



Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

Value-for-money audit of:

Economic Development and Employment Programs

2015 Annual Report, Section 3.04

Background

- Ministry mandate is to support a strong, innovative and competitive economy
- Since 2004, Ministry has approved \$1.87 billion in grants and \$489 million in loans to business
- Nine other ministries provided \$2.8 billion in similar supports in 2014/15, and another \$2.9 billion in corporate income-tax credits



Audit Objective

Assess whether the Ministry had:

- effective systems and procedures in place to ensure funding was used efficiently and effectively towards the development, growth and efficiency of industry and trade in goods and services, as well as the growth of productive employment, in accordance with legislative requirements, directives and program policies and guidelines; and
- funding objectives that are measured and reported on.



Overall Conclusions

- Ministry has not measured whether the \$1.4 billion it provided to businesses since 2004 actually strengthened the economy or made recipients more competitive
- Ministry has not developed a strategy for its involvement in promoting key regions and establishing business “clusters”
- Nine other ministries also provide funding to businesses but there is no co-ordination between them



Specific Findings

- Since 2010, Ministry has awarded 80% of funding to selected businesses through non-advertised process
- Funding often awarded without assessing whether recipients actually need the help
- Project results not made public and Ministry does not monitor long-term job-creation results after funding contracts expire



Recommendations

The Ministry should:

- develop a comprehensive strategy, including targets by industry sector and geographic region, to help it evaluate the effectiveness of its funding;
- consider the benefits of providing financial supports to small- and medium-sized businesses;
- integrate the activities of other ministries delivering key economic and employment programs; and
- publicly report all funding commitments and the names of all projects and companies involved.



Explore Our Website

- Read the [full audit report](#)
- See our [2015 Annual Report](#) and [news releases](#)
- Find out about [our Office](#)
- Send us [feedback](#)

