

# Chapter 1

## Section 1.04

Ministry of Training, Colleges and Universities

# Employment Ontario

Follow-Up on VFM Section 3.04, 2016 Annual Report

### RECOMMENDATION STATUS OVERVIEW

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	4		4			
Recommendation 2	2	1	1			
Recommendation 3	1			1		
Recommendation 4	2		2			
Recommendation 5	1			1		
Recommendation 6	2	0.5		1.5		
Recommendation 7	2		2			
Recommendation 8	1				1	
Recommendation 9	2	1		1		
Recommendation 10	1		1			
Recommendation 11	3		3			
Recommendation 12	3	2		1		
Recommendation 13	3			3		
Recommendation 14	2		1	1		
Recommendation 15	1	1				
Recommendation 16	2		1.5	0.5		
Recommendation 17	2			2		
Recommendation 18	1					1
<b>Total</b>	<b>35</b>	<b>5.5</b>	<b>15.5</b>	<b>12</b>	<b>1</b>	<b>1</b>
<b>%</b>	<b>100</b>	<b>16</b>	<b>44</b>	<b>34</b>	<b>3</b>	<b>3</b>

## Overall Conclusion

As of July 10, 2018, the Ministry of Advanced Education and Skills Development, currently known as the Ministry of Training, Colleges and Universities (Ministry), had fully implemented 16% of actions we recommended in our *2016 Annual Report*, and was in the process of implementing 44% of recommended actions. Furthermore, little progress was made on implementing 34% of our recommendations, 3% of our recommended actions would not be implemented and 3% are no longer applicable.

At the time of our follow-up, the Ministry had developed Ontario's Apprenticeship strategy in February 2018 and was developing an evaluation framework to develop key performance indicators across all employment and training programs.

Although the Ministry had taken some action on most recommendations, in many cases the work was still at a preliminary stage. For example, more action was needed to minimize the amount of unrecovered overpayments to Second Career clients, to identify common deficiencies among service providers during its monitoring activities and address them system-wide, to improve regular monitoring of on-the-job and in-class training provided to apprentices, to establish yearly reportable outcome measures for employment and skills development programs, and to publicly report information useful to those upgrading their skills or seeking employment.

The Ministry will not be implementing a standard methodology for calculating apprenticeship completion rates across Canada, as other provinces are not in agreement with how it should be measured, and a consensus is needed.

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

## Background

Employment Ontario offers programs to provide employment and training services to job seekers and employers, apprenticeship training to students seeking certification and employment in a skilled trade, and literacy and numeracy skills to people who lack basic education necessary for employment. These programs are funded by the Ministry of Training, Colleges and Universities (Ministry), and the majority are delivered by third-party agencies. In 2017/18, the Ministry spent \$1.2 billion (\$1.3 billion in 2015/16) to deliver Employment Ontario programs.

Our audit found that key programs offered by Employment Ontario were not effective in helping Ontarians find full-time employment. Although the Ministry was redesigning some of its programs, more attention was needed to increase their effectiveness and improve efficiency. Specifically, the Ministry needed to take additional steps to increase completion rates for apprentices, and to help people sustain long-term employment in their field of training. We also noted that the Ministry lacked the detailed and timely labour market information necessary to both improve existing programs and develop new ones to meet the current and future labour needs of Ontario.

Some of the significant issues we found included:

- The majority of employment and training program clients were unsuccessful in finding full-time employment in their chosen career. For example, the objective of Employment Ontario's Employment Service program was to find long-term sustainable employment for clients. For 2015/16, at the time of completion of the program, only 38% of clients were employed full-time and only 14% had found employment in either their field of training, a professional occupation or a more suitable job than before the program.

- Participants in Employment Ontario's Second Career program who received funding for retraining but did not regularly attend their program or provide receipts were required to repay the Ministry. In the last three fiscal years prior to our audit, \$26.6 million that should have been repaid had been written off as uncollectible.
- The average completion rate for apprentices in Ontario from 2011/12 to 2015/16 was about 47%. Completion rates for voluntary trades were significantly lower than for compulsory trades (35% versus 59%).
- The Ministry did not review apprentice completion rates by in-class training provider or employer, and it did not compile and analyze survey results separately (for the majority of questions) for those who completed their apprenticeship program and those who withdrew. Such analyses would enable the Ministry to identify in-class and on-the-job training providers that may not be preparing apprentices for success and assess the reasons why apprentices did not complete their apprenticeship.
- In 2015/16, about 60% (\$205 million) of all apprenticeship funding was paid to employers through a combination of the Apprenticeship Training Tax Credit, a signing bonus and a completion bonus. The first two financial incentives support apprentices entering the program, but were not tied to employers ensuring apprentices complete the program. The completion bonus, which was more closely aligned with the Ministry's goal of increasing the number of apprentices that get certified, was half the amount of the signing bonus.
- The Ministry began monitoring at-risk apprentices in November 2014. At that time, 16,350 apprentices were identified as being at risk of not completing their apprenticeships. About 68% of these cases were resolved by having the apprentice exit the system, in effect cleaning out the Ministry's database. However, by June 2016, the number of apprentices at risk increased to 39,000. Of those, 20,800 were apprentices identified under the same definition as that used in November 2014, and an additional 18,200 apprentices were identified under an expanded definition.
- Although the Ministry had processes in place to assess an employer's qualifications at the time they submitted an application to train an apprentice, it relied on employers to self-report any changes that might affect their ability to provide sufficient training, such as a change in the number of trainers available to the number of apprentices. With regard to in-class training, Ministry staff informed us that they did not directly assess whether instructors were qualified and whether the courses were taught according to the curriculum, nor did they compare the qualification exam pass rates by training delivery agents to identify those with comparatively high failure rates.
- The Ministry did not collect or analyze regional information on labour force skills supply and demand to identify what jobs will have a shortage of skilled workers. According to the Ministry, there were few reliable sector-wide sources of information on employers' anticipated labour needs. Other provinces, such as British Columbia and Alberta, reported projected demand by occupation for a 10-year period that they updated annually and biannually respectively.

We made 18 recommendations, consisting of 35 action items, to address our audit findings.

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

## Standing Committee on Public Accounts

On May 3, 2017, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2016 audit. In December 2017, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations, and made 14 additional recommendations. The Ministry reported back to the Committee in April 2018. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.02** of this volume of our *2018 Annual Report*.

### Status of Actions Taken on Recommendations

We conducted assurance work between April 1, 2018, and July 10, 2018. We obtained written representation from the then Ministry of Advanced Education and Skills Development, currently known as the Ministry of Training, Colleges and Universities (Ministry), that effective October 31, 2018, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago. The status of each of our recommendations is as follows.

#### Majority of Employment and Training Program Clients Unsuccessful in Finding Full-Time Employment in Their Chosen Career

##### Recommendation 1

*In order to improve the effectiveness of employment and training programs, the Ministry of Advanced Education and Skills Development (Ministry) should:*

- *establish outcome measures and associated targets for the two programs that do not have*

*measures—Ontario Job Creation Partnership and Ontario Employment Assistance programs;*  
**Status: In the process of being implemented by April 2020.**

##### Details

In our 2016 audit, we found that the Ministry had not established internal outcome measures for two employment and training programs: Ontario Job Creation Partnership and Ontario Employment Assistance.

At the time of our follow-up, the Ministry was integrating and replacing the Ontario Employment Assistance programs with the Supported Employment Program, which was introduced in April 2018 as part of the Government's employment strategy for people with disabilities. The Ministry established the following short-term and long-term employment outcome measures for the Supported Employment Program:

- 50% of participants achieve a desired employment outcome, which is measured at three months after transitioning to employment; and
- 40% of participants achieve a desired employment outcome, which is measured at 12 months after transitioning to employment.

With respect to the Ontario Job Creation Partnership program, the Ministry said it plans to review the Employment Service program's job matching and placement features to potentially apply them to the Job Creation Partnership program by April 2020.

- *review instances where program outcomes do not meet targets and take corrective actions;*  
**Status: In the process of being implemented by December 2018.**

##### Details

We reviewed program outcomes for established performance measures since our audit in 2016 for the following programs—Employment Service, Second Career and Targeted Initiatives for Older Workers. Overall, program outcomes were

consistent or slightly better than at the time of our audit. As well, all three programs met their respective performance targets regarding effectiveness for 2017/18.

The Ministry described actions taken to deal with individual service providers that were not meeting performance targets. In May 2017, the Ministry issued notices, known as directed improvement letters, to 24 of 28 service providers delivering Employment Service or Literacy and Basic Skills programs that did not meet their 2016/17 performance targets. The Ministry requested that they submit action plans to address their performance issues. At the time of our follow-up, two-thirds of the action plans were completed. The Ministry informed us that it would be assessing whether the action plans successfully addressed the initial issues.

The Ministry expects to issue directed improvement letters to service providers that did not meet their 2017/18 performance targets by the end of December 2018. We noted that 24 service providers did not meet their performance targets in 2017/18 and of those, 10 had also not met their targets for the previous year.

- *revise employment status categories to enable more useful outcome information;*

**Status: In the process of being implemented by March 2020.**

#### Details

At the time of our follow-up, the Ministry had conducted a review of the employment status categories and the related outcome data collected by its various Employment Ontario programs. The review highlighted problems that we found in our 2016 audit. For example, employment status categories were inconsistent across programs and in many cases not mutually exclusive. We found in 2016 that someone categorized as “employed in a profession/trade” could also have been “employed full-time” or “employed part-time,” but the Ministry assigned participants to only one category.

In February 2018, the Ministry developed options on the employment status definitions and was assessing them at the time of our follow-up. The Ministry informed us that once the assessments are completed, it will develop a plan to create consistent employment status definitions across all Employment Ontario programs. The Ministry expects to have the definitions in place by March 2020.

- *develop strategies that would enable follow-up with more participants at three, six and 12 months after receiving services from all programs.*

**Status: In the process of being implemented by March 2019.**

#### Details

We found in 2016 that the Ministry followed up with only a small portion of Employment and Training program participants at three, six and 12 months after program completion, which did not allow for an adequate assessment of the long-term impact of the programs.

At the time of our follow-up, the Ministry was considering various ways of increasing the amount of data it gathers from participants after they complete various Employment Ontario programs. Options being considered included revising contracts with service providers to require them to follow up with more clients, and outsourcing the follow-ups to various third parties. The Ministry’s focus is to increase the response rate from a representative sample of program participants rather than increase the number of participants from whom data is collected.

The Ministry is piloting new approaches for following up with participants with a new program called Skills Advance Ontario. The pilot is scheduled for completion in August 2018 and the Ministry expects to fully implement this recommendation by March 2019.

## Funding for Employment Service May Not Reflect Current Need

### Recommendation 2

To ensure funding is properly allocated to service providers of Employment Service, the Ministry of Advanced Education and Skills Development should:

- periodically update information related to the labour market and location indicators used in the funding model to ensure they reflect current employment, demographic and cost conditions in communities across the province;

**Status:** In the process of being implemented by April 2020.

#### Details

To ensure that funding indicators for the Employment Service program reflect current conditions across the province, the Ministry informed us during our follow-up that it was updating relevant information by using new census data as it is made available.

However, the Ministry told us that it could not use census data released in November 2017 because it was not detailed enough. As a result, in January 2018 the Ministry purchased custom data sets from Statistics Canada that will be available in the 2018/19 fiscal year. The Ministry expects this data to be used for the 2020/21 business plan.

- ensure that the targeted number of clients to be served by each service provider, and the associated funding, are adjusted to reflect the actual level of services being provided.

**Status:** Fully implemented.

#### Details

In our 2016 audit, we reported that service providers for 40 of 322 sites missed their intake targets (that is, the number of people they had committed to serve under their contracts) by at least 10% in both 2014/15 and 2015/16. However, only four sites had their targets, and therefore funding, reduced for 2016/17.

For the 2017/18 fiscal year, the Ministry reduced intake targets for certain service providers, which resulted in decreased funding to 32 service providers of the Employment Service program and 53 service providers of the Youth Job Connection program. The reductions were limited to a 10% reduction of intake targets for providers of Employment Service and \$100,000 in funding for each provider of Youth Job Connection.

The Ministry informed us that it would also adjust the intake targets and funding amount in the 2018/19 contracts with service providers for the Employment Service program. In addition, to better align service provider funding with the actual number of clients served, the Ministry developed a new evidence-based assessment tool in September 2016 and trained staff on the use of this tool.

## Significant Overpayments to Second Career Clients Not Recovered

### Recommendation 3

In order to minimize the amount of unrecovered overpayments to Second Career clients, the Ministry of Advanced Education and Skills Development should evaluate the benefits of providing funding to clients in advance of getting receipts only for the initial instalments (of one or two months), and requiring receipts prior to providing funds for remaining instalments.

**Status:** Little or no progress.

#### Details

Our audit in 2016 found that there was \$30.1 million in overpayments to clients of the Second Career program in the period from 2013/14 to 2015/16 that was forwarded for collection.

Since then, in August 2017, the Ministry sent reminders to staff responsible for delivering the Second Career program to use available monitoring tools to minimize the number of overpayments to Second Career clients. All these monitoring tools were available at the time of our 2016 audit.

In our follow-up, the Ministry said it consulted with external partners in March 2018 to evaluate the benefits of requiring receipts prior to receiving funding. According to the Ministry, the parties said requiring receipts from clients first would drastically diminish access to Second Career training for Ontario Works recipients, Ontario Disability Support Program recipients and newcomers.

The Ministry indicated that it expects to consider our recommendation in September 2018, after it assesses the impact of its monitoring efforts and stakeholder consultations.

We noted that since the time of our audit, the amount of overpayments to Second Career clients has dropped, but so has the number of people enrolled in the program. In 2017/18, the amount of overpayments dropped by 24% compared to the prior year, and the number of people who enrolled in the program that year dropped by 25%. Therefore, the Ministry cannot attribute reductions in overpayments to initiatives implemented, and plans to refine the overpayment report.

## Ministry Follow-Up on Action Required by Service Providers Not Adequate

### Recommendation 4

*To ensure Ontarians seeking employment and training services receive quality service, the Ministry of Advanced Education and Skills Development should:*

- *employ enhanced monitoring efforts in place for all sites that fail to meet either the minimum provincial quality standard or their targeted service quality scores;*

**Status: In the process of being implemented by January 2019.**

### Details

In November 2017, the Ministry implemented practices to improve its monitoring of service providers' performance across the province in the Employment Service and Literacy and Basic

Skills programs. Enhancements were made to the Ministry's electronic tracking tool used to track service providers who are non-compliant with their contractual obligations. The enhancements include a drop-down menu to identify non-compliance issues; history fields to track action plan completion and revision dates; and action plan follow-up reminders.

We followed up on all Employment Service provider sites and Literacy and Basic Skills sites that did not meet minimum provincial service quality standards in 2017/18 and noted that the Ministry placed all Employment Service sites and 12 of 18 Literacy and Basic Skills sites on directed improvement. This means that they must create an action plan within 10 days of receiving notice and have the plan completed within six months.

The Ministry plans to review the Youth Job Connection program in January 2019 to include it in its enhanced monitoring process.

- *ensure corrective action is taken within the timelines established.*

**Status: In the process of being implemented by January 2019.**

### Details

In our 2016 audit, we noted that a service provider that did not comply with the minimum provincial service quality standard was required within 10 business days to submit an action plan to address the identified issues and to complete the action plan within six months. If a service provider did not meet its site-specific targeted service quality scores, it was to submit an action plan within five business days and complete the plan within six months.

The Ministry advised us during our follow-up that it is addressing this recommendation primarily through system changes that prompt staff to take corrective action and through enhanced training to staff who monitor service providers.

For example, the Ministry made changes to the Directed Improvement and Official Review processes in November 2017 to more effectively

monitor that corrective action plans are completed for the Employment Service and Literacy and Basic Skills programs. Regional staff received training in November and December 2017.

At the time of our follow-up, the Ministry was also developing additional training to help staff better understand the Directed Improvement and Official Review processes and apply them appropriately. This training is expected to be completed by January 2019.

### Recommendation 5

*The Ministry of Advanced Education and Skills Development should identify common deficiencies among service providers during its various monitoring activities and address these system-wide.*

**Status: Little or no progress.**

#### Details

We reviewed service providers' site compliance files in our 2016 audit and found that 68% of the site visits had instances of non-compliance with their contract or with Ministry guidelines. Common deficiencies included inconsistencies between information in the service providers' files and what they entered into the Ministry's system; ineligible notes; no documented justification for client referrals to other services; and not following up with clients.

At the time of our follow-up, the Ministry had analyzed site compliance files from the 2015/16 and 2016/17 fiscal years and had grouped deficiencies into five general categories: file documentation; data integrity; service quality; financial management; and service co-ordination. However, these categories are too broad to identify specific issues common to service providers, which then could be addressed system-wide, such as no justification for client referrals to other services.

## Improvement Needed to System Evaluating Service Providers

### Recommendation 6

*To properly evaluate the service providers' performance, the Ministry of Advanced Education and Skills Development should:*

- *incorporate longer-term outcomes of clients' employment or training status into the measure of service provider effectiveness to provide a better indicator of whether programming is resulting in sustainable employment;*

**Status: Little or no progress.**

#### Details

In our 2016 audit, we noted that indicators used to measure the outcome of services were based on the client's employment and training status only at the time of exiting a program. Employment status at three, six or 12 months after a client left a program often differed significantly.

In March 2018, the Ministry developed a plan to redesign the Second Career program. This plan included developing longer-term employment and training outcome measures. At the time of our follow-up, the Ministry had not developed a plan to redesign the Employment Service program. Ministry staff informed us that it would wait for an analysis of the redesign of the Second Career program and use that information to guide changes to the Employment Service program.

- *set meaningful performance management targets for the efficiency indicators.*

**Status: Fully implemented for targets related to information sessions and workshops (0.5). Little or no progress for targets related to the number of clients to be serviced (0.5).**

#### Details

In our 2016 report, we found that targets set by the Ministry with Employment Service providers for the number of clients to be served and the number of



information sessions or workshops to be held, were too easily achievable.

At the time of our follow-up, the Ministry had changed the method used to determine targets for information sessions and workshops. Service provider sites were now required to negotiate targets for the 2018/19 fiscal year using the range achieved by the top 25% sites for 2016/17. Sites were not permitted to set targets lower than what they achieved the year before.

However, the Ministry had no plan to change the method used to set targets for the number of clients to be served, even though at the time of our 2016 audit, half the sites were achieving 100% or more of their targets.

## Less Than Half of Those Who Begin an Apprenticeship Program in Ontario Complete It

### Recommendation 7

*In order to maximize the benefit of Apprenticeship Program funding, the Ministry of Advanced Education and Skills Development should seek ways to increase the completion rate of apprentices by:*

- *developing and implementing strategies to improve completion rates for apprentices in both compulsory and voluntary trades;*

**Status: In the process of being implemented by September 2018.**

#### Details

Our 2016 audit found that the average completion rate for apprentices in Ontario for the five-year period from 2011/12 to 2015/16 was only 46% for a Certificate of Apprenticeship and 47% for a Certificate of Qualification.

In our follow-up, we found that apprenticeship completion rates have not changed significantly since our audit. The 2016/17 Certificate of Apprenticeship completion rate for voluntary trades and the Certificate of Qualification completion rate for compulsory trades were 36% and 61%, respectively.

Completion rates for 2017/18 were not available at the time of our follow-up. A voluntary trade is one that under legislation does not have to register with the Ontario College of Trades.

The Ministry completed a review in November 2017 of the current completion supports (examination preparation courses, financial incentives, and monitoring strategies) to identify success factors. From this analysis, the Ministry's Ontario Apprenticeship Strategy was released in February 2018. The strategy outlines five main focus areas, one of which is to support and retain apprentices.

Examples of actions the Ministry has taken or is planning include making the examination preparation courses in 11 high-demand trades mandatory for all students in those trades (January 2017); replacing the Apprenticeship Training Tax Credit with the Graduated Apprenticeship Grant for Employers to encourage employers to help their apprentices complete their training (fall 2018); developing supports to improve matching between apprentices and employers, including a website (September 2018); and updating its apprenticeship sponsor policy to support more participation by small- and medium-sized businesses (September 2018).

- *evaluating whether it should change the degree of funding it provides for apprenticeship training in voluntary trades as compared to compulsory trades.*

**Status: In process of being implemented by March 2020.**

#### Details

Our 2016 audit found that the Ministry provided the same amount of funding for skilled trades requiring the same levels of training, regardless of whether it was a compulsory or voluntary trade. However, average completion rates were substantially higher for those training for a compulsory trade (59%) than for a voluntary trade (35%).

During our follow-up, the Ministry said it established an internal working group in May 2018

to review its funding to training agents to provide in-class training in both compulsory and voluntary trades. The review has been organized into three phases.

- Phase I – establish an internal working group and plan a workshop to identify existing problems within the seat-purchase planning process and establish short- and long-term goals that can be accomplished by improving current processes and protocols.
- Phase II – implement work to achieve short-term goals, including any improvements that can be made by fall 2018, which is when seat purchase negotiations begin with training delivery agents. The Ministry expects to implement recommendations resulting from this phase beginning in the 2019/20 fiscal year.
- Phase III – determine if long-term goals can be achieved using existing tools. This phase will include a review of program fundamental policy issues, such as any changes to the funding structure/formula. The Ministry expects to implement recommendations resulting from this phase beginning in the 2020/21 fiscal year.

### Recommendation 8

*In order to assess how effective its apprenticeship program is in comparison with similar programs in other Canadian jurisdictions, the Ministry of Advanced Education and Skills Development should take a leadership role and, in conjunction with other provinces, develop a standard methodology for calculating apprenticeship completion rates across Canada.*

**Status: Will not be implemented.**

#### Details

We noted in our 2016 audit that there was no standard method used across all provinces for calculating completion rates for apprentices. This made it difficult to compare how well one province is performing relative to another in order to learn and share best practices.

During our follow-up, the Ministry told us that one of the challenges to achieving a unified apprentice completion rate across Canada is that Ontario's apprenticeship system is much larger and more complex than the other provinces and territories. According to the Ministry, other jurisdictions across the country have not expressed an interest in revisiting the completion rate methodology work as part of the Canadian Council of Directors of Apprenticeship (CCDA) research agenda at this time, despite Ontario's request to do so. The Ministry informed us that this recommendation cannot be implemented without the consensus of the other provinces.

### Recommendation 9

*In order to gain a further understanding of the challenges preventing apprentices from completing their training, the Ministry of Advanced Education and Skills Development should:*

- *develop methods to gain more insight into the factors causing apprentices to withdraw from the program;*

**Status: Fully Implemented.**

#### Details

In our 2016 audit, we found that the Ministry's annual Apprenticeship Survey of people who had either completed their apprenticeship or withdrawn from the program did not adequately identify the cause of an apprentice not completing the program, even though this was part of the survey's purpose.

Since our audit, the Ministry has taken several steps to better understand factors contributing to apprentices withdrawing from their programs.

For the 2016/17 academic year, the Ministry expanded the annual Apprenticeship Survey to include seven questions about barriers to completion, difficulties with apprenticeship, and reasons for withdrawal. Respondents are asked to identify the main reason for withdrawing and were given 17 reasons to choose from.

In April 2018, the Ministry developed a report to examine current apprenticeship system data

and identify clients who fit into one of the three risk criteria. The risk categories are the apprentice has been in the program for more than 12 months beyond standard program duration; the apprentice has not progressed to the next level of in-class training in 18 months; and the apprentice is without a Registered Training Agreement for more than six months.

At the same time, the Ministry analyzed data from the Employment Ontario Information System to determine completions by employer and by training delivery agent. By December 2018, the Ministry plans to determine whether there are correlations between in-class training, employer training and apprenticeship completions, and develop recommendations to address these.

- *where feasible, develop strategies to address these factors.*

**Status: Little or no progress.**

#### Details

Since our audit, the Ministry has introduced new interventions to identify and follow up with apprentices at risk of non-completion.

In April 2018, the Ministry created a quarterly report that identifies apprentices who fit into one of the three risk criteria discussed above. As of March 31, 2018, 16,486 apprentices were identified as at risk and 4,785 had interventions in progress. Regional Ministry staff use this quarterly listing to follow up with either the apprentice, the sponsor, or both within the same quarter. According to the monitoring strategy, follow-up by Ministry staff includes having a discussion with the employer about why or whether it or the apprentice is having difficulty progressing through the apprenticeship program, and providing support and making recommendations.

Although these are useful measures in supporting individual apprentices who are classified as at-risk, the Ministry has not begun to address the reasons apprentices withdraw from the program on a system-wide basis.

## Financial Incentives Offered to Employers Do Not Encourage Apprenticeship Completions

### Recommendation 10

*The Ministry of Advanced Education and Skills Development should complete their review of apprenticeship program financial incentives to employers and redesign the incentives to ensure that they encourage both program registration and completion, with an emphasis on the latter.*

**Status: In the process of being implemented by December 2018.**

#### Details

We noted in our 2016 audit that there were numerous provincial incentives available to employers to hire and train apprentices, including the Apprenticeship Training Tax Credit, a signing bonus and a completion bonus. However, these incentives were not aligned with the goal of improving apprenticeship completion rates.

Our follow-up found that during summer 2017, the Ministry consulted with stakeholder groups, held workshops with employers and surveyed over 300 employers, to collect feedback on the Apprenticeship Training Tax Credit and other provincial incentives available to those who hire apprentices. The general feedback was to give incentives to employers who are able to equip apprentices with the skills and knowledge they need to successfully complete their programs, and give disincentives to employers who are not. Based on the feedback, the government is replacing the Apprenticeship Training Tax Credit with the new Graduated Apprenticeship Grant for Employers.

Under the Apprenticeship Training Tax Credit, employers could receive a tax credit of up to \$15,000 for each apprentice they hired and trained (\$5,000 per year for the first 36 months of training). These tax credits will only be available to employers for apprentices already registered in an eligible apprenticeship program on or before November 14, 2017.

Under the Graduated Apprenticeship Grant for Employers, employers can receive up to \$16,700 in total grants, portions of which are received at different stages of the apprentice's completion:

- \$2,500 upon the apprentice's completion of level one and again at level two;
- \$3,500 upon the apprentice's completion of level three and again at level four; and
- \$4,700 upon the apprentice's certification (either through a certificate of apprenticeship or certificate of qualification if applicable).

An employer can also receive up to an additional \$2,500 when it trains an apprentice from an under-represented group.

To complete the rollout of the new employer grant, the Ministry said it is adjusting its IT system to support the new grant payments. The Ministry expects these grants to be available to employers for apprentices registration in fall 2018 and payments to begin in December 2018.

## Examination Preparation Initiative Should Be Expanded

### Recommendation 11

*To increase the successful completion of apprenticeship training in a cost-effective way, the Ministry of Advanced Education and Skills Development should:*

- *evaluate the outcome of expanding the examination preparation course to more high-demand trades and, if positive results are found, further expand it to other compulsory trades;*

**Status: In the process of being implemented by December 2018.**

### Details

Our 2016 audit noted that the Ministry started funding examination preparation courses in 2010/11 to apprentices in six high-demand skilled trades. The pass rates from 2010/11 to 2014/15 for those who had taken the exam prep course were higher than for those who had not taken it. As of April 2016, the Ministry made it mandatory for all

training delivery agents to offer exam courses to the six trades, plus five additional high-demand trades.

After our audit, in February 2018, the Ministry conducted a preliminary analysis of exam pass rates in compulsory versus voluntary trades, and when exam prep courses are provided with in-class training versus stand-alone exam preparation courses. This analysis showed that the pass rate of exam preparation clients in compulsory trades was 16% higher than that in voluntary trades, and the pass rate of combined regular in-class training and exam preparation classes was 5% lower than that of stand-alone exam prep classes.

At the time of our follow-up, the Ministry told us that it was planning to expand the examination preparation course to another one to two trades beginning in October 2018, but had not decided which trades it would be.

The Ministry told us that it also expects to work with the Ontario College of Trades to evaluate outcomes of current examination preparation courses in summer 2018. It said it wants to look at a larger sample size to better assess the effectiveness of the combined regular in-class training and exam preparation classes. Based on the results of the evaluation, additional course offerings might be provided starting in December 2018.

- *consider making the course mandatory for apprentices who have previously failed their trade certificate exam;*

**Status: In the process of being implemented by March 2019.**

### Details

We noted in 2016 that despite its proven success, the examination prep course was not mandatory for apprentices who had previously attempted the exam but were unsuccessful.

At the time of our follow-up, the Ministry was planning to request data from the Ontario College of Trades, including pass and fail rate of apprentices and those writing trade equivalency exams for the past five years (by person), and how many

apprentices wrote the exam each year and how many attempts they tried. Based on the results of this collaboration, the Ministry is aiming to have new processes in place by March 2019 to improve access to the exam prep course for apprentices who have previously failed their trade certification exam.

- *review and adjust funding for exam preparation courses to ensure it is comparable to rates paid to training delivery agents for regular in-class training courses.*

**Status: In the process of being implemented by April 2019.**

#### Details

In our 2016 audit, we found that the hourly cost per person for the examination preparation course was higher than what the Ministry typically paid delivery agents for regular in-class training courses.

In January 2017, the Ministry began requiring training delivery agents who provide final-level in-class training courses for 11 high-demand trades to extend these classes by one week to include five days of exam preparation. As a result, the examination preparation component would be funded at the same daily rate as the regular in-class training. However, in our follow-up we found that in 2017/18, 85% of exam preparation classes for full-time final-level courses in the 11 high-demand trades were offered combined with the in-class training.

The Ministry informed us that it expects to be funding all exam preparation courses for any trade at the same daily rate as the corresponding regular in-class training by April 2019.

## Improvement Needed in Identifying and Monitoring Apprentices at Risk of Not Completing Their Apprenticeships

### Recommendation 12

*To improve the success rate of apprentices considered at risk of not completing their program, the Ministry of Advanced Education and Skills Development should:*

- *identify key reasons individuals fail to progress through their apprenticeships and apply intervention techniques system-wide;*

**Status: Little or no progress.**

#### Details

We noted in 2016 that Ministry regional staff contacted at-risk apprentices between late 2014 and early 2016 and found out common barriers to completion. These included that the apprentice had been laid off or had left the trade, the apprentice needed more information about what skills were needed to complete certification, and the employer was not providing the necessary skills or providing the apprentice time off to attend in-class training.

In May 2017, to better understand the barriers to individuals to complete apprenticeships, the Ministry analyzed client monitoring data including the number of apprentices by risk category (11 categories), by barrier to completion (24 barriers), and by trade (128 trades). At the time of our follow-up, the Ministry had done little work to address barriers system-wide. It informed us that this would be a long-term project.

- *include notes to files of apprentices identified as at risk of not completing that can be used for following up with apprentices, as well as analysis of common issues;*

**Status: Fully Implemented.**

#### Details

During summer 2016, while we were conducting our audit, the Ministry's IT system began to

automatically flag alerts to indicate individuals at risk of non-completion. However, we found that only 30% of the electronic case files for the 15,700 active apprentices identified to be at risk in May 2016 contained review notes that described the issues or challenges preventing completion.

Since then, in April 2017, the Ministry added an application in its IT system for documenting and tracking follow-up with sponsors and apprentices and for documenting issues. These monitoring notes are accessible through the apprentice's record in the Ministry's information system and staff can enter information into a monitoring template. The system also sends notifications to Ministry staff assigned to each apprentice once an action due date is reached in the system.

- *immediately reassign apprentices to an active employment training consultant where an apprentice's employment training consultant no longer works for the Ministry or goes on leave for an extended period of time.*

**Status: Fully implemented.**

#### Details

In our 2016 audit, we reported that as of June 2016 there were about 2,700 active apprentices who were assigned to Ministry staff (employment training consultants) who were no longer working for the Ministry or were on leave for an extended period of time. By the time our report was released, the Ministry had reassigned these apprentices to active Employment and Training Consultants.

In March 2017, for all regional offices the Ministry began generating monthly reports that identified apprentices who were assigned to inactive staff. In January 2018, guidelines describing the usage of the monthly report were developed and sent to regional offices. According to the March 31, 2018, monthly report, only eight apprentices were assigned to inactive employment training consultants and required reassignment.

## Limited Monitoring of Quality of Apprenticeship Program

### Recommendation 13

*In order to improve monitoring of on-the-job and in-class training of apprentices, the Ministry of Advanced Education and Skills Development should:*

- *implement policies and guidelines for ongoing monitoring of on-the-job and in-class training provided to apprentices;*

**Status: Little or no progress.**

#### Details

Our 2016 audit found that the Ministry had not developed specific policies or guidelines for ongoing monitoring of on-the-job training or the quality of in-class training.

At the time of our follow-up, work on this recommendation was at its early stages. The Ministry was collecting and analyzing information in order to develop approaches to monitor on-the-job and in-class training. The Ministry informed us that it expects to complete the analysis by October 2018 and develop recommendations for an employer monitoring strategy by December 2018.

The Ministry also stated it expects to consult with the Ontario College of Trades between October 2018 and December 2019 on appropriate approaches to monitor on-the-job and in-class training. At the time of our follow-up, the Ministry told us it would be establishing an Employer Monitoring Working Group, and was considering the scope and terms of reference for the group's work.

- *regularly analyze completion rates by training delivery agent and employer to identify trends that may indicate problems and take corrective action;*

**Status: Little or no progress.**

#### Details

In March 2018, the Ministry generated reports on apprentice completion rates by training delivery agent and by employer, and conducted some

preliminary analysis. The Ministry informed us that it would consult with the Ontario College of Trades to develop an appropriate approach to analyze completion rates by training delivery agent and employer. The Ministry also stated that as issues are identified, it would collaborate with the College and training delivery agents to address the issues.

- *identify and address issues with in-class training that may be preventing apprentices from passing the final qualification exam;*

**Status: Little or no progress.**

#### Details

The Ministry plans to complete an analysis by October 2018 of correlations between in-class training and successful apprenticeship completions. Based on this analysis, the Ministry stated it will develop recommendations through consultation with the Ontario College of Trades and training delivery agents by March 2019.

#### Recommendation 14

*The Ministry of Advanced Education and Skills Development should administer surveys in a way that allows for detailed analysis of results in order to provide information that can be used to address areas needing improvement. Specifically, the Ministry should:*

- *develop questions for in-class surveys directly related to apprenticeship training and any other information the Ministry considers necessary to inform future decision-making on program design;*

**Status: Little or no progress.**

#### Details

In our 2016 audit, we reported that surveys of apprentices for their in-class training were of limited value because the survey questions were not specific to apprenticeship programming.

Since the time of our audit, only one question has been added to the survey. The response to this

question is intended to show whether apprentices felt they received useful information prior to their class start date and thus felt prepared for their in-school training.

According to the Ministry, additional questions were not added to the survey because the survey is administered to all postsecondary students attending college programs; therefore, the questions must be relevant to all postsecondary students, including apprentices. The Ministry informed us that instead it will explore options for a dedicated in-school survey for apprentices attending classroom training.

- *analyze survey results by course, trade, training delivery agent, and apprentice completion type (successfully completed vs. withdrawn), as appropriate, for the survey.*

**Status: In the process of being implemented by September 2018.**

#### Details

With respect to in-class surveys completed by apprentices (administered by colleges and other training delivery agents), the Ministry informed us during our follow-up that by September 2018 it expects to analyze responses for select questions by training provider and trade, in order to understand apprentices' level of satisfaction with their in-class training.

With respect to surveys of persons who have completed their apprenticeship or withdrew from the program (the Apprenticeship Survey, which is administered by Ipsos Reid on behalf of the Ministry), the Ministry analyzed the results of the Apprenticeship Survey with completion data by employer and training delivery agent, and produced a report of its findings in March 2018.

## Amount of Overdue Loans Is Unknown

### Recommendation 15

*To ensure loans given to apprentices to purchase tools are collected when they become due, the Ministry of Advanced Education and Skills Development should proactively monitor apprentices' status in the program to quickly identify the date they either complete or withdraw from the program.*

**Status: Fully implemented.**

#### Details

In our 2016 audit, we noted that the Ministry provided interest-free loans to first-year apprentices of \$300 to \$800 for the purchase of tools. The loans were repayable within one year after obtaining certification or within six months of withdrawing from the program. The Ministry relied on a self-declaration from program participants to let it know when they had completed or dropped out of their apprenticeship program, which established the date the loan was repayable.

Our follow-up found that in January 2018 the Ministry linked loan recipients to apprenticeship completion status in its Employment Ontario Information System. Ministry staff were trained on the system's new functionality and are now required to run daily reports to identify apprentices whose loans become repayable and loans that need to be sent for collection.

## Ministry Lacks Necessary Data to Ensure Employment Ontario Programs Meet Labour Needs

### Recommendation 16

*To ensure funding is spent on training or otherwise preparing people for jobs, better inform program and funding decisions and ensure that skills training promotes occupations with future employment the most likely prospects for long-term sustainable employment, the Ministry of Advanced Education and Skills Development should:*

- *obtain forecast labour force data by region and occupation, and other labour market information (such as, factoring in new graduates and forecast migration trends) more frequently (such as every two years) and for a longer projected time (10 years, for example);*

**Status: In the process of being implemented by December 2018.**

#### Details

In our 2016 report, we noted that the Ministry was reporting every four years on the likelihood of people finding employment in about 200 occupations. At the time of our follow-up, the Ministry had updated the labour market information on its website to depict job outlooks over a five-year period for 500 jobs.

However, the forecast does not factor in new graduates and forecast migration trends, only net new openings and attrition such as through retirements and deaths. New search functionality was also added to the website to allow the user to sort the jobs by annual income, growth rate and number of job openings.

In 2016, we also reported that the Ministry did not have regional information on labour force supply and skills demand. In February 2018, the Ministry also obtained preliminary occupational projections for five sub-provincial regions covering Ontario and was assessing that information for suitability.

The Ministry told us that it is working with the Ministry of Finance and the Ministry of Citizenship and Immigration to obtain new sub-provincial occupational projections. The Ministry expects to produce long-term occupational outlooks (10 years) for five regions by December 2018.

- *evaluate the work of the local boards and local employment planning councils in informing decision making and take any necessary corrective action.*

**Status: Little or no progress regarding the 26 local boards (0.5). In the process of being implemented by fall 2018 for the local employment planning councils (0.5).**



### Details

At the time of our 2016 audit, the Ministry was funding 26 local community-based boards to assess local market conditions. Prior to that, in December 2015, it began piloting eight local employment planning councils. These councils were responsible for preparing an annual Community Labour Market Planning Report that was supposed to identify local labour market challenges, opportunities and recommendations. The pilot is due to end March 31, 2019.

At the time of our follow-up, the Ministry had no plans to evaluate the activity of the 26 local community-based boards.

With respect to the Employment Planning Councils, in January 2017 the councils began reporting labour market information to the Ministry on a quarterly basis. In our follow-up, we found that the Ministry had concerns about the information and the councils' ability to build local labour market information capacity. For example:

- Some reports/products contained limited analysis and interpretation.
- A considerable number of reports repackaged Statistics Canada data with little analysis and did not appear to add to the body of evidence on local labour market needs.
- Engagement with employers was uneven across the councils. While some councils were relatively strong in engaging employers, in most cases there was limited involvement with employers.
- There were issues with data collection techniques such as using open-ended survey questions that were difficult to analyze and interpret, and sampling methods and response rates were unclear.

In November 2017, the Ministry engaged a third-party consultant to evaluate the effectiveness of the councils. According to the contract, the evaluation was to be completed by the end of June 2018. At the time of our follow-up, a draft report was not available for our review.

## Little Public Reporting of Employment Ontario Outcomes

### Recommendation 17

*In order to help job seekers and those considering training for a skilled trade or other learning for employment purposes, the Ministry of Advanced Education and Skills Development should:*

- *establish yearly reportable outcome measures;*  
**Status: Little or no progress.**

### Details

In our 2016 report, we noted that the Ministry set few outcome measures to publicly report on and that these measures were not consistent from one year to the next.

At the time of our follow-up, the Ministry informed us that it was developing a monitoring and evaluation framework to develop key performance indicators that would be consistent across all employment and training programs, pilots and system features. The Ministry expected to get approval for the framework in the coming months at which time it would start to develop a plan, but it did not have an expected completion date.

- *publicly report information useful to those upgrading their skills or seeking employment, such as reporting separately on the number of Employment Service clients who obtain employment and those who go on to further training, as well as reporting apprenticeship pass rates and the percentage of apprentices who find employment in their chosen trade.*

**Status: Little or no progress.**

### Details

At the time of our audit in 2016, the Ministry publicly reported little information useful to employment and career seekers, such as program completion statistics, or employment outcomes for apprenticeship or employment and training programs.

In 2016, we reported that it would be helpful to know what percentage of apprentices find employment in their chosen trade upon completion of their program. As well, publishing pass rates for in-class training courses and trade certification exams, and satisfaction survey results by training delivery agent would also be helpful to apprentices having to choose where to complete the in-class portion of their program. Publishing completion rates overall by trade, in combination with future employment opportunities given the existing supply of people already in the trade, would help apprentices select which trade to go into.

In February 2017, the Ministry released the Employment Ontario Geo Hub, providing access to statistics regarding employment services and the apprenticeship program.

We reviewed the website during our follow-up and found that the information would not provide a job seeker or apprentice with information outlined in our 2016 audit. For example, with respect to apprenticeships it provided the number of certificates issued by region and number of new registrations by region and trade. With respect to employment services, the website provided funding, expenditure and performance information by service providers.

## Duplication of Employment and Training Services

### Recommendation 18

*To eliminate duplication in service delivery, the Ministry of Advanced Education and Skills Development should establish timelines for streamlining and integrating employment and training services of the Ministry of Citizenship, Immigration and International Trade across the government with Employment Ontario.*

**Status: No longer applicable.**

### Details

At the time of our 2016 audit, the Ministry informed us that the government had no plans to integrate the workplace training program offered by the Ministry of Citizenship, Immigration, and International Trade with Employment Ontario. We noted that almost 40% of the service providers funded by the Ministry of Citizenship, Immigration, and International Trade to provide employment services were also funded by the Ministry of Advanced Education and Skills Development to provide similar services.

On June 29, 2018, the government decided to transfer the immigration training programs from the Ministry of Citizenship, Immigration, and International Trade to the Ministry of Training, Colleges and Universities. However, the Ministry told us it does not consider there to be an overlap in services offered between immigration programs, such as the Ontario Bridge Training projects, and Employment Ontario. The Ministry noted that Ontario Bridge Training projects are specialized for specific high-skill occupations for immigrants, whereas Employment Ontario programs target a broader range of generic employment and training needs for clients. Therefore, the Ministry does not plan to integrate the services offered by the two ministries.