protocols to be implemented by March 2024.

- *request colleges to submit a current fee schedule at every registration renewal and post updated fee information on the government website;*

Status: Little or no progress.

Details

In our 2021 audit, we noted that the Ministry did not proactively confirm current pricing with private career colleges at the time of their annual registration, thereby missing out on an opportunity to obtain and publish a more current fee schedule from colleges that

had changed their fees since their initial registration and program approval.

In our follow-up, the Ministry informed us that it began drafting inspection protocols in September 2022 that would include a process to compare colleges' current fee schedules with those posted on the Ministry's website during an inspection. At the time of the follow-up, the inspection protocols were in early drafts and not yet completed. The Ministry expects the inspection protocols to be implemented by March 2024.

- *require private career colleges to post current fee schedules on their website or premises for public access that match the fees schedule posted on the government website.*

Status: Little or no progress.

Details

In our 2021 audit, we found that the Ministry was unaware that some private career colleges were charging fees higher than approved program prices. As a result, the Ministry did not take any enforcement action against such colleges to protect students from being overcharged.

In our follow-up, we found that the Ministry had not yet required private career colleges to post current fee schedules on their websites or premises for public access that match the fee schedules posted on the government website. The Ministry informed us that it prioritized drafting the inspection protocols noted in **Recommendations 5, 6 and 7**.

Recommendation 8

To improve the effectiveness of inspections and promote a uniform and objective approach to conducting compliance inspections for all private career colleges in Ontario, we recommend that the Ministry of Colleges and Universities:

- *develop alternative ways to conduct compliance inspections should in-person inspections not be possible due to public health concerns or other*

extraordinary circumstances, and update internal processes and training as needed;

Status: Little or no progress.

Details

In our 2021 audit, we found that the Ministry had not conducted any compliance inspections since mid-March 2020 so as to confirm that Ontario private career colleges were compliant with the conditions of their registration and requirements of the *Private Career Colleges Act, 2005* and its regulations. The Ministry had allowed private career colleges to submit photographs in substitution for a facility inspection to demonstrate their compliance with the approval process' capacity requirement but did not extend this practice to compliance inspections.

In our follow-up, we found that the Ministry had not yet developed alternative ways to conduct compliance inspections should in-person inspections not be possible. The Ministry informed us that it prioritized developing the inspection protocols noted in **Recommendations 5, 6 and 7**.

- *complete the implementation of a risk-based plan to prioritize inspections as appropriate;*

Status: In the process of being implemented by March 2024.

Details

In our 2021 audit, we found that the Ministry developed a risk-based inspection selection process, prioritizing campuses deemed as high risk for compliance inspections, but had not fully implemented it at the time of our audit.

In our follow-up, the Ministry informed us that, during the 2021 audit, the risk-based inspection selection process was not sufficiently documented and supported by standardized tools. The Ministry therefore engaged a consulting firm in May 2022 to gain expertise and resources to ensure the optimal tool was developed to prioritize inspections. The consulting firm

developed a risk-based tool, which was completed in September 2022, that includes different risk factors, such as compliance and enforcement actions and the time since the last inspection, and their associated risk scores.

Before determining the risk score for each risk factor and implementing the risk-based tool, the Ministry plans to address the inspections of colleges that have not received an inspection for more than five years. The Ministry indicated that one of the main reasons a number of colleges have not been inspected for more than five years is because the Ministry paused inspections from March 2020 to August 2021 due to the COVID-19 pandemic.

The Ministry expects to determine the risk score for each risk factor and implement the risk-based tool, which includes updating its internal process document and training inspectors on the use of the tool, by March 2024.

- *incorporate a rotation schedule into its inspection process, assign inspections to inspectors and monitor compliance with this schedule;*

Status: Little or no progress.

Details

In our 2021 audit, we found that particular private career colleges were being inspected by the same inspector for several years, contrary to the spirit of the 2020 Regulators' Code of Practice, which requires front-line compliance staff to remain objective in their work. When an inspector has formed a long-standing relationship with a college, the inspector is at risk of becoming biased in a way that may impair their ability to effectively identify non-compliances.

In our follow-up, we found that the Ministry had not yet incorporated a rotation schedule into its inspection process. The Ministry informed us that it plans to document the process for portfolio rotation and implement the compliance-inspection-rotation process by March 2024.

- *monitor and review the performance of inspectors, including the number and quality of inspections conducted;*

Status: Little or no progress.

Details

In our 2021 audit, we noted that the number of non-compliances varied across the province depending on the inspectors assigned, even though a comparable average number of non-compliances identified per inspection would be expected among inspectors given that the Ministry had mostly assigned colleges randomly to inspectors.

In our follow-up, we found that, since December 2020, the Ministry has been exporting monthly reports from its information system to summarize the type of work the inspectors completed, such as the number of inspections and number of registration applications by each inspector.

The Ministry informed us that, though it paused the inspections from March 2020 to August 2021 due to the COVID-19 pandemic, it continued to export monthly reports to obtain inspection data. With more months of inspection data that will become available, the Ministry can then analyze the data and develop appropriate measures to assess the quality and quantity of inspections carried out by the inspectors. Once the Ministry determines appropriate measures, it will then include performance targets in the inspectors' performance plan by March 2024.

- *review and update guidelines and training on a regular basis, such as every two years, to better assist inspectors to incorporate learnings from recent inspections into future inspections.*

Status: Little or no progress.

Details

Our 2021 audit found that the Ministry did not monitor or analyze non-compliance variations between inspectors to ensure that compliance inspections were being conducted using a uniform approach. In addition, the Ministry did not evaluate the performance of either the inspectors or the registration unit on compliance inspections. The Ministry also did not provide inspectors refresher training for inspection compliance after the initial training that they received when hired.

In our follow-up, we found that the Ministry had not yet developed a plan to review and update guidelines

and provide training on a regular basis. The Ministry informed us that, once the inspections protocols are approved (as discussed in **Recommendations 5, 6 and 7**), it will provide training to the inspectors on the protocols and develop a plan to update guidelines and provide training on a regular basis.

Complaints

Recommendation 9

To enhance the public's knowledge about the quality of private career colleges and to provide more timely responses to students and other persons who may have concerns about these colleges, we recommend that the Ministry of Colleges and Universities:

- *publish the quantity and nature of substantiated complaints on specific private career colleges;*
- *develop a process for ongoing analysis of substantiated complaints to identify trends and significant areas of focus in compliance inspections and lessons learned and provide training for its inspectors based on the most frequent and significant substantiated complaints raised; and*
- *establish and publish expected service standards for its complaint response times and monitor compliance against these standards.*

Status: Little or no progress.

Details

In our 2021 audit we noted that the Ministry did not publish the quantity or the nature of complaints on specific private career colleges. The Ministry also did not formally analyze the nature of complaints it received and did not have any service standards to ensure it resolved complaints on a timely basis.

In our follow-up, we found that the Ministry generated an internal report from the Ministry's information system in September 2022 on all the complaints submitted by students from the time the system was launched in February 2019. The Ministry informed us that the report identified inconsistent categorization

by the inspectors of the complaints and missing fields in the information system. Since the report was generated, the Ministry has had conversations with its inspectors about using consistent approaches to categorizing complaints and completing all the fields in the information system before a student complaint is closed.

The Ministry had not yet developed an approach on the use of the student complaint data. It plans to first improve data quality and consistency to determine the quantity and nature of substantiated student complaints by March 2025. Subsequent to this, the Ministry will then aim to publish the respective information, identify trends and significant areas of focus in compliance inspections and lessons learned, and provide training for its inspectors based on the most frequent and significant substantiated complaints raised.

The Ministry noted that it had not yet established and published expected service standards for its complaint-response times and for monitoring compliance against these standards. Ministry staff informed us that they are in the process of determining an approach to address the recommendation and expects to complete this work by July 2025.

Enforcement of Non-Compliances

Recommendation 10

To better incorporate relevant and comprehensive information obtained by the National Association of Career Colleges into the inspections and investigations of private career colleges, we recommend that the Ministry of Colleges and Universities:

- *develop a mechanism to obtain general themes of findings from the National Association of Career Colleges' audits on a regular and timely basis;*

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry did not obtain information from the National Association of Career Colleges (NACC) useful for the Ministry's

regulatory and enforcement activities. While the Ministry had a Memorandum of Understanding with NACC to exchange information, NACC informed us that it had not been standard practice for it to share the results of its audits with the Ministry.

In our follow-up, we found that the Ministry and NACC held meetings on a quarterly basis, starting in May 2022, to share general themes of findings from NACC's audits and the Ministry's inspections, and to discuss the approach and frequency for information sharing. In January 2023, the Ministry and NACC agreed that the audit themes shared in previous meetings did not identify significant new items, that quarterly meetings are not warranted, and that they would share new audit themes, if uncovered, with the other party.

- *update training for inspectors and investigators on this material as needed.*

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry did not obtain information from the National Association of Career Colleges (NACC) useful for the Ministry's regulatory and enforcement activities. Such information can help the Ministry efficiently obtain a more complete picture of a college's non-compliances, effectively conduct investigations and issue appropriate enforcement actions.

In our follow-up, we found that the Ministry provided updates to its inspectors and investigators on the general themes of findings from NACC's audits. For example, in November 2022, the Ministry convened a meeting for its inspectors to discuss the trends identified in NACC's inspections; in December 2022, the investigators were updated with the general themes and examples of issues identified in NACC's audits.

Recommendation 11

To improve the efficiency and effectiveness of investigation activities, we recommend that the Ministry of Colleges and Universities:

- *incorporate investigation data into the program information system;*

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

Details

Our 2021 audit found that, because the Ministry's investigation database was separate from its main program information system, it would not be able to readily identify whether a director of a previously registered private career college that ceased operating due to Act contraventions subsequently became a shareholder, officer, director or an instructor at another college.

In our follow-up, we found that the Ministry had begun developing an investigative module to incorporate investigation data into the Ministry's program information system. The Ministry expects the new module to be completed by December 2023.

- *require all investigators to maintain and record their investigation activities fully;*

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

Details

Our 2021 audit found that the Ministry did not maintain comprehensive records of its investigations to ensure investigators on subsequent investigations have full access to the necessary documents to review and familiarize themselves with past investigations.

In our follow-up, we found that the Ministry required all investigators to complete a note-taking course in June 2023 to ensure investigators are documenting activities fully and accurately. In addition, the investigative module expected to be completed by December 2023 (as discussed in the first action item in **Recommendation 11**) will require that investigators input a finding or conclusion before an investigative file is closed.

- *monitor that investigation files, including all supplemental investigation evidence maintained on the server, are thoroughly documented and reviewed prior to closing the file;*

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

Details

Our 2021 audit found that, based on our review of a sample of investigation files, investigators did not always document their searches and the manager approved the closure of investigation files without ensuring all relevant documents were in the server.

In our follow-up, we found that the Ministry had begun developing an investigative module to incorporate investigation data into the Ministry's program information system (as discussed in the first action item in **Recommendation 11**). The investigative module, expected to be completed by December 2023, will require each investigation file to be reviewed by the program manager, and if there was an enforcement action taken, the file would also be reviewed by the Superintendent of Private Career Colleges prior to closing the file.

- *track common issues identified that may help improve investigator performance going forward, and provide investigator training using this information at least on an annual basis.*

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

Details

Our 2021 audit found that the Ministry's internal guidance document required investigators to record in a memo the most recent action taken, a confirmation of compliance by the investigated private career college and the investigator's follow-up. The manager's review of this document could identify common issues to be addressed in subsequent training for the investigators.

In our follow-up, we found that the Ministry had begun developing an investigative module to incorporate investigation data into the Ministry's program information system (as discussed in the first action item in **Recommendation 11**). The investigative module, expected to be completed by December 2023, will include a capability for keywords to be searched to identify commonalities between investigations.

Recommendation 12

To improve the credibility of deterrence and the timeliness of the Minister's review of financial penalties imposed on private career colleges and increase the probability of collecting these penalties, we recommend that the Ministry of Colleges and Universities:

- *establish and implement written guidance with expected timelines for each stage of the administrative monetary penalty review process, including the publishing requirement;*

Status: Fully implemented.

Details

Our 2021 audit found that for appeals of financial penalties, the Ministry had not established written guidance on when each party within the Ministry should complete their part of the review process, when a final decision should be made, and when the Ministry should notify the appealing college of the review decision.

In our follow-up, we found that the Ministry established and implemented written guidance in February 2023, with expected timelines for each stage of the administrative monetary penalty review process. The guidance indicates that, under normal operational conditions, the average duration of a review process is not to exceed 36 weeks from the day the college submits the request for a review.

- *monitor compliance with the guidance and follow up when these timelines are not met.*

Status: Little or no progress.

Details

Our 2021 audit found that the Ministry tracked when each party within the Ministry received the review package but did not monitor how long it took the package to move from one party to the next. Staff only sent reminders to the five parties involved in the review process on an ad hoc basis.

As mentioned in the first action item in **Recommendation 12**, the Ministry implemented written guidance

in February 2023 with expected timelines for each stage of the administrative monetary penalty review process. However, Ministry staff informed us that, since the written guidance was recently approved, they have not yet monitored compliance with the guidance. The Ministry expects to complete this work by March 2024.

Recommendation 13

To support the public's ability to make informed decisions when choosing a private career college that might have been affected by the Ministry's enforcement activities, we recommend that the Ministry of Colleges and Universities:

- *develop and implement procedures to publish all enforcement actions, especially those that are required to be published under the Private Career Colleges Act, 2005, completely, accurately and consistently; and*
- *establish targets with expected timelines for publishing enforcement actions and take corrective action when these targets are not met.*

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry inconsistently published enforcement actions on its website between 2006 and 2020, and the information posted contained errors and was not always published in an easy-to-understand manner for prospective students. In addition, we found that the published enforcement action notices were not reviewed or approved by managers before publishing, and the Ministry did not always publish enforcement actions on a timely basis, sometimes up to a year after the enforcement action was applied on the college.

In our follow-up, we found that the Ministry updated and implemented its internal guidance document in October 2022 to include procedures for the publication of enforcement actions required by the Act and expected targeted timelines for publishing enforcement actions. For example, an investigator would be required to provide a particulars document to the

compliance analyst within 10 working days of an investigation that resulted in a financial penalty and the time period for a private career college/individual to apply for a review has expired. A particulars document outlines the date and details of the contravention, the enforcement action, and required actions by the private career college/individual. For publication of enforcement actions that are not required by the Act, the internal guidance document requires Ministry staff to seek the opinion of the Ministry's legal services related to any risks associated with the publication before presenting the option for approval.

At the time of our follow-up, we found that the Ministry had published recent enforcement actions in 2023.

College Closures and Training Completion Assurance Fund

Recommendation 14

To deter late payments to the Training Completion Assurance Fund and avoid potentially placing an additional burden on other private career colleges should the fund balance be insufficient, we recommend that the Ministry of Colleges and Universities:

- *monitor and follow up with colleges that fail to submit payments after 30 days of billing; and*
- *take appropriate enforcement actions on colleges that continue to fail to respond or submit payment.*

Status: Will not be implemented. The Office of the Auditor General of Ontario continues to support the implementation of this recommendation.

Details

Our 2021 audit noted that the Ministry did not collect annual premiums to the Training Completion Assurance Fund from 79 private career colleges as of June 2021, totalling over \$145,000. The average outstanding payment duration was eight months, but premiums should be paid within 30 days of the invoice date. Our 2021 audit also found that the Ministry

did not regularly monitor the outstanding receivable amounts due to its workload demands.

In our follow-up, we found that the Ministry conducted an analysis in June 2022 on the outstanding Training Completion Assurance Fund collections from 2016/17 to 2021/22. The analysis identified the importance of early monitoring of invoices (up to 90 days past due) and immediate follow-up actions on invoices 90 days overdue. The analysis recommended additional enforcement procedures for private career colleges and Ministry follow-up with colleges.

However, the Ministry informed us that, based on internal discussions, while it would monitor the outstanding receivables amounts, the Ministry would not be following up with colleges that fail to submit payments after 30 days of billing and would not be taking appropriate enforcement actions on colleges that continue to fail to respond or submit payment. The Ministry stated that the Ministry of Finance sends reminders to the debtor if it fails to submit payments after 90 days. The Ministry indicated that sending reminders from both the Ministry and the Ministry of Finance would be a duplication of efforts.

Recommendation 15

So that the financial security amount required of a private career college is commensurate with the appropriate risk score to alleviate the resulting pressure on the Training Completion Assurance Fund when the financial securities are insufficient to cover the cost of a college closure, we recommend that the Ministry of Colleges and Universities establish weighting on the criteria, and regularly review the criteria and their weighting, in the Private Career College Capacity Assessment Tool at least every two to three years based on more current closure data.

Status: Little or no progress.

Details

Our 2021 audit found that the Ministry used the Capacity Assessment Tool to determine the financial security payments that private career colleges need to submit. However, we found that the Ministry had not regularly

reviewed the tool criteria and their weighting using the most current data on college closures. Doing so could help improve the tool's usefulness in determining a fair financial security amount that reflects risks for each private career college.

In our follow-up, we found that the Ministry had not yet established weighting on the criteria in the tool or reviewed the criteria and their weighting. Ministry staff informed us that they plan to establish weighting on the criteria once they obtain consistent data for three renewal cycles (2022–2024) before conducting the analysis. The Ministry expects to complete this work by September 2024.

Recommendation 16

To better protect the Training Completion Assurance Fund from unnecessary withdrawal due to insufficient financial securities as a result of college closures, we recommend that the Ministry of Colleges and Universities:

- *update its processes for calculating financial securities to incorporate more current and audited financial information;*

Status: Fully implemented.

Details

Our 2021 audit found that the Ministry did not use the most current financial status of the colleges to determine the financial security amounts that the Ministry should hold. We found that in 13% of the cases we sampled, the Ministry chose to maintain the original level of financial security provided by the colleges instead of adjusting to the more current and audited financial information submitted, even if the more current information demonstrated the need for a higher financial security.

In our follow-up, we found that the Ministry resumed its process of calculating financial securities using current and audited financial statements and schedules in August 2022, beginning with the 2021 registration renewals. By March 2023, when the Ministry completed its approval of all 2021

registration renewal files, it had approved 481 colleges using the most current audited financial statements and schedules provided.

- *establish a process to monitor that financial securities are current or have proper continuance provisions; and*
- *identify financial securities that are nearing expiry or have expired and send reminders to these colleges to provide continuation certificates by deadlines.*

Status: Fully implemented.

Details

Our 2021 audit found that some colleges that provided surety bonds as financial security did not have a valid continuation certificate where the original surety bond had expired. The Ministry had mistakenly believed that surety bonds would never expire unless specifically voided or cancelled. Upon further investigation, it learned that the surety bonds we identified were indeed no longer valid.

In our follow-up, we found that the Ministry established a surety bond process in May 2022 and provided training to its staff on the process in June 2022. Ministry staff exported weekly reports from the Ministry's information system on all active surety bonds including the expiry date of the bond certificate. Based on the weekly reports, the Ministry identified private career colleges with continuation certificates that would expire within one month and sent reminders to these colleges to upload a new continuation certificate before the expiry date.

In September 2022, the Ministry sent a memo to all private career colleges informing the sector that there was an amended surety bond template with an automatic renewal clause to the surety. The memo stated that the colleges could proactively send the surety bond amendment to the Ministry, or the Ministry would contact each college 60 days before its surety bond expiry date, requiring a signed amendment to the surety bond.

Since the issuance of the memo, Ministry staff continued to export weekly reports from the Ministry's information system on all active surety bonds and sent reminders to colleges 60 days before surety bonds

were set to expire, requesting signed amendments to the surety bonds.

International Students

Recommendation 17

To uphold the integrity of the International Student Program in private institutions and to deter international students from staying in Canada without proper legal ground, we recommend that the Ministry of Colleges and Universities:

- *work with the federal government to clarify the roles and responsibilities of sharing information on unusual trends and establish a protocol to share such information;*

Status: Fully implemented.

Details

In our 2021 audit, we found that four private career colleges that were not designated as learning institutions still had international students enrolled in programs of over six months in duration, the threshold required for Ministry designation. We also noted significant growth in the number of international students enrolled in private career colleges of 420% from 2015 to 2019. Such an increase is unusual given that students of private career colleges, unlike their counterparts in the public college system, cannot apply to stay in Canada on a federal post-graduation work permit. The Memorandum of Understanding between the Ministry and the federal government on the International Student Program did not specify exchanging information on unusual patterns in international student enrolment data.

In our follow-up, we found that the Ministry met with representatives from the federal government in November 2022 to clarify the roles and responsibilities of sharing information on unusual trends and to establish a protocol to share such information. The parties agreed that the Ministry would inform the federal government if there are instances of high levels of international student enrolment in programs of over six months, in non-designated learning institutions.

- *review program information on at least an annual basis to identify unusual trends of international student enrolment, including colleges that are not designated as learning institutions but offer vocational programs of over six months in duration to international students, and refer these cases to Immigration, Refugees and Citizenship Canada.*

Status: Little or no progress.

Details

In our 2021 audit, we found that four private career colleges that were not designated as learning institutions still had international students enrolled in programs of over six months in duration, the threshold required for Ministry designation. The Ministry did not inform Immigration, Refugees and Citizenship Canada regarding these anomalies.

In our follow-up, we found that the Ministry developed and implemented an inspection template in January 2023 to evaluate designated learning institutions' compliance with the designation agreement with the Ministry. The Ministry informed us that during these inspections, reviews of individual students' files could be conducted only with the students' permission, as the Ministry does not have statutory authority to do so. The Ministry indicated that the review of student files may identify anomalous data.

The Ministry informed us that it is currently considering options on how to address the recommendation and expects to complete this work by March 2024.

Recommendation 18

To reduce the administrative burden on private career colleges that offer the International Student Program, we recommend that the Ministry of Colleges and Universities expedite its review of its regulatory requirements for private career colleges under program policy and remove duplicate registration requirements and processes.

Status: Fully implemented.

Details

Our 2021 audit noted that private career colleges that were also designated learning institutions under

the International Student Program were subject to duplicate data submission, resulting in additional administrative work on private career colleges and no additional benefit to international students. The Ministry began looking into streamlining the processes but had made no changes to them as of June 2021.

In our follow-up, we found that the Ministry implemented a streamlined application form in April 2022 for private career colleges to apply for the International Student Program. For example, instead of requiring private career colleges to submit audited financial statements for the past two fiscal years again when applying for the International Student Program, the college could note in the application form that the information is in the Ministry's information system, as private career colleges are required to submit audited financial statements when they renew their registration.

Performance Monitoring of Private Career Colleges

Recommendation 19

To improve prospective and existing students' ability to make informed decisions using the most up-to-date and accurate information when choosing a private career college, we recommend that the Ministry of Colleges and Universities:

- *establish timeline targets for publishing performance indicators and adhere to these targets;*

Status: Fully implemented.

Details

Our 2021 audit found that when the Ministry published private career colleges' performance indicators, such as graduation rate and employer satisfaction rate, on its website, this information was of limited benefit to students as it was published at least two years after the time of reporting.

In our follow-up, we found that the Ministry established timeline targets for the 2021 reporting cycle. The timeline targets required the external third-party research company that was hired to conduct surveys, consolidate

data and report on performance indicators, to provide the Ministry with a report on the 2021 performance indicators by June 2023 and publish the performance indicators in summer 2023. The Ministry received the report in June 2023 and published the private career colleges' performance indicators on its website in July 2023. The Ministry expects that similar timelines will apply to subsequent reporting cycles going forward.

- *update the government website to allow students to more easily access performance indicators for selected programs;*
- *update the government website to allow students to more easily compare performance indicators across similar programs and over time;*

Status: Little or no progress.

Details

Our 2021 audit found that performance indicators were not available for up to 83% of the programs on the Ministry's website and the public could not easily compare performance indicators among colleges and over time. Without complete, current and accurate performance results, students do not have up-to-date information to make an informed decision on which program and private career college to select.

In our follow-up, we found that the Ministry had not yet updated the government website to allow students to more easily access performance indicators for selected programs or to allow students to more easily compare performance indicators across similar programs and over time. The Ministry informed us that it prioritized improving its performance indicators processes, such as entering into a new contract with the external third-party research company in June 2022 and, working with the research company, assessing the different survey methods (as discussed in **Recommendation 20**).

- *update its review process to verify a greater sample of published performance indicator results and document this work;*

Status: Little or no progress.

Details

In our 2021 audit, we found that 30% of sampled private career colleges published outdated, incomplete or incorrect performance results. The Ministry informed us that it verified published information before its inspectors conduct on-site inspections but did not always document this work.

In our follow-up, we found that the Ministry had not yet updated its process to verify published performance indicator results and document this work.

- *establish targets of performance indicators, such as benchmarks for each type of vocational program, to help promote better performance of private career colleges.*

Status: Little or no progress.

Details

Our 2021 audit found that the Ministry did not have performance indicator targets, such as benchmarks for each type of vocational program, that private career colleges should aim to meet. In contrast, Alberta had set a 70% target for both graduation rate and employment rate and indicated to us that private career colleges that report results lower than this target in consecutive reporting periods will face compliance action.

In our follow-up, we found that the Ministry had not yet established targets of performance indicators to help promote better performance of private career colleges. The Ministry informed us that it prioritized improving its performance indicators processes, such as entering into a new contract with the external third-party research company and, working with the research company, assessing the survey methods (as discussed in **Recommendation 20**).

Recommendation 20

To enhance its ability to oversee the work conducted by the external third-party research company related to private career colleges' performance indicators so that deliverables are delivered on time and in accordance

with the planned scope, we recommend that the Ministry of Colleges and Universities:

- *update existing and future contractual agreements to include provisions allowing for penalties or other corrective actions and periodic deliverables such as monthly or quarterly targets;*

Status: Fully implemented.

Details

Our 2021 audit found that, although the Ministry hired an external third-party research company to conduct surveys, consolidate data and report on performance indicators, the Ministry did not monitor the company's performance to confirm that it provided quality and timely performance indicator collection and consolidation services on its behalf. The Ministry also could not verify whether the research company had met monthly targets, such as surveying a specific number of colleges, because the Ministry did not set monthly deliverables in the contractual agreement.

In our follow-up, we found that, in June 2022, the Ministry entered into a new contract for 2022 to 2025 (with a two-year extension option) with the same external third-party research company used during our 2021 audit. The contract includes timelines of deliverables for each reporting cycle, such as the survey windows for the winter, summer and fall terms. The contract also includes a provision that requires the external third-party research company to take corrective action at its own expense if it does not meet the deliverables in the contract.

- *in consultation with the research company, assess the mixed-mode approach to improve the response rates for the graduate and employer surveys.*

Status: Fully implemented.

Details

Our 2021 audit determined that the Ministry did not work with the external third-party research company to annually assess the mixed-mode survey approach,

which involves using telephone and online surveying methods, as outlined in the agreement to increase response rates, even though the research company had not met its response rate targets in previous years.

In our follow-up, we found that the Ministry and the external third-party research company assessed the different survey methods, such as telephone, online and mixed-mode approach, subsequent to entering into a new contract in June 2022. The analysis concluded that a mixed-mode approach would improve accessibility and cost-effectiveness, and improve survey responses and completion rates.

Meeting Regulatory Mandate

Recommendation 21

To support the Ministry's regulatory activities in private career colleges and designated learning institutions, we recommend that the Ministry of Colleges and Universities:

- *annually reassess the appropriateness of its fees;*

Status: Fully implemented.

Details

Our 2021 audit found that the Ministry did not fully recover its costs to regulate the private career colleges sector. On average over the past five years, the Ministry collected about \$2 million in fees from private career colleges while incurring about \$6 million in costs to regulate the sector. The Ministry was still charging private career colleges regulatory fees it established in 2018/19.

In our follow-up, we found that the Ministry conducted research in May 2022 on the fees that were being charged in other provinces. The Ministry proposed an increase of its fees based on its jurisdictional research and requested Treasury Board approval on its 2023/24 strategic plan.

- *request and obtain approval for increased fees.*

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

Details

In our 2021 audit, we noted that, in 2020, the Ministry assessed the feasibility of increasing fees to cover 55% of its regulatory costs but had not adjusted its fees at the end of our audit in 2021.

In our follow-up, we found that the Ministry requested an increase of its fees in its 2023/24 strategic plan. The Ministry informed us that the Treasury Board Secretariat's recommendation was to defer the request to a future strategic plan. The Ministry plans to request an increase of fees, which would also include a reassessment of the appropriateness of its fees, by December 2023.

Recommendation 22

To identify and deliver college programs in response to Ontario's employment needs, which are unique from one community to the next, we recommend that the Ministry of Colleges and Universities develop a post-secondary education strategy to strengthen the link between Ontario's labour market needs and the programs offered by both public and private career colleges, considering availability

of similar vocational programs offered by the post-secondary education institutions in the local region.

Status: Little or no progress.

Details

Our 2021 audit noted that the Ministry did not have a formal, documented post-secondary education strategy that could potentially enhance the link between Ontario's labour market needs and the programs offered by both public and private career colleges. We also found that the Ministry did not gather data on regional labour market needs on an ongoing basis to determine whether there was saturation or shortages in any geographic area for training of a certain vocational program.

In our follow-up, we found that the Ministry had not yet developed a post-secondary education strategy that could potentially enhance the link between Ontario's labour market needs and programs offered by both public and private career colleges. Ministry staff informed us that they are determining the approach to address this recommendation and would require input from other ministries. The Ministry expects to complete this work by September 2024.