Business Case Development in the Ontario Public Service
2020 Value-for-Money Audit

Why We Did This Audit
• To determine if the Treasury Board Secretariat (Secretariat) has effective systems and processes in place to facilitate the preparation and review of timely, robust business cases and recommendations.
• In 2019/20, approximately $3.4 billion in additional expenditures were approved through in-year business cases submitted to the Treasury Board/Management Board of Cabinet (Board).

Why It Matters
• The Board is responsible for making decisions on multi-year expenditures, in-year spending changes, staffing resources, management practices, project approvals, and creating new programs/agencies.
• Business cases serve as a record in the decision-making process and a means to evaluate progress.
• Inadequate or incomplete business cases can pose a risk to the province in achieving value-for-money.

What We Found
• Slightly over half of the 15 business cases we reviewed met the majority of the criteria for what defines a robust business case. While there were some inconsistencies, the business cases were adequate for decision-making. However, for the remaining business cases, key components were incomplete or missing, including analysis of options, risks and costs, results of consultation and plans for performance monitoring.
• Business cases were often lengthy and repetitive; the average length in our sample was 42 pages and the longest was 136 pages. This posed a challenge for the efficient and complete review of business cases by the Secretariat and the Board. For example, based on our review of the written questions asked by Secretariat analysts during their review of business cases, nearly half (44%) were questions to clarify their understanding of the business case. Improvements in the clarity and conciseness of the business case may contribute to time efficiencies in the Secretariat's review process.
• Secretariat business case training and feedback were not directed to the initial preparers of business cases such as policy or program staff in ministries. This resulted in missed opportunities to share feedback on quality or expectations on what constitutes a robust business case.
• Based on our sample, the assessment notes—the Secretariat's formal analysis and advice on the business case—often restated information in the business case and fell short in providing complete critical analysis. Assessment notes need to provide clearer advice to the Board on the feasibility of ministries' requests; adequacy of ministries' risk mitigation; implementation and performance monitoring plans; and whether consultation was sufficient. Greater attention to costing assumptions, external factors and the impact on provincial debt is also required.
• Sixty percent of the business cases in our sample were received by the Secretariat outside of the required three weeks from scheduled meeting date, with some final business cases provided the day of the Board meeting. In our sample, we found assessment notes typically provided greater critical analysis when the Secretariat received more time to review the business case.
• The timing and format of the Secretariat's review limited the opportunity to add value. In other jurisdictions, such as the federal government, Treasury Board analysts conduct a more structured review earlier in the process.
• Ministries may be asked to report back to the Board with additional information or project/program results. Our review of these report-backs illustrated they did not always contain the required information, at times resulting in multiple report-backs for the same request. Additionally, in 2019/20, two-thirds of report-backs were returned late.
• The Secretariat does not have measures to monitor and assess the business case development process, including compliance with timelines or the quality and completeness of business cases and assessment notes.

Conclusions
• Over the last year, the Secretariat has taken steps to improve guidance and tools; however, there are still opportunities to better support the decision-making process by improving the timing, quality and completeness of ministries’ business cases, and the depth of analysis and recommendations provided by the Secretariat.

Read the report at www.auditor.on.ca