

Chapter 1

Section 1.14

Treasury Board Secretariat and the
Ministry of Government and Consumer Services

Use of Consultants and Senior Advisors in Government

Follow-Up on VFM Section 3.14, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1	1				
Recommendation 2	1	1				
Recommendation 3	1	1				
Recommendation 4	2		2			
Recommendation 5	2	1	1			
Recommendation 6	3	3				
Recommendation 7	2	2				
Recommendation 8	2	2				
Recommendation 9	1		1			
Recommendation 10	2	2				
Total	17	13	4	0	0	0
%	100	76	24	0	0	0

Overall Conclusion

As of September 2020, the Treasury Board Secretariat (TBS) and the Ministry of Government and Consumer Services (Ministry) fully implemented 76% of the actions we recommended in our *2018 Annual Report*. The TBS and the Ministry made progress in implementing an additional 24% of the recommended actions.

For example, the TBS and the Ministry reinforced the requirement of the Ontario Public Service Procurement Directive on ministries to clearly demonstrate prior to contracting consultants for long-term or ongoing needs that a consulting contracting option is more cost-effective than recruiting permanent full-time or term staff. Additional guidance was also provided to ministries on establishing cost estimates for consulting services

and the extent of the review ministries should undertake to solicit available internal resources prior to engaging external consultants. The Ministry also provided additional guidance on when consulting contracts with amendments to the original terms should be re-tendered and developed standardized criteria for ministries to use in evaluating consultants. In addition, TBS strengthened the Agencies and Appointments Directive for conflict-of-interest requirements so that the declarations of special advisors and advisory groups include activities with any government organization, and require a cooling-off period between the time an advisor's contract expires and the time they can take a position with the entity they had previously advised, or any related entities.

The TBS is in the process of implementing our recommendation requiring ministries to use the Integrated Financial Information System to record all consulting contracts. The Ministry is also in the process of implementing our recommendations on performing regular analysis of the information on ministries' use of consultants and gathering information on the use of consultants across provincial Crown agencies and Crown-controlled corporations to identify areas for cost savings and improvements.

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

Background

The Ontario Public Service requires external services and advice from time to time when its own staff are unavailable or lack the required skills or expertise. It usually fills these needs by using consultants and advisors. As a general rule:

- consultants provide expertise and strategic advice to government for use in decision-making; and
- advisors provide high-level advice to the Premier or a minister.

Overall spending on consultants by ministries in 2019/20 was \$244 million. Our audit found that from the 2008/09 fiscal year to the 2017/18 fiscal year, spending on consultants had dropped more than 15% from \$434 million to \$360 million. About 80% of the 2017/18 spending was for IT consultants, and the balance paid for consultants in management, communications, policy, technology, and research and development.

The Province was not tracking its spending on advisory services, but we estimated it at about \$4 million a year in 2017/18.

Using consultants could be costly, as they were generally paid more than full-time staff. However, they could be cost-effective when engaged for short periods or to provide specialized services or expertise, instead of having to hire new permanent full-time staff.

We noted that some improvements were needed to ensure consulting and advisory services were used with due regard for economy and efficiency. We found that the Province did not assess the overall cost-effectiveness of its use of consultants, and ministries often relied on consultants rather than considering hiring full-time or term employees. The following were some of our significant observations:

- Ministries had used consultants for regular operational and ongoing work such as project management and information technology, instead of for short terms, specialized services or expertise, for which they are best suited. For example, an individual consultant was hired to provide analysis and development for a software application. The initial contract for \$210,000 for the period of February 2014 to March 2015 was extended three times to March 2018 at a total cost of over \$900,000. Based on the average cost of permanent IT staff, this work could have been done for about 40% less by permanent full-time staff.
- Twenty-two percent of the competitively procured contracts we reviewed had amendments greater than \$10,000 without an

option to allow for either an amendment, or an amended amount if it exceeded the amount approved for the contract. Most amendments were between \$100,000 and \$500,000, with two as high as \$1.5 million, and the additional services included in the amendment were not competitively procured.

- We found in our review of consulting contracts that most did not have specific costs attached to the various deliverables in the contract. This could make it difficult to determine if the deliverables were received before making payment, and if they provided value for money.
- The Province might have been missing out on potential savings because it lacked the reliable and timely information needed to perform analyses and make strategic decisions on the overall use of consultants. We noted errors in the self-reported information on consulting contracts collected from ministries, such as contracts being counted twice and amended contracts being reported as new. In addition, the information was not available on a timely basis, and was not reviewed for strategic analysis purposes.
- We noted that 25% of the advisors we reviewed did not complete a conflict-of-interest disclosure.
- Government ministries had spent approximately \$960 million for the three fiscal years between 2015/16 and 2017/18 on professional services (services provided by licensed professionals, such as physicians, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries, for regular work in their licensed capacity). In addition, Crown agencies and Crown-controlled corporations told us in a survey that they had spent approximately \$1.38 billion during the same period. Although we had not reviewed the use of professional services by ministries and agencies, the recommendations in our report

on consulting services could have applied equally to professional services. We suggested that they also be reviewed by the Province to identify any potential cost savings and to confirm whether value for money was achieved.

We made 10 recommendations, consisting of 17 action items, to address our audit findings.

We received commitments from the Ministry of Government and Consumer Services and the Treasury Board Secretariat that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and July 2020. We obtained written representation from the Treasury Board Secretariat and the Ministry of Government and Consumer Services that effective October 7, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Consultants Have Been Used for Ongoing and Operational Work That Could Likely Be Done for Less by Full-Time or Term Staff

Recommendation 1

To promote value for money and compliance with the Ontario Public Service Procurement Directive, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, reinforce the requirement of the Directive on ministries to clearly demonstrate prior to contracting consultants for long-term or ongoing needs that a consulting contracting option is more cost-effective than recruiting permanent full-time or term staff.

Status: Fully implemented.

Details

Consultants are generally costlier than full-time staff. In our 2018 audit, we noted that in some areas ministries used consultants for operational and ongoing work—the kind of work that could be done by full-time or term staff. The use of consultants for this type of work is not in line with the intent of the Ontario Public Service Procurement Directive, which describes consulting services as the delivery of expertise and strategic advice for consideration and decision-making.

The Ministry developed and implemented in November 2019 the mandatory Procurement Lifecycle Checklist (Checklist) to be included with procurement approvals. The Checklist is available to the entire Ontario Public Service (OPS) and is posted on the InsideOPS and the Agency Network Solutions (AGNES) websites. The Checklist is an eForm that guides users through the procurement process and provides direction that internal resources should be considered prior to embarking on a procurement of external consulting services.

The Ministry also developed and implemented in October 2019 the Cost Estimating Guide for Acquisition of Consulting Services (Guide) to help ministries determine whether recruiting permanent full-time or term staff is more cost-effective than contracting consultants for long-term or ongoing needs. The Guide is referenced in the Checklist.

Lastly, on June 21, 2019, the Office of the Provincial Controller Division issued a memo to Chief Administrative Officers and Directors of Finance that stated to ensure due diligence at the start of the procurement process, ministries must ensure that the following elements are included in the business case related to the procurement of consulting services as applicable:

- the cost-effectiveness of contracting consultants for long-term or ongoing needs rather than recruiting full-time or term staff;
- the extent of actions to which the ministries have undertaken to solicit internal resources;
- a cost analysis for each considered option; and

- the estimated cost associated with each required deliverable.

Recommendation 2

To more cost-effectively meet the operational information technology needs of ministries, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, further review its use of IT consultants.

Status: Fully implemented.

Details

In our 2018 audit we noted that the government's IT-consulting expenditures accounted for about 80% of the total consulting expenditures incurred in the last five years. IT consultants used for task-based purposes, similar to government employees, accounted for about 60% of all new consulting contracts between 2014/15 and 2016/17. An IT consultant costs \$40,000 or 30% a year more than a permanent IT employee.

Subsequent to our 2018 audit, the Treasury Board Secretariat (TBS) in collaboration with the Ministry:

- Implemented a process where ministries are required to confirm that internal resources were considered prior to initiating an external resource request to IT Source, a branch within TBS that provides ministries with assistance in procuring consultants through the government-wide preferred-supplier program. This process is documented via a completed attestation form from each ministry requesting external resources. In addition, on a quarterly basis IT Source facilitates a meeting with all I&IT Clusters to review the use of IT consultants across the Ontario Public Service. At this meeting, the Clusters are provided with the summarized report highlighting their use of IT consultant services and opportunities for further reduction. In January 2020, a cost-effectiveness analysis regarding the conversion of external consultants to full-time employees was completed and shared with stakeholders.

- Completed an internal review in 2019 of the use of I&IT Consultants and obtained the TBS Deputy Minister's approval to convert 33 consultant positions to full-time equivalents (FTEs). This approval was implemented and as of August 2020, 26 consultants were off-boarded and permanently replaced with FTEs. Recruitment for the remaining FTE positions is expected to be completed by the end of fiscal 2021.

According to TBS, it will continue to review the current usage of IT Consultants through the monthly reports to Chief Information Officers to identify opportunities where IT Source FTE resources can be used to staff certain roles.

Recommendation 3

We recommend that the Treasury Board Secretariat require ministries to use the Integrated Financial Information System to record all consulting contracts, including the approved amounts, to better manage consulting contracts and their associated expenditures, and to allow for improved, timely and accurate reporting of consulting expenditures and new consulting contracts for use by the Ministry of Government and Consumer Services and others for decision-making purposes.

Status: Fully Implemented.

Details

In our 2018 audit, we noted that the Integrated Financial Information System (IFIS), an IT system used by the province to record ministries' financial transactions and provide data for reporting and analytical purposes, has capabilities for tracking and managing basic contract information. However, we noted that the system was not used consistently across the ministries or program areas for this purpose, making it difficult to obtain detailed information on the expenditures for each consulting contract.

The June 2019 memo issued by the Office of the Provincial Controller Division (OPCD) stated that as of July 1, 2019, all new consulting contracts,

regardless of their value, must be issued with an IFIS purchase order. In addition, ministries will be required to attach the following documents to an IFIS requisition:

- Approved business case;
- Signed statement of work; and
- Completed Procurement Details form.

To track ministry compliance, the Operations Control and Management Reporting Branch within OPCD receives month-end financial reporting from each ministry. As part of this month-end reporting process, each ministry reports if consulting invoices were paid without an associated purchase order and provides an explanation for why a purchase order was not created for a consulting contract.

The compliance rate has been improving since July 2019, when mandatory purchase orders for all consulting contracts were introduced. Compliance has gone from 63% in July 2019, to 92% in August 2020.

Recommendation 4

To ensure that consultants are being used only to provide value-added service in compliance with the Ontario Public Service Procurement Directive, we recommend that the Ministry of Government and Consumer Services:

- *perform regular analysis of the information on ministries' use of consultants to identify and inform ministries and the Treasury Board Secretariat on areas for improvements and cost savings;*

Status: In the process of being implemented by December 2021.

Details

Starting in fiscal year 2020/21, the Ministry will use data on consulting services contracts generated from the new requirement to capture the cost of all consulting services in IFIS (see **Recommendation 3**) to perform a quarterly analysis of consulting services contracts and spend to identify trends, areas for improvements and cost savings. The results of the

reviews will be shared regularly with the Chief Administrative Officers (CAOs) at the CAO Forum.

- *report publicly on the ministries' use of consulting services.*

Status: In the process of being implemented by December 2021.

Details

Supply Chain Ontario collected data from ministries on all consulting contracts entered into during fiscal year 2016/17 and all consulting services contracts established previously in which the overall value increased in fiscal year 2016/17. The data was posted publicly in accordance with Ontario's Open Data Directive in June 2020.

Data on consulting services procurements for the fiscal year 2017/18 has also been collected, while information for the fiscal year 2018/19 is in the process of being collected. However, this work has been delayed due to COVID-19. Subsequent reports on the procurement of consulting services for these fiscal years will follow the same approval process, with the data being posted once approvals are finalized.

Recommendation 5

To ensure that consultants are hired only when needed, and in a cost-effective manner, we recommend the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services:

- *develop and implement an effective process for centralized oversight of the ministries' use of consultants, including a quality assurance process, within each ministry;*

Status: Fully implemented.

Details

In our 2018 audit, we found the levels of oversight by ministries on the use of consultants varied, mainly because identifying needs and managing consultants is generally a decentralized process undertaken by individual branches and program areas within a ministry.

Our review of the processes followed at the ministries found that half of them required secondary reviews of consulting contracts by another branch to ensure, for example, that the proper procurement methods were being used and that all required approvals were sought. However, the other half did not require secondary reviews.

As noted earlier, the June 2019 memo issued by the Office of the Provincial Controller Division (OPCD) required, as of July 1, 2019, that all new consulting contracts, regardless of their value, must be issued with an IFIS purchase order. In addition, ministries are now required to attach the following documents to the IFIS purchase order:

- Approved business case;
- Signed statement of work; and
- Completed Procurement Details form.

All IFIS purchase orders are submitted to the iProcurement team, part of the Financial Processing Operations Branch in the Enterprise Financial Services Division within Ontario Shared Services. Its role is to review the purchase orders that are submitted by ministries to ensure that all the required documentation is attached and to approve purchase orders before they are sent out to vendors. The iProcurement team was advised not to process any IFIS purchase orders for consulting services if any of the attachments indicated above are missing.

- *require ministries to undertake an annual workforce-planning process to consider ministry-wide staffing needs based on forthcoming and longer-term priorities and available resources.*

Status: In the process of being implemented by November 2020.

Details

An annual workforce-planning process would allow ministries to consider staffing needs based on forthcoming or longer-term priorities and available resources within the ministries to help reduce reliance on consultants. In our 2018 audit, we noted that the Procurement Directive did not specifically require ministries to undertake such planning on

an annual basis to support decision-making with respect to the procurement of consultants. None of the ministries that we reviewed in 2018 did this planning.

Instructions for the 2021/22 multi-year planning process now request that the annual workforce-plans, which ministries have to submit in November 2020, include specific reference to the use of consultants.

Improvements Are Needed to Ensure Value for Money Is Received When Using Consultants

Recommendation 6

To help ministries improve their processes for estimating the cost of consulting services and engaging consultants only when qualified internal resources are not available, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, reinforce the requirements of the Procurement Directive and provide additional guidance on:

- *establishing cost estimates for consulting services, including maximum rates that can be charged for the types of consulting services provided;*
- *documenting the rationale for arriving at the estimates; and*
- *the extent of the review ministries should undertake to solicit available internal resources prior to engaging external consultants.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that while ministries generally documented the actions taken on their use of consultants, the documentation often lacked detail to support the reasons for taking certain actions and the rationale for decisions made. In addition, ministries did not always demonstrate that they received value for money, and details justifying the need for and cost of the services were not always evident.

To respond to the three actions under this Recommendation, the Cost Estimating Guide for Acquisition of Consulting Services (Guide), developed and implemented by the Ministry in September 2019, helps ministries improve their process of estimating the cost of consulting services and engaging consultants only when qualified internal resources are not available. The Guide is used to help ministries complete the documentation required in the business case. In addition, the Procurement Lifecycle Checklist (Checklist), developed and implemented by the Ministry in November 2019, reinforces the requirement to engage consultants only when qualified internal resources are not available.

The Guide provides cost information for different consulting services options, such as: a link to the Full-time equivalent (FTE) Costing Tool; per diem rate ranges for consulting services acquired through Vendor of Record (VOR) arrangements and through IT Source; and links to salary trend reporting sites.

The Ministry has not provided guidance on maximum rates that could be charged for the types of consulting services provided, since consulting services are procured on a cost per deliverable basis through a competitive selection process and pricing is market-driven with the best value bid awarded the contract (based on a combination of the most competitive pricing and best outcome/qualitative factors).

The Guide also reminds ministries of the OPS Procurement Directive requirements related to documentation and record retention and the requirement to document the rationale for arriving at cost estimates in the business case used to obtain approvals including:

- the cost-effectiveness of contracting consultants for long-term or ongoing needs rather than recruiting full-time or term staff;
- the extent of action undertaken to solicit internal resources;
- the financial analysis which includes cost analysis for each considered option; and

- the cost associated with each required deliverable.

Recommendation 7

To promote the fair procurement of consulting services, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services:

- *reinforce the requirements of the Procurement Directive and provide additional guidance on when contracts with amendments to the original terms should be re-tendered;*

Status: Fully implemented.

Details

The Procurement Directive says that extensions made to existing contracts beyond what is included in the initial procurement constitute non-competitive procurements.

Such amendments may result in ministries obtaining additional deliverables at costs that could be higher than necessary because the new deliverables were not procured competitively. This could also give existing suppliers an unfair advantage.

In our 2018 audit, 22% of the contracts we reviewed that were competitively procured had an amendment greater than \$10,000 without an option in the contract to allow for the amendment or where the amended amount exceeded the amount approved for the contract. Most were between \$100,000 and \$500,000, with a couple as high as \$1.5 million. The additional services included in these amendments were not competitively procured.

To reinforce the requirements of the Procurement Directive and provide additional guidance on when contracts with amendments to the original term should be re-tendered, the Ministry of Government and Consumer Services created a new section in the Checklist to provide guidance on what to do when contract amendments are required.

The Checklist now reminds ministries that any changes to the end date of an agreement by way of

an amendment where the terms of the agreement do not allow for amendments would be considered a new non-competitive procurement.

The Checklist also outlines all the enabling factors that should be in place before amending a contract such as:

- The terms of the agreement allow for amendments;
- Additional cost associated with the extensions;
- Options reviewed to reduce/eliminate the additional scope and cost (e.g., can work be performed by internal resource);
- Business case completed to explain the reason for the amendment;
- Required approvals sought for the cost associated with the amendment; and
- Legal counsel involvement in the amendment of the agreement.

- *develop standardized criteria for ministries to use in evaluating consultants.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that there are no standardized evaluation criteria that ministries must use when procuring consultants. As a result, at the ministries that we reviewed, we saw variations in the evaluation criteria used for price, interviews and past experience. A lack of standardized evaluation criteria can allow ministries to tailor the criteria to a preferred consultant.

In consultation with an inter-ministerial working group consisting of procurement professionals across the OPS, the Ministry developed a Guide to Developing Evaluation Criteria for Consulting Services. The Guide was implemented in September 2019. The Guide walks ministries through a typical three-stage evaluation process and nine commonly used criteria. For each criterion, buyers are given information on what is being assessed and why and what information should and could be requested from vendors. The Guide also provides guidance on

how to reduce subjectivity in vendor interviews; a general weighting to help ministries find the correct balance between quality and the pricing; and helps ministries develop supporting documents for the evaluation of vendor submissions.

Recommendation 8

To promote value for money when ministries use consulting services, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services:

- *amend the Ontario Public Service Procurement Directive to include standards requiring that costs be associated with each deliverable in consulting agreements;*

Status: Fully implemented.

Details

In our 2018 audit, we found that most consulting contracts did not include costs associated with the specific deliverables in the contract. Lack of detail on these costs makes it difficult to determine if deliverables have been received before payment is made, and whether value for money was received.

The Treasury Board Secretariat updated the OPS Procurement Directive to include standards requiring that costs be associated with each deliverable in consulting agreements. The Directive was effective as of September 1, 2020 and applies to all ministries and all provincial agencies.

- *reinforce the requirements of the Procurement Directive and provide additional guidance on what is considered an appropriate action or an appropriate level of management of supplier performance.*

Status: Fully implemented.

Details

The Procurement Directive requires that supplier performance be managed and documented, and that any performance issues be addressed. However, it provides no details on what is considered

an appropriate action or an appropriate level of management.

In our 2018 audit, we noted that ministries had a variety of practices in place for contract management that included using different methods to different extents. If contract management is not done properly, it can result in the contract taking longer than planned or costing more, the government not receiving the intended deliverable, or finding out too late when something goes wrong.

In November 2019, MGCS developed a Vendor Performance Management (Framework) to provide ministries with additional guidance on appropriate management of supplier performance.

The Framework provides guidance on who is responsible for vendor performance management depending on the performance indicators needed, and assessing vendor performance through the use of questionnaires and scorecards. It includes a step-by-step process from planning through to contract development and contract management.

The Framework addresses best practices, including:

- Establishing meeting schedules with vendors to measure performance against KPIs;
- Documentation – e.g., vendor meeting schedules, contract management plans, recording vendor performance against KPIs, tracking meetings with vendors and any contract issues with regard to vendor performance against KPIs, completing vendor performance scorecards;
- Developing requirements for vendor reporting;
- Tracking overall performance with vendor performance scorecards; and
- Applying performance measure results to future procurements.

Crown Agencies and Corporations Make Heavy Use of Consulting Services

Recommendation 9

To promote the cost-effective use of consulting services across the Ontario Public Service, we recommend that the Ministry of Government and Consumer Services in conjunction with ministries gather information on the use of consultants across provincial Crown agencies and Crown-controlled corporations to identify areas for cost savings and improvements.

Status: In the process of being implemented by December 2021.

Details

Crown agencies and Crown-controlled corporations (agencies and corporations) spent over \$665 million on consulting services from 2015/16 to 2017/18. These totals were from self-reported information on actual expenditures for consulting services that we gathered in our 2018 audit from our survey of 54 agencies and corporations because these expenditures are not tracked and reviewed by the Province.

In February 2020, the Ministry asked ministry CAOs to provide data contacts for their provincial agencies, as well as their ministries and broader public sector organizations. As part of this initiative, the Ministry will be looking to gather data on agencies' use of consulting services for the period of April 1, 2018 to March 31, 2019.

As of March 2020, the Ministry had received contacts for 51 agencies and has developed a data engagement process to collect data procurement of consulting services from these contacts.

According to the Ministry, once it has access to this data, it will be in a position to identify areas for cost savings and improvements.

Process for the Appointment of Advisors Could Be Strengthened

Recommendation 10

To promote value for money and objectivity in the appointment of special advisors and advisory groups, we recommend that the Treasury Board Secretariat:

- *strengthen the Agencies and Appointments Directive for conflict-of-interest requirements so that the declarations include activities with any government organization, and require a cooling-off period between the time an advisor's contract expires and the time they can take a position with the entity they had previously advised, or any related entities;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Agencies and Appointments Directive (Appointments Directive) does not stipulate a cooling-off period before an advisor can take a position with the entity that they previously advised, or any related entities. A cooling-off period is important to ensure that the work undertaken by an advisor is objective and any subsequent work or business obtained is independent of the advisor's role. It is also important to avoid any real or perceived conflict of interest.

The Treasury Board Secretariat amended the Appointments Directive in November 2019 to include the cooling-off provision. The provision requires that any person previously appointed per the Appointments Directive, should for a period of 12 months following the end of an appointment, notify the ministry or agency of their previous appointment before they apply for or accept a new appointment. Upon receiving such notification, the relevant ministry or agency must review the matter, and should only proceed after consultation with the Integrity Commissioner.

In addition, the Treasury Board Secretariat amended the Appointments Directive to clarify that the Personal Disclosure and Conflict of Interest form is a mandatory requirement for all appointments

including special advisors and appointments to short-term advisory bodies.

- *ensure that the business cases to be submitted to the Treasury Board/Management Board of Cabinet for approval meet the requirements of the Agencies and Appointments Directive.*

Status: Fully implemented.

Details

In our 2018 audit, we reviewed a sample of special advisors and advisory groups appointed and noted the following:

- Not all requirements in the Appointments Directive for business cases that are submitted to the Treasury Board/Management Board of Cabinet (TB/MBC) for approval were met. Specifically:
 - Some business cases submitted did not contain comparative research on remuneration focusing on a public-sector comparable.

- For appointments with per diems over \$398, the Appointments Directive also requires that verification of the comparable rate (for example, signed contracts, paid invoices, or similar documents) be submitted as part of the business case. As well, assurance is required from the advisor that the government will receive the appointee's best comparable rate. None of the appointments that we reviewed with per diems over \$398 complied with these requirements.

The Treasury Board Secretariat amended the Appointments Directive in November 2019 to clarify the business case requirements. These amendments include making it clear that remuneration rates are for positions (not appointees) and clarifies that ministries (as opposed to appointees) are required to provide TB/MBC with assurance that the proposed rates are the best possible rates and do not exceed the marketplace.