Ministry of Citizenship and Immigration

Provincial Nominee Program

Follow-Up on VFM Section 3.09, *2014 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		Fully Implemented	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable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	1	1	1		1
Recommendation 2	5	5				
Recommendation 3	8	4	2	1	1	
Recommendation 4	4	3	1			
Recommendation 5	3	1				2
Recommendation 6	4	1	3			
Recommendation 7	4	3			1	
Recommendation 8	3	2	1			
Recommendation 9	2	1	1			
Recommendation 10	6	5	1			
Recommendation 11	4	4				
Recommendation 12	5	3	2			
Recommendation 13	3	2		1		
Recommendation 14	3		3			
Total	**58**	**35**	**15**	**3**	**2**	**3**
%	**100**	**60**	**26**	**5**	**4**	**5**

Background

The Ontario Immigrant Nominee Program (Program), formerly known as the Provincial Nominee Program, delivered by the Ministry of Citizenship and Immigration (Ministry)—formerly the Ministry of Citizenship, Immigration and International Trade—is the only immigration selection program administered by the Ontario government. Immigrants are nominated by the Program based on their potential economic contribution to the province.

Under the Program, the Province is allowed to select and recommend ("nominate") to the federal government foreign nationals and their accompanying family members for permanent residency in Canada. At the time of our audit, the Program had

three components: an employer-driven component, for businesses to fill permanent positions in professional, managerial or skilled-trades occupations; an Ontario graduate component, which allows international students graduating from Ontario universities with post-graduate degrees to qualify for nomination without a job offer; and an investment component, which lets investors permanently relocate staff (who may have foreign worker status) to Ontario.

From the Program's inception in 2007 to June 2016, Ontario nominated about 12,000 people (6,600 from 2007 to June 2014). As of December 31, 2015, 17,042 people—8,258 nominees and 8,784 family members—had become permanent residents (formerly known as "landed immigrants") through the Program. (In 2014, about 7,100 people became permanent residents—3,900 nominees and 3,200 family members.) Each year, the federal government determines nomination allocations for each of the provincial and territorial nominee programs. In 2016, Ontario's nomination allocation was 5,500 (5,200 in 2015).

Because Ontario is considered a very attractive province to immigrate to, the Program must have effective controls and processes in place to select qualified nominees and detect immigration fraud. A weak program can be targeted by unscrupulous potential immigrants and immigration representatives. Our audit found that the necessary controls and processes were not in place, and that significant issues regarding the Program needed to be addressed.

There was a significant risk that the Program might not always be nominating qualified people who could be of economic benefit to Ontario. In some cases, it could be difficult to distinguish jobs that were eligible and ineligible under the Program. Seven years after the Program had begun, it still lacked the necessary tools, including policies, procedures and training, to help Program staff make sound and consistent selection decisions. In addition, we found that Program staff had not been provided with clear guidelines on how to deal with immigration fraud.

In our *2014 Annual Report,* we noted the following significant issues:

- From 2007 to 2013, 20% of the 400 denied applicants were turned down because of misrepresentation. However, there was nothing stopping people who had misrepresented themselves or their clients from reapplying or representing other clients. The Program did not have a protocol in place to ban applicants or their representatives who had submitted fraudulent applications.

- The Program did not follow up on questionable files that were approved but flagged for follow-up. About 260 files were flagged between October 2011 and November 2013, but only 8% had been followed up on at the time of our audit. The Ministry did not review the majority of the 260 files before 71% of these nominees became permanent residents.

- The Ministry delayed formally reporting information relating to potential abuse of the Program to the federal government and proper law enforcement agencies and did not provide vital personal information to them, thereby potentially delaying corrective action against individuals who might be abusing the Program. As well, the Program did not report its concerns about certain immigration representatives (such as immigration lawyers and immigration consultants) to their respective regulatory bodies.

- Program management did not share program integrity concerns with internal staff in order to enhance their due-diligence processes.

- The Program is required to select nominees who can contribute economic benefits to Ontario, but the Program allowed the nomination of people with no job offers. Two-thirds of the nominees in 2013 were international students with a post-graduate degree but no job offer. The Ministry had not evaluated whether these nominees became employed

and were making an economic contribution to Ontario.

- Staff turnover in the Program had been high, with 31 staff leaving the Program and 59 staff starting between January 2012 and June 2014. As of March 31, 2014, there were 45 staff working in the Program.

- Even though the Ministry says publicly that applications are processed on a first-come, first-served basis, certain applications were given priority and processed at least three times faster than others. We noted that files submitted by a certain representative, who was a former Program employee, were given priority.

- Significant data integrity issues were noted with the computerized case management system, and there were weak internal controls over nomination certificates.

Some of our recommendations included that the Ministry file formal complaints with the RCMP and any applicable regulatory bodies as soon as it has evidence of potential immigration fraud; implement the necessary steps to allow banning of applicants and representatives who have misrepresented themselves or clients; establish limits for the proportion of nominees without job offers who can be accepted; scrutinize applicants applying for jobs in classifications where they could be misrepresenting their work experience; enhance Program staff training, including on ethical matters and management expectations; require that Program staff obtain security clearance; and develop a process to track representatives and applicants of concern, and to alert processing staff of these concerns.

We made a number of recommendations for improvement and received commitments from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

The Ministry provided us with information in the spring and summer of 2016 on the current status of the recommendations we made in our *2014 Annual Report*. According to this information, the Ministry had fully implemented 60% of our recommendations in the areas of putting in place and periodically updating an operating manual; conducting a review of applications flagged for follow-up and submitted by questionable representatives; and maintaining an accurate record of when nominations issued and withdrawn are communicated to the federal government. The Ministry was in the process of implementing a further 26% of our recommendations, mainly in the areas of defining when site visits or in-person interviews are warranted and tracking the use of these techniques; and filing formal complaints with law enforcement agencies and regulatory bodies when there is evidence of potential immigration fraud. Overall, the Ministry either had fully implemented or was in the process of implementing about 86% of our recommended actions.

However, the Ministry had made little or no progress in the following areas: defining acceptable forms of local recruitment effort; requiring applicants applying under the PhD component to meet an asset requirement; and obtaining nominee information, such as driver's licence numbers to help follow up on nominee outcomes.

The status of each of our recommendations is as follows.

Impact of the Current Program Design

Recommendation 1

To ensure that the Provincial Nominee Program is achieving its expected outcome of nominating candidates who will be of benefit to the economic

development of Ontario and have a strong likelihood of becoming economically established in Ontario, the Ministry of Citizenship, Immigration and International Trade should:

- *establish limits for the proportion of nominees who can be accepted without job offers;*
  Status: No longer applicable. We found that the Ministry's action and decision are appropriate and addressed our initial audit concerns.

Details

We noted in our 2014 audit that the Ministry had not adequately assessed whether nominees without a job offer were eventually employed after admission to Ontario—despite the fact that in 2013, the Program had accepted two-thirds of its nominees under categories not requiring a job offer. In July 2015, the Ministry commissioned a marketing research company to conduct an outcomes study on nominees without a job offer. The study found that 89% of these nominees who became permanent residents in 2012 were employed within a year of becoming permanent residents. In comparison, a lower percentage—about 50%—of all immigrants who became permanent residents that year were employed within a year of becoming permanent residents. Given these results, at the time of this follow-up, the Ministry indicated that it will continue to monitor the component involving nominees without a job offer and that it will consider establishing limits for how many of these nominees can be accepted in the future.

- *better scrutinize applicants applying for jobs classified as National Occupational Classification (NOC) B for misrepresenting work experience, and job offers that are in fact in lower-skilled categories;*
  Status: Fully implemented.

Details

For nominees who have a job offer, the Program accepts only those whose jobs fall into National Occupational Classification (NOC) 0, A or B.

Between 2007 and 2013, 58% of nominees with a job offer were in NOC B occupations, which require a college education or apprenticeship training. In our 2014 audit, we found that distinguishing a NOC B position from one in a lower-skilled category (NOC C or D), which is ineligible for nomination, was often difficult because job descriptions can contain similar duties. Of specific concern was that most applicants with a job offer who had been found to have misrepresented themselves had applied to the Program under a NOC B position.

In February 2015, the Ministry developed an assessment tool to support processing consistency, which included an assessment of the NOC categorization. Program staff began using the assessment tool in June 2015. As a part of this tool, the Ministry requires Program staff to interview employers in all cases when it expects to proceed with nomination. The Program's operating manual also instructs the Program's investigator analysts to ensure that nominee applicants' job duties match those of a NOC 0, A, or B position and are specific to the employers' business. When applications contain job duties that appear to reflect lower-than-required skill levels, Program staff are required to deny those applications.

- *obtain labour force data by region and occupation, and utilize labour market information from the Ministry of Training, Colleges and Universities regarding occupations with better prospects for employment to prioritize positions for approval;*
  Status: In the process of being implemented by September 2017.

Details

In our 2014 audit, we found 115 nominations between 2009 and 2015 for 30 occupations that the then Ministry of Training, Colleges and Universities (MTCU; now the Ministry of Advanced Education and Skills Development) had deemed to have below-average prospects for employment extending into 2013. In 2014, the Ministry obtained MTCU's

Ontario Job Futures publication, which provides information on the current trends and future outlook for about 200 occupations common to Ontario, giving the Ministry more up-to-date information on jobs with better prospects for employment. The Ministry also informed us that it reviews immigration and labour force data from Statistics Canada on a quarterly basis. As well, in 2012, the Ministry began purchasing labour market forecasts of supply and demand for over 500 occupations in five economic regions in Ontario over the next 10 years. But at the time of this follow-up, despite having collected these data resources, the Ministry was not using them to prioritize positions for approval. The Ministry continued to process all positions within the three acceptable NOC codes on a first-come, first-served basis.

The Ministry informed us that it had consulted with selected employers in the 2014/15 fiscal year to identify and validate labour market needs across the province. In May 2015, deputy ministers from the Ministry and MTCU met to discuss building an evidence base on labour market information for immigration policy and planning. At the time of this follow-up, the Ministry indicated that it will continue working with other ministries to develop labour market data.

- *define acceptable forms of local recruitment effort, and require employers hiring international students to prove attempts to recruit Canadian citizens or permanent residents located in Ontario.*
  Status: Little or no progress.

Details

The Ministry informed us that it had included guidelines regarding local recruitment efforts in its 2015 operating manual and in a December 2015 operational bulletin to staff. But at the time of this follow-up, the manual still did not define what forms of local recruitment effort are considered acceptable. The operating manual requires staff to consider, among other things, where job advertise-

ments were posted and if they were "published for a period that would have allowed interested candidates sufficient time to learn of the job opportunity and submit an application." The Ministry did not define what constitutes "sufficient time" and did not have expected timelines on when it might do so. We noted in our 2014 audit that the federal government had more specific requirements for its temporary foreign workers in higher-skilled positions, requiring employers to advertise jobs for a minimum of four weeks on the national online Job Bank and via two other specified methods, such as print media.

The Ministry noted that the intent of the international-student-with-job-offer component is to facilitate the retention of international students who will be of benefit to Ontario's economic development. Therefore, the Ministry still does not require employers to demonstrate any local recruitment efforts for nominees from this component. The Ministry indicated, however, that it would consider doing so in the future.

Processing Environment

Recommendation 2

To ensure that the Provincial Nominee Program operates with the necessary resources and tools in a strong ethical environment, the Ministry of Citizenship, Immigration and International Trade should:

- *assess its staffing needs and review the appropriateness of the current staffing model;*
  Status: Fully implemented.

Details

Following our 2014 audit, the Ministry eliminated the seasonal staffing model (full-time employees on annually recurring fixed-term contracts, who work 10 months a year) in November 2015 and moved to a permanent full-time staffing model. The Ministry informed us that the first round of job offers was made in May 2016, and that it expects all positions to be permanently staffed by August 31, 2016.

- *implement an operating manual and update it periodically with input from program staff;*
Status: Fully implemented.

Details

Although the Program has existed since 2007, the first operating manual was not developed until 2011, and that manual was never implemented (i.e., made available to processing staff). In 2014, during our audit, the Ministry began developing another operating manual. This manual was implemented in June 2014, and updated in January 2015 and again in April 2016. The Ministry indicated to us that the manual will be updated annually to reflect new and revised operating policies and procedures, and that feedback from processing staff will be used when considering content revision.

- *enhance the training plan for all program staff, considering their training needs, including training on ethical matters and management expectations;*
Status: Fully implemented.

Details

Before the start of our 2014 audit, no program-specific staff training had existed. In April 2014, during our audit, two ministry staff members with training expertise delivered a one-week training course to processing staff that covered Program-specific topics, but this course was designed and delivered without input from processing staff. As a result, some topic areas of concern, such as how to evaluate local recruitment efforts, were left out of the training material.

In March 2015, the Ministry delivered a 10-day training program to various groups of Program staff, with content changing depending on their job requirements. Program staff and staff from legal services facilitated this training. The Ministry provided further training to Program staff in July 2016, which covered ethics and conflict of interest. It also indicated that it will review and restructure staff training to reflect ethical matters in preparation

for proclamation of the *Ontario Immigration Act*, expected by March 31, 2018.

- *require that program staff obtain security clearance;*
Status: Fully implemented.

Details

Government policy states that security clearance checks should be conducted for staff who have access to sensitive information; however, at the time of our 2014 audit, Program staff were not required to undergo security checks even though they handle sensitive information relating to potential immigrants.

In December 2014, the Ministry began completing security clearances. At the time of this follow-up, the Ministry informed us that all staff have the required clearance to work with sensitive information and that the Ministry had begun requiring new staff to obtain a security clearance as a condition of employment.

- *strengthen procedures that support the maintenance of an ethical environment within the Program and that respect the provisions in the P*ublic Service of Ontario Act, 2006 *for preventing conflicts of interest and disclosing wrongdoing.*
Status: Fully implemented.

Details

During our 2014 audit, we surveyed Program staff to gauge their experiences and perceptions of their workplace's ethical environment. We found that 39% of staff indicated that they had not been provided adequate training to know what to do if a co-worker or direct report approaches them with an ethical dilemma or conflict-of-interest situation. As well, about 46% did not know or were unsure to whom they should report incidents of ethical misconduct or suspected fraud involving Program staff.

At the time of this follow-up, the Ministry's operating manual included an appendix on conflict of interest, outlining what a conflict of interest is

and quoting from the *Public Service of Ontario Act, 2006*, as well as providing information on how and to whom staff should declare a conflict or report wrongdoing. Conflict of interest was also covered in the Ministry's March 2015 training for Program staff, and the Ministry informed us that at that time, all staff were required to complete an e-training course on conflicts of interest. The Ministry indicated that it intends to conduct the e-training annually and at the point of recruitment for new employees.

Application Assessment and Processing

Recommendation 3

To ensure that only qualified individuals are nominated and to detect misrepresentation, the Ministry of Citizenship, Immigration and International Trade should:

- *define when site visits or in-person interviews are warranted, and track the use of these techniques;*
  Status: In the process of being implemented by April 2017.

Details

In our 2014 audit, we found that the Ministry did not define when site visits or in-person interviews were needed. At the time of this follow-up, the Program's operating manual provided examples of when processing staff should refer files suspected of misrepresentation to the Program's integrity unit for further work, which could include site visits or in-person interviews. However, the integrity unit still has the discretion to decide whether a site visit or an in-person interview is needed. In August 2016, the Ministry developed draft guidelines that define situations when a site visit or an in-person interview is required. The Ministry informed us that it will be including these guidelines in the next operating manual update, expected to be made by April 2017.

At the time of this follow-up, the Ministry was tracking the use of site visits and in-person interviews. The Ministry also indicated that it intends to begin conducting site visits proactively rather than waiting for Program staff to identify high-risk applications after the *Ontario Immigration Act* is proclaimed (expected by March 31, 2018).

- *require that nominee applicants submit clear photographs;*
  Status: Fully implemented.

Details

In June 2015, the Ministry updated its application guides to include a requirement for applicants to submit original and clear photographs with their application. These application guides specify that any photographs that are not clear or are of low quality will not be accepted.

- *verify applicants' history of applying to the Program;*
  Status: Fully implemented.

Details

During our 2014 audit, we could not find any evidence indicating that processing staff checked whether an applicant had previously applied to the Program and been denied. At the time of this follow-up, the Program's operating manual included a step instructing processing staff to check whether an applicant had previously applied and been denied for misrepresentation. The Ministry informed us that it has begun requiring Program staff to document the results of this check in an assessment tool used to aid decision-making on applications from potential nominees.

- *only permit translated documents from persons independent from the applicants or their representatives;*
  Status: Fully implemented.

Details

During our 2014 audit, the Ministry required that any application documents not in English or French

be translated and that the translator declare before a person taking an affidavit that he or she has made a true and correct translation. However, there were no requirements that the translator be independent from the applicant or the applicant's representative. Following our audit, the Ministry updated its application guides to state that translations completed by the applicant, the applicant's representative, or other individuals with personal ties to the applicant are not acceptable.

- *assign nominee applications from the same employer to the same processing staff;*
  Status: Will not be implemented. The Office of the Auditor General continues to support the implementation of this recommendation.

Details

At the time of this follow-up, the Ministry informed us that it cannot always assign nominee applications from the same employer to the same processing staff as a result of staff turnover and workload management.

- *clarify for staff what constitutes sufficient evidence to confirm that eligibility requirements have been met, and monitor that staff apply the rules consistently;*
  Status: In the process of being implemented by September 2017.

Details

In our 2014 audit, we heard from processing staff that they were unclear about how to determine whether employers had made sufficient local recruitment efforts. The operating manual in place during this follow-up still did not specify what is considered sufficient evidence.

The Ministry informed us that the Program's integrity unit began conducting regular quality assurance exercises in March 2016 to monitor whether eligibility requirements were being assessed consistently. However, given that requirements for local recruitment efforts are still not clearly defined, we believe there is more work to be done.

- *define the circumstances under which special consideration can be given and track how frequently it is given;*
  Status: Fully implemented.

Details

In our 2014 audit, we noted that the program manager had discretion to approve files that had not fully met eligibility criteria through a special consideration process. None of the Program's policies or guidelines discussed when special consideration could be given, but we were informed that this discretion can be used, for example, when a job offer's salary rate deviates slightly from the prevailing wage. At the time of this follow-up, the Ministry informed us that it had removed the discretion to give special consideration to applications in July 2014, following our audit.

- *require all applicants without job offers to meet asset-requirement conditions.*
  Status: Little or no progress.

Details

In our 2014 audit, we found that of the two Program components involving individuals without a job offer, only one had to meet asset-requirement conditions. Those with a master's degree had to prove that they had sufficient assets to afford to live in Ontario while transitioning to gainful employment, but there was no similar requirement for those with a PhD. A Ministry-commissioned outcomes study released in 2015 found that a high number of nominees who held a master's degree or a PhD had been able to find jobs. At the time of this follow-up, the Ministry indicated that it will consider requiring applicants applying under the PhD component to meet the asset requirement in a program redesign expected to be complete by April 2017.

Recommendation 4

To ensure that processing staff appropriately scrutinize applications represented by potentially unscrupulous representatives and to deter unscrupulous

nominee applicants from taking advantage of the Provincial Nominee Program, the Ministry of Citizenship, Immigration and International Trade should:

- *develop a process to track representatives and applicants of concern, and to alert processing staff;*
  Status: Fully implemented.

Details

During our 2014 audit, we found that the Ministry had a list of representatives who were of concern for various reasons, including past misrepresentation. However, many staff members either were not aware of the list or did not use it because it was not official. In April 2015, the Ministry updated its computerized case management system to allow representatives, employers, and applicants of concern to be flagged by processing staff for enhanced vigilance. As well, in April 2016, the Ministry issued an operational bulletin to staff indicating that program integrity staff will be maintaining and updating a list of employers and representatives of concern based on their investigations, and that processing staff are to use this list to flag new applications involving a listed employer or representative. Processing staff are to refer flagged files to the Program's integrity unit for further action.

- *define situations where the banning of representatives and applicants is warranted, and implement necessary steps to allow banning;*
  Status: In the process of being implemented by March 2018.

Details

In November 2014, the then Minister of Citizenship, Immigration and International Trade introduced a bill titled the *Ontario Immigration Act* (Act) in the Ontario Legislature, which will give the Ministry legal authority to ban individuals from making an application or providing services to an applicant. The Act received Royal Assent in May 2015. Once proclaimed, the Act will authorize the program director to ban individuals who have contravened the Act from applying or representing applicants for

two years. The Ministry anticipates that the Act will be proclaimed by March 31, 2018.

At the time of this follow-up, the Ministry had not yet defined situations when the banning of representatives and applicants is warranted.

- *conduct a review of the 234 nominee applications that were submitted by questionable representatives;*
  Fully implemented.

Details

Our 2014 audit found that the Ministry had denied applications from 30 representatives on the basis that they had submitted fraudulent information on behalf of their clients. But in the period from January 2011 to April 2014, these representatives had represented a total of 234 other nominee applicants that the Ministry had approved.

In April 2015, program integrity staff reviewed those 234 applications and noted that 20 of the files included a possible misrepresentation. Of these 20 files, 18 of the nominee applicants had already become permanent residents at the time of the Ministry's review; one file was subsequently found to not contain a misrepresentation; and one applicant's nomination certificate had been cancelled for other reasons before the review. The Ministry shared the results of this review with Immigration, Refugees and Citizenship Canada (formerly Citizenship and Immigration Canada) in June 2015.

- *conduct a review of the 262 applications that were flagged for follow-up.*
  Status: Fully implemented.

Details

Before November 2013, the Ministry allowed staff to approve a file but flag it for follow-up if staff felt that the file warranted further monitoring to ensure continued eligibility for nomination. Although this practice was discontinued in November 2013, our 2014 audit found that 262 files had been approved but flagged for follow-up between October 2011 and November 2013.

In March 2015, the Program's integrity unit reviewed those 262 applications and did not note any substantive issues. The Ministry shared the results of this review with Immigration, Refugees and Citizenship Canada in June 2015.

Recommendation 5

To ensure that application processing practices are fair and transparent and that nominees meet the province's economic needs, the Ministry of Citizenship, Immigration and International Trade should:

- *revisit the practice of maintaining a priority list of employers;*
  Status: Fully implemented.

Details

Although the Ministry stated publicly that applications are processed on a first-come, first-served basis, our 2014 audit noted that if an applicant was applying for a position with an employer on the Program's priority list, that applicant's file could be prioritized and processed three times faster than other files. In March 2015, the Ministry suspended employer prioritization pending a review of operating procedures and policies regarding priority processing and moved back to a first-come, first-served basis. At the time of this follow-up, the Ministry indicated that it is still processing applications primarily on a first-come, first-served basis (except where an applicant's permission to stay in Canada is about to expire), but is exploring the possibility of an expression-of-interest system that would allow it to prioritize applications based on labour market data.

- *seek input from those ministries that oversee sectors that the government considers strategic to determine which employers are to be included on the priority list;*
  Status: No longer applicable.

Details

This recommendation is no longer applicable because the Ministry suspended the practice of maintaining a priority list of employers in March 2015. During this follow-up, the Ministry informed us that, if it reintroduces a priority list of employers, it will work with other ministries to identify priority sectors and occupations.

- *inform the public if a priority list is to be maintained.*
  Status: No longer applicable.

Details

At the time of this follow-up, the Ministry did not maintain a priority list, so this recommendation is no longer applicable.

Recommendation 6

To ensure an efficient and effective application screening process, the Ministry of Citizenship, Immigration and International Trade should:

- *delay implementation of a single-tiered application assessment process until more robust training and guidance for staff is in place and being used effectively;*
  Status: Fully implemented.

Details

At the time of this follow-up, the Ministry informed us that it will not be implementing a single-tiered application assessment process, because such a model would not enable consistent and reliable decision-making across all application submissions.

- *have a system that will allow it to readily track how long it takes to process an application and an appeal, and follow up in a timely manner on those that are significantly overdue;*
  Status: In the process of being implemented by November 2016.

Details

At the time of this follow-up, the Ministry informed us that it had started to build a system prototype to track application processing times, but further testing and system changes were still required.

The Ministry anticipated that the system would be upgraded by November 2016.

- *refer investor applications to assessing ministries for review in a timely manner, establish a standard processing time for the assessing ministries to complete their review, and follow up when assessments are significantly overdue;*
  Status: In the process of being implemented by March 2018.

Details

Although the Ministry closed the investor component in October 2015, at the time of this follow-up, the Ministry was still finalizing 30 investor applications from this closed component. The Ministry indicated that it is working with the other assessing ministries to complete the assessment of these files and anticipates that all but two files will be completed by December 2017. These remaining two files are currently on hold with an assessing ministry because construction of the related facilities on which the files depend has not been completed.

- *implement electronic filing for all program components as soon as possible.*
  Status: In the process of being implemented by September 2017.

Details

During our 2014 audit, the Ministry informed us that it was planning to implement electronic filing (e-filing) to enable applicants to submit and track the status of their applications online. The Ministry informed us that it had undertaken an e-filing pilot in 2015 and that, as part of that process, it had experienced challenges that had not previously been considered. The Ministry also informed us that it was leveraging best practices from its counterparts in British Columbia based on their recent information technology developments. The Ministry expects to conduct the implementation of e-filing in phases, with the first phase implemented in August 2016 and full implementation expected by September 2017.

Recommendation 7

To ensure that all investment component applications are consistently assessed on how well they achieve program objectives, the Ministry of Citizenship, Immigration and International Trade should:

- *develop screening criteria to assess whether an investment project is of significant economic benefit to Ontario;*
  Status: Fully implemented.

Details

The Ministry closed the investment component that was in effect during our 2014 audit in October 2015 and introduced two new business components (described later in this follow-up) in December 2015. The Ministry informed us that individuals applying under these two new components are required to sign performance agreements outlining criteria that must be met before the applicant or investor becomes eligible for nomination. Examples of such criteria include making a minimum financial investment and creating a minimum number of jobs for Canadians and permanent residents in Ontario.

- *arrange for cost-effective expertise to assist in assessing an investment's viability;*
  Status: Fully implemented.

Details

The Ministry launched two new business components in December 2015. The first, called the corporate component, replaced the old investment component. The second, called the entrepreneur component, is a new component that requires applicants to submit at their own expense a third-party assessment of their net worth and legal source of funds. Both components also require applicants to submit a business case so that the Ministry can assess the project's viability. The Ministry informed us that it can choose to have internal Program staff assess these business cases, or engage a third party to assist with the assessment (at the applicant's expense). At the time of this follow-up, the Ministry

had not yet accepted any applications under these components, so there had not yet been a need to assess business cases.

- *consider increasing the investment threshold to discourage passive investing;*
  Status: Fully implemented.

Details

At the time of our 2014 audit, the Program's investment component had an investment threshold of $3 million. That component was closed in October 2015. The Program's new corporate investment component, launched in December 2015, requires a minimum $5 million investment. The Ministry hopes that this increased investment threshold will help to discourage passive investing (that is, investors who put money into a business but are not actively involved in managing it).

- *explore advertising Program criteria in media that reach ethnic groups that commonly use the Program, and monitor such media for questionable advertisements relating to the Program.*
  Status: Will not be implemented. The Office of the Auditor General continues to support the implementation of this recommendation.

Details

At the time of this follow-up, the Ministry had not explored advertising Program criteria in media that reach ethnic groups. Instead, the Ministry informed us that it contracts a media monitoring firm to provide summaries of news stories in Ontario that are related to the Program, including those targeting ethnic groups and in languages other than English and French. At the time of this follow-up, the Ministry indicated that its approach is to ensure that its website contains current Program information, but that it would be challenging to monitor advertisements in local ethnic media to ensure that Program information is accurately advertised to potential applicants.

Detecting Misrepresentations and Fraud

Recommendation 8

To enhance the effectiveness of its program integrity unit in ensuring the quality of nomination decisions, the Ministry of Citizenship, Immigration and International Trade should:

- *implement the program integrity framework and action plan, taking into consideration best practices in other jurisdictions;*
  Status: In the process of being implemented by March 2018.

Details

During our 2014 audit, the Ministry began developing a program integrity framework. At the time of this follow-up, the Ministry was working on the framework to include best practices from other jurisdictions and to incorporate a regulatory framework in preparation for the proclamation of the *Ontario Immigration Act*, expected by March 31, 2018.

- *use risk indicators to identify high-risk files for further review;*
  Status: Fully implemented.

Details

In January 2013, the Program's integrity unit developed a screening tool to help processing officers make consistent decisions on whether a file should be referred to the integrity unit for further review. During our 2014 audit, Program staff informed us that the tool had been used for a short time but had been discontinued because management felt that its use slowed down processing time. After our audit, in June 2015, Program staff began using an assessment tool meant to support risk management by identifying high-risk files for reasons such as having had past denials for misrepresentation or having a representative who had misrepresented in the past. The Program's integrity unit also provided training in March 2015 to help staff identify when further review may be required.

- *clarify under what circumstances processing staff should refer files to the program integrity unit.*
Status: Fully implemented.

Details

The operating manual in place at the time of this follow-up outlined instances when processing staff should refer files to the Program's integrity unit for further verification. Examples of these instances included finding a suspected or confirmed misrepresentation and past instances of misrepresentation by the applicant, the employer, or the representative on the file. Processing staff may also refer files to the integrity unit if they suspect a conflict of interest or if the applicant provides conflicting information.

Recommendation 9

To ensure that appropriate and timely action is taken regarding possible immigration fraud, the Ministry of Citizenship, Immigration and International Trade should:

- *obtain an interpretation of the privacy legislation from the Office of the Information and Privacy Commissioner of Ontario to confirm what matters can be disclosed to the federal government and law enforcement agencies when instances of misrepresentation or fraud are detected or suspected;*
Status: Fully implemented.

Details

Our 2014 audit found that the Ministry did not always disclose information to the federal government and law enforcement agencies in instances of detected or suspected misrepresentation or fraud because the Ministry was concerned that doing so might contravene the *Freedom of Information and Protection of Privacy Act*. After our audit, the Ministry in December 2014 consulted with government privacy experts, including the Office of the Information and Privacy Commissioner of Ontario, to clarify its scope of authority to share personal information with law enforcement agencies when instances of misrepresentation or fraud are detected or suspected. Staff from the Office of the Information and Privacy Commissioner of Ontario indicated to the Ministry that an institution is permitted to disclose personal information to a law enforcement agency if that information is necessary for the purpose of enabling a law enforcement agency to determine whether to undertake an investigation.

- *file formal complaints with law enforcement agencies, including the RCMP, and any applicable regulatory bodies as soon as it has evidence of potential immigration fraud.*
Status: In the process of being implemented by March 2018.

Details

At the time of this follow-up, the Ministry had not developed formal information-sharing agreements with law enforcement agencies and regulatory bodies. Although the Ministry met with the Ontario Provincial Police (OPP) in March 2015 to identify a referral process for individuals of concern, the Ministry was still working on formalizing agreements and protocols at the time of this follow-up. The Ministry expected to have a protocol for referring cases to the OPP by October 2016. The Ministry also indicated that the proclamation of the *Ontario Immigration Act*, expected by March 31, 2018, will enable it to develop information-sharing agreements with relevant partners such as the Immigration Consultants of Canada Regulatory Council, which is responsible for overseeing immigration consultants who practise in Canada.

Case Processing System

Recommendation 10

To ensure that the Provincial Nominee Program maintains accurate and reliable program data, the Ministry of Citizenship, Immigration and International Trade should:

- *implement system controls to restrict access to specific functions only to those with the authority to make decisions;*
  Status: Fully implemented.

Details

In January 2013, the Ministry implemented a computerized case management system to store applicant information, key documents and case decisions. In our 2014 audit, we noted significant data integrity issues in the system, including a lack of restriction on access to specific functions. This meant that any users, regardless of their role within the Program, could input decisions, change assessment status, and print nomination certificates. In July 2015, the Ministry updated the system to restrict access to specific functions to those with the authority to use them.

- *withdraw access rights immediately when staff end employment;*
  Status: Fully implemented.

Details

During our 2014 audit, we found that four staff members who had left the Program still had access rights to the case management system. At the time of this follow-up, the Ministry informed us that it had removed the rights of all individuals who were no longer employees of the Program and had begun removing rights immediately after an individual has left the program.

- *restrict changes to case decisions after they are made;*
  Status: Fully implemented.

Details

As previously noted, one use of the case management system is to store case decisions. Our 2014 audit found that any staff member with access to the system could make changes even after a decision had been reached. At the time of this follow-up, the Ministry had not restricted access with regard to making changes to case decisions.

Instead, the Ministry established a process in March 2015 where the program manager and the integrity unit are notified by email whenever a change is made in the case management system after a decision has already been made. The notification contains the date, the time, and the name of the individual making the change.

- *enhance input validation checks for selected fields to ensure that only reasonable data is accepted;*
  Status: Fully implemented.

Details

Our 2014 audit found that the case management system contained incomplete and inaccurate data because it did not have the ability to conduct input validation checks. In April 2016, the Ministry implemented upgrades to the system that allow the system to automatically conduct input validation checks.

- *identify and implement useful exception reports that program staff have requested;*
  Status: In the process of being implemented by March 2017.

Details

During the implementation phase of the Ministry's case management system, Program staff identified a number of system reports that they would like to have. One such report would indicate how many files met service timeline standards, but at the time of our 2014 audit, the case management system did not produce this report. As well, we found in our 2014 audit that the system did not produce exception reports identifying files on which changes had been made after they were closed or files with representatives who had previously misrepresented information. At the time of this follow-up, the Ministry had updated the case management system to detect the first of those two risks; to address the second, the Ministry had begun developing a system function to flag applications of concern, which could include representatives who had previously misrepresented information. As well, the Ministry

informed us that, as a result of upgrades it made in April 2016 to the case management system, the system can now generate an exception report identifying missing information in an application, such as a name, an employer's address or a case decision.

- *reinforce with staff the importance of not transmitting information on immigrant files to personal email accounts.*
  Status: Fully implemented.

Details

In our 2014 audit, we noted instances where information on immigration files was emailed from the government email system to a Program employee's personal email account, posing a risk of unintentional disclosure of personal information. After our audit, in November 2014, the program director sent all staff a memo emphasizing that it is unacceptable to use personal information technology resources to conduct government business and referred staff to the government's Acceptable Use of Information and Information Technology Resources Policy. The memo also asked all staff to complete an online tutorial to reinforce their understanding of their role as public servants in Ontario. The Ministry also reminds staff through an automatic system notification when they log in to their computers of the Acceptable Use of Information and Information Technology Resources Policy and the Information Security and Privacy Classification Policy.

Nomination Certificates

Recommendation 11

To ensure that nomination certificates are issued and revoked as appropriate and only approved nominees are forwarded to the federal government for further immigration screening, the Ministry of Citizenship, Immigration and International Trade should:

- *establish a functionality in its case management system to allow staff to generate a list of all approved nominees to be submitted to the federal government;*
  Status: Fully implemented.

Details

In our 2014 audit, we noted that although the Program's case management system holds data on all approved nominees and is used to generate nomination certificates, it was unable to produce a list of certificates issued to be sent to the federal government. After our audit, the Ministry updated the Program's case management system, so that it can now automatically generate a list of approved nominees. The Ministry informed us that it generates this report monthly and compares it to a manual tracking spreadsheet to ensure that any discrepancies are addressed and that only approved nominations are captured. Once the correct numbers are confirmed, an encrypted report is sent to Immigration, Refugees and Citizenship Canada.

- *strengthen internal controls, including segregating the duties of staff who generate nomination certificates from those who add new nominee application records to the case management system;*
  Status: Fully implemented.

Details

Our 2014 audit found that anyone with access to the Program's case management system could create a nominee record, generate a nomination certificate and add a name to a list of nominees provided to the federal government. The Ministry updated the case management system in July 2015 so that only certain staff designated by the manager can generate nomination certificates; they cannot create files. This update also prevents staff who can create files, assess applications or make decisions from generating nomination certificates.

- *notify the federal government promptly after making a decision to issue or withdraw a nomination;*
  Status: Fully implemented.

Details

In our 2014 audit, we found that nomination withdrawal certificates were not always communicated with the federal government promptly after a decision was made. At the time of this follow-up, the Ministry was notifying the federal government on a monthly basis of any decisions to issue or withdraw a nomination.

- *maintain an accurate record of when nominations issued and withdrawn are communicated to the federal government.*
  Status: Fully implemented.

Details

In our 2014 audit, we found that the Ministry did not always have a record of when nomination withdrawals were communicated to the federal government. At the time of this follow-up, the Ministry informed us that it maintains a record of when it communicates to the federal government about nominations issued and withdrawn.

Post-Nomination Monitoring and Program Evaluation

Recommendation 12

To ensure that post-nomination monitoring efforts are effective, the Ministry of Citizenship, Immigration and International Trade should:

- *use findings from investigations regarding misrepresentation and fraud to educate processing staff and improve due-diligence processes;*
  Status: Fully implemented.

Details

In 2013, Program integrity staff conducted follow-ups on a number of approved nominees who had become permanent residents and found that 38% of the sampled nominees were suspected to have misrepresented themselves. Program management requested that these results not be shared with processing staff, resulting in a missed opportunity to educate staff and enhance due-diligence processes. In March 2015, the Ministry delivered

Program integrity training to all processing staff. The Ministry advised us that this training incorporated findings from investigations undertaken by the Program's integrity unit. The Ministry indicated that it plans to conduct another Program integrity training course in July 2016 and that all processing staff and Program integrity staff will be required to attend that course.

- *define the scope of monitoring that should occur after investment projects are approved;*
  Status: Fully implemented.

Details

The Ministry closed the investment component in October 2015 and launched two new business components in December 2015. These new business components require applicants to sign a two-year performance agreement outlining commitments that must be met before the applicant qualifies for nomination. The Ministry informed us that Program staff will monitor these applicants every six months to ensure that they are meeting the commitments outlined in the performance agreement and will continue to monitor these applicants for a further three years after the applicant attains permanent resident status.

- *require that assessing ministries monitor at set intervals using prescribed methods (such as obtaining audited financial statements and conducting site visits) to verify information received;*
  Status: In the process of being implemented by March 2017.

Details

The Ministry closed the investment component in October 2015, but at the time of this follow-up, partner ministries were still assessing investor files that had previously been referred to them. According to the Ministry, these ministries have committed to clearing the existing inventory of applications. When the component existed, the Ministry had not prescribed time intervals and monitoring methods to assessing ministries; instead, it allowed the assessing ministries to use methods at their

own discretion. Now that the component is closed and no new investment files need to be referred to assessing ministries, the Ministry initially saw limited value in prescribing monitoring methods for the remaining inventory of applications that were already being assessed by these assessing ministries. Its position changed in August 2016, when it requested assessing ministries to implement a quarterly schedule for monitoring that includes providing the Ministry with the results and supporting documentation. The Ministry informed us that assessing ministries monitor projects 12 months after endorsement using such methods as reviewing copies of leases and staff job descriptions, and obtaining status updates on the investor and worker nominees.

- *request copies of the results of assessing ministries' monitoring activities and follow up when they are overdue;*
  Status: In the process of being implemented by March 2017.

Details
At the time of this follow-up, seven endorsed investor files were still being monitored; three were with the Ministry and four were with assessing ministries. In August 2016, the Ministry requested assessing ministries to keep it informed on a quarterly basis of the results of their monitoring activities.

- *consider nominating investment component applicants only after they have demonstrated that they have met project commitments, as is done in British Columbia.*
  Status: Fully implemented.

Details
The Ministry closed the investment component in October 2015 and launched two new business components in December 2015. These two new business components require a nominee applicant to sign a performance agreement outlining commitments for a two-year period. Examples of possible commitments include financial investments and

job creation. Applicants can qualify for nomination only after meeting the commitments outlined in the performance agreement.

Recommendation 13
To ensure that the Provincial Nominee Program is effective in selecting individuals who are likely to be an economic benefit to the province, the Ministry of Citizenship, Immigration and International Trade should:

- *obtain nominee information, such as provincial health insurance and driver's licence numbers, to help follow up on the outcomes for landed nominees;*
  Status: Little or no progress.

Details
After our 2014 audit, the Ministry consulted government privacy experts and determined that collecting personal information, such as provincial health insurance and driver's licence numbers, and using that information to follow up on the outcomes for nominees who became permanent residents would be problematic under existing legislation. However, the *Ontario Immigration Act*, if proclaimed, could give the Ministry an opportunity to explore the possibility of collecting driver's licence information for the purpose of administering its nomination program, subject to consultation and agreement with the Ministry of Transportation and the Information and Privacy Commissioner. The Ministry further noted that current privacy legislation restricts its ability to use health-card data to help follow up on the outcomes for landed nominees. But it is worth noting that in our *2014 Annual Report*, we reported that one province used health-card data to track permanent residents.

- *evaluate whether nominees without job offers who were selected based on their higher education have become economically established in Ontario;*
  Status: Fully implemented.

Details

After our 2014 audit, the Ministry commissioned a marketing research company in 2015 to conduct an assessment of nominees without job offers to see if they had become economically established in Ontario after attaining permanent resident status. The assessment, completed in December 2015, found that 89% of individuals nominated without job offers were employed within a year of becoming permanent residents.

- *establish performance indicators for each program component and for assessing fraud-detecting activities, including those recommended by federal-provincial-territorial working groups, and collect and analyze the required information.*
  Status: Fully implemented.

Details

The Ministry informed us that the federal-provincial-territorial working group on provincial nominee programs across Canada had approved a framework for common performance indicators in February 2016. The Ministry also indicated that it was collecting common program integrity indicators—such as nominee approval rates and the number of refusals due to documented fraud or misrepresentation—and reporting these indicators annually to Immigration, Refugees and Citizenship Canada. The Program was also internally tracking information related to fraud-detecting activities, including the use of site visits and in-person interviews.

Fee Revenue

Recommendation 14

To ensure that appropriate user fees are charged and the established amounts are collected, the Ministry of Citizenship, Immigration and International Trade should:

- *establish processing fees that recover the full cost of the Program;*
  Status: In the process of being implemented by April 2017.

Details

The Ministry indicated that it will be analyzing the fees associated with the new and existing Program components over the course of 2016 to determine whether they are fully recovering Program costs. The Ministry expects to complete this analysis by April 2017.

- *consider implementing a processing fee for employers;*
  Status: In the process of being implemented by April 2017.

Details

At the time of this follow-up, the Ministry had not yet implemented a processing fee for employers. The Ministry indicated that it will determine whether a processing fee for employer applications is necessary once it has finished analyzing the 2016 processing fees.

- *reconcile fees collected to revenue recorded in the financial system on a regular basis.*
  Status: In the process of being implemented by December 2016.

Details

In our 2014 audit, we detected a number of errors in the Ministry's tracking sheet of revenue, including duplicate receipt entries and data entry errors. At the time of this follow-up, the Ministry informed us that it had assigned responsibilities for reconciling fees collected with revenue recorded in the financial system to a staff member and that this work was being undertaken on a monthly basis. However, at the time of our follow-up, we found that the reconciliation work was about six months behind. The Ministry subsequently informed us that it had devoted additional resources to ensure that reconciliation is completed in time.