Office of the Auditor General of Ontario

What Gets Measured Gets Managed:

Ministries' Performance Measurement, Program Evaluation and Annual Reporting
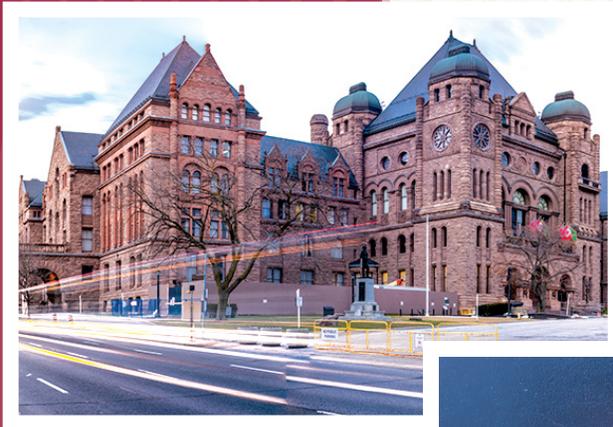
PERFORMANCE

June 2023

Office of the Auditor General of Ontario

To the Honourable Speaker of the Legislative Assembly

In my capacity as the Auditor General, I am pleased to submit to you *What Gets Measured Gets Managed: Ministries' Performance Measurement, Program Evaluation and Annual Reporting* to lay before the Assembly in accordance with the provisions of section 12 of the *Auditor General Act*.

Bonnie Lysyk, MBA, FCPA, FCA, LPA
Auditor General

June 2023
Toronto, Ontario

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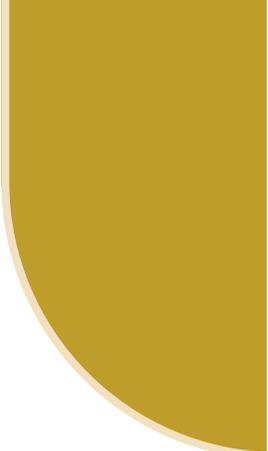
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Reflections

Bonnie Lysyk
Auditor General of Ontario

Over my 10-year term as Auditor General of Ontario, my Office has conducted over 160 value-for-money audits, and at least the same number of follow-up audits on the recommendations from our reports and those of the Standing Committee on Public Accounts. In addition, we have completed our required work on financial statement audits on Crown agencies and corporations, and issued my annual audit opinion on the Province's consolidated financial statements. We also have issued many special audit reports and conducted ongoing governance reviews, reviews of information technology systems, pre-election reports, advertising reviews, and other audit and review initiatives.

The Office of the Auditor General regularly reports on whether ministries, agencies, Crown corporations, and other organizations that receive provincial funding, such as hospitals and school boards, measure and report on the effectiveness of their programs. This is a reporting requirement under the *Auditor General Act*. In the course of our work, we often found deficiencies in measurement practices, the need for operational improvements in significant programs, and a lack of internal and public reporting.

In looking back over a decade of this work, and the results from work for this report, *What Gets Measured Gets Managed: Ministries' Performance Measurement, Program Evaluation and Annual Reporting*, it became apparent that three overarching processes within the public sector need to be significantly improved to better inform government and ministry decision-making, as well as to enhance operational performance: performance measurement, program evaluation, and public reporting.

Many government programs spend millions, and in some cases billions, of taxpayer dollars to provide services to the people of Ontario. We have observed that there needs to be a much more rigorous system that requires that all programs establish measurable results indicators, with clear targets to be achieved for the cost-effective delivery of services to the public. Setting targets is the easy part. More importantly, actual results need to be periodically measured so that the government of the day and program managers have the information they need to make cost-effective decisions on the best allocation of taxpayer dollars and where changes should be made to existing programs.

Program evaluation is a systematic method of collecting, analyzing and using information to examine program effectiveness and efficiency. When they are done well and consistently, these evaluations contribute to programs' continuous improvement. Yet over the past 10 years, I've been surprised at how little time is spent by ministries and program managers in evaluating their operations, or looking at best practices in other provinces or countries. In conducting our value-for-money audits, one of our first steps is to research best practices in other jurisdictions for the program or service being audited. However, we seldom find that Ontario ministries and program managers have routinely looked at the different ways other jurisdictions deliver significant programs that may offer either operational or cost advantages.

A third observation resulting from our work over the years relates to public reporting. There needs to be significantly improved public reporting on what major government programs are accomplishing, and at what cost. A lot of public attention is focused on the provincial budget, which essentially sets out the government's plans and priorities. More focus, however, is needed on both the financial and non-financial results achieved compared to the plan. The people of Ontario want to know what level of services is available—namely, is the quality of service improving or not, and if not, why not. They also are entitled to know if these services are being delivered cost-effectively. In both cases, it may not only be the absolute *numbers* that are important, but also insights into how the numbers are trending so that the public can understand whether programs and services are improving over time.

The importance of performance measurement, program evaluation and public performance reporting should not be understated or referred to as red tape or bureaucratic processes. Regularly refining and upgrading these overarching processes can improve the evidence-based information the government needs for decision-making to improve the collective performance of the Ontario Public Service (OPS), directly benefiting the people who rely on its services, and increasing confidence in public institutions.

Each year, the provincial government is responsible for developing and delivering a vast array of important policies and programs. With over 60,000 employees and $183 billion in annual expenditures, the government is tasked with multiple goals, such as overseeing the health care system and school boards, growing the economy, upholding justice, supporting people in need, and bolstering the arts and matters important to the North. Unless the overall and ministry-level performances of the government are measured and self-evaluated in a systematic and timely way, and this information is publicly reported, the people of Ontario will never have routine, fact-based information on how good a job their government is doing over time in delivering cost-effective services.

As such, as described in this report, we conducted a root-cause-focused analysis by looking at how well the Ontario government (comprised of ministries) monitors its performance. The specific goal of this review was

to assess whether the Treasury Board Secretariat (Secretariat), a crucial central ministry, was working with ministries to effectively and efficiently measure progress on strategic government outcomes from a ministry-wide perspective, with the goal of determining whether ministry programs and activities were on track, or whether timely corrective action was needed.

Our review also included an assessment of how well ministries were disclosing information to the public through annual reports. In many respects, governments can be likened to large corporations, with taxpayers the equivalent of shareholders. Just as publicly traded entities have a responsibility to be open and accountable to shareholders, the provincial government has an obligation to provide taxpayers with thorough, clear and accurate reporting of the risks, opportunities and performance of the programs and services it provides.

In broad terms, this review confirms that significant improvements are needed. Among our findings, we determined that the Secretariat is not fulfilling its central ministry role of providing leadership and advice to support evidence-based decision-making due to a lack of oversight and critical assessment of ministry key performance indicators (KPIs), program evaluations, and annual reports. In contrast, we found that the equivalent central ministries in other provinces, the federal government and some international jurisdictions provide more oversight of these processes and review ministries' annual reports for quality and adherence to requirements. These comparators could be used as guidance for Ontario to improve in these areas.

We also noted that performance measurement, program evaluation, and reporting processes in the OPS often fall short in assessing key aspects of ministry programs and are missing critical information such as quantifiable goals or baselines and targets, or they are inconsistent year over year. Accurately measuring and assessing key results and consistently reporting on those results helps clarify which programs are well run and where improvements or significant changes may be needed. This approach needs political will and a culture of "fix the problem, not the blame." Over time, the people of Ontario will be better served by their government and the public service if action is taken.

We acknowledge that the effort to improve OPS performance measurement, program evaluation, and public performance reporting is—and always will be—a work in progress. My Office conducted its review from February to November 2022. Since finalizing our report last fall, the government's annual business planning process has undergone some changes and was renamed the Strategic Planning Process (formerly known as the Multi-Year Planning Process). We will review these changes as part of our two-year follow-up process, which will look at the Secretariat's progress in implementing recommendations in this report. Implementing the recommendations in this report can advance the Secretariat as a leader in providing the government and the people of Ontario with information that demonstrates the effective use of performance measurement and program evaluation for evidence-based decision-making, and transparent public reporting.

Acknowledgements

I want to thank the many people who assisted us in the completion of this review, particularly key members of the Secretariat, the Treasury Board/Management Board of Cabinet, the Secretary of the Cabinet, and the deputy ministers and associate deputy ministers at the government's ministries. I also want to extend my personal thanks to my professional and dedicated team, our excellent panel of external advisors, and the various subject matter experts who shared their knowledge and advice during our work.

It has been an honour to serve as the Auditor General of Ontario since 2013. I personally want to extend my thanks to those in the OPS who have worked with me and my Office over many years by contributing their knowledge and expertise, excellent insights and documented information to support recommendations to improve the delivery of services and programs for the people of Ontario.

I look forward to reading future OPS publications that more fully demonstrate improvements in the Ontario government's performance-measurement, program-evaluation and public-reporting processes as discussed in this report.

Sincerely,

Bonnie Lysyk, MBA, FCPA, FCA
Auditor General of Ontario

Treasury Board Secretariat

What Gets Measured Gets Managed:

Ministries' Performance Measurement, Program Evaluation and Annual Reporting

1.0 Summary

Performance measurement (the method of identifying and assessing results achieved against defined criteria) is important for project management; it can give government the evidence-based data it needs to improve its programs and assure taxpayers that they are achieving value for their money. Program evaluation uses performance measures and other analysis to answer specific questions about how well a program is achieving its desired outcomes and why. Performance reporting includes sharing information on performance with the public and other stakeholders. In the public sector, performance reporting is a key way a ministry can demonstrate its accountability to elected officials and the public. Thorough, clear and accurate reporting of operational and financial information is essential to government accountability.

Our review examined the Ontario government's central processes in performance measurement, program evaluation and internal and public performance reporting. This involved reviewing how ministries identify, select and report on their key performance indicators (KPIs); how they select government programs to evaluate and the process and criteria they use to evaluate them; and, finally, how they publicly report on performance through annual reports (referred to as published plans and annual reports).

As part of its central ministry role, the Treasury Board Secretariat (Secretariat) is responsible for leading these processes by developing guidance and reviewing ministries' KPIs and program evaluations.

Overall, our review found that ministries' published plans and annual reports were missing important information needed for members of provincial parliament (MPPs), the public and other stakeholders to understand ministries' performance. Internally, ministries did not always provide the Secretariat and the Treasury Board/Management Board of Cabinet (TB/MBC), a Cabinet committee, with complete or consistent KPIs or the most useful KPIs to make decisions about programs and services that Ontarians rely on. We also noted that while the Secretariat has initiated a process for program evaluations across government, improvements are needed to ensure evaluations are selected systematically, are of high quality and are ultimately used in decision-making.

Given the central role played by the Secretariat, we also examined the guidance, training and oversight it provides as part of these processes. We found that the Secretariat was not fulfilling its central ministry role of providing leadership and advice to support evidence-based decision-making and transparent public reporting. Specifically, the Secretariat provided limited oversight and critical assessments of KPIs and program evaluations, and did not review ministries' upcoming

year's published plans and past year's annual reports. In contrast, we identified that other jurisdictions' Secretariats provide more oversight of these processes and review ministries' annual reports for quality and adherence to requirements. Further, based on the issues we noted in the quality of ministries' performance measurement, program evaluation and reporting, the Secretariat should improve the training and guidance it provides in these areas.

Specifically, we found:

Published Plans and Annual Reports

- **Not all ministries are legislatively required to table an annual report and, unlike other provinces, the federal government and Ontario provincial agencies, content requirements are not specified in either legislation or government directives.** Through piecemeal legislation introduced over multiple decades, only 16 of the 24 ministries that we assessed as part of this review were required to table an annual report in the Legislature. In contrast, all but two other provinces (Prince Edward Island and Saskatchewan) have legislation requiring all ministries to publish annual reports. The federal government also requires this through a government directive, issued under legislation. Further, seven provinces and the federal government have mandated content requirements for ministries' annual reports; for example, the requirement to compare actual to planned results is enshrined in either legislation or government directives.

- **No annual reports were published for the 2017/18 fiscal year.** We found no published plans and annual reports were posted in 2018 on the government of Ontario's website (which would include ministries' 2017/18 fiscal year annual reports and strategic plans for the upcoming 2018/19 fiscal year). The Secretariat indicated that the government chose to proceed with only the minimum legislated requirements at the time (tabling the annual reports of 15 ministries), and not publicly post ministry published plans and annual reports that year.

- **Ministry annual reports are not useful for assessing ministry performance.** Overall, we found that ministries' 2021/22 published plans and annual reports:
  - lacked quantifiable performance measures and were mainly narrative descriptions of activities completed in the last fiscal year;
  - where they did contain performance measures, generally measured inputs (such as spending) or outputs (such as the number of sessions held), making it difficult for readers to assess the performance towards intended goals and outcomes;
  - did not compare planned and actual results or provide information on variations in performance;
  - did not compare ministry performance with other jurisdictions or related benchmarks;
  - contained very little discussion or analysis of risks; and
  - did not highlight performance shortfalls.

  For example, the Ministry of Infrastructure outlined its commitments from the budget to increase spending on rural broadband and its goal to connect all Ontarians to reliable broadband by the end of 2025. However, it did not report the actual amount spent on this initiative in the last fiscal year, nor the number of Ontarians with access to reliable broadband, how that number has changed as a result of the increased spending, or the wider impact of increased access. The Ministry also did not outline the risks it faces in achieving its goals, or what steps would be needed to address such risks, and it did not compare its performance with other jurisdictions or benchmarks.

- **Ministry KPIs are rarely publicly reported in annual reports.** Ministries report their KPIs to TB/MBC and are instructed by the Secretariat to include them in published plans and annual reports. However, based on our review, only 29% of all such reports published since 2016/17 included any ministry KPIs. Further, where

KPIs were reported, they were often missing key information such as baselines and targets, making it difficult for MPPs, the public and other stakeholders to assess performance. In contrast, other jurisdictions such as the federal government and Quebec have a public dashboard of ministry KPIs that connect KPIs to ministries' core responsibilities and clearly indicate which targets have been met or not met.

- **The Secretariat does not review annual reports for quality or completeness.** While the Secretariat is responsible for leading and co-ordinating the Estimates Briefing Books process, including developing the instructions for the published plans and annual reports, it does not review annual reports for quality or completeness. The Secretariat informed us that these are ministry products, and it believes its role is only to co-ordinate the tabling of reports on behalf of all ministries. In contrast, the Secretariat equivalent in other provinces (such as Quebec and Newfoundland and Labrador) reviews ministries' annual reports for quality and adherence to guidelines before publication.

- **Annual report instructions were missing important elements of performance reporting.** While the Secretariat's guidance contains many of the elements of performance reporting contained in the Public Sector Account Board's Statement of Recommended Practice, other important elements are either missing or require further clarification to assist ministries. For example, there are no requirements to explain performance shortfalls or risk events, identify lessons learned, or compare results to other jurisdictions or industry benchmarks.

- **Ontario is the only province to publish its next year's strategic plans and its past year's annual reports together**. In Ontario, ministries' annual reports for the last fiscal year are included as an appendix to ministries' strategic plans (plans for the next fiscal year), making comparing performance against past plans difficult or confusing for members of the public. Based on our review of other provinces and the federal government, Ontario is the only province in Canada where the strategic plan (or next year's annual plan) and the prior year's annual report is published as one document.

Key Performance Indicators (KPIs)

- **KPIs were not always focused on improving performance.** A KPI should drive strategic and operational improvements. However, we found that between 9% and 22% of KPIs reported each year for 2019/20 to 2022/23 had targets that were the same as or less ambitious than their baseline.

- **KPIs often did not measure outcomes (the short- and medium-term effects of policy or program implementation).** We reviewed a sample of 2022/23 KPIs, and found that over 61% measured the immediate outputs of a program (such as the number of attendees), which did not comprehensively assess the value, effectiveness or impact of a program.

- **KPIs were not used in business cases or requests for funding.** Only 27 (55%) of the 49 KPIs reviewed were included in the ministry's 2022/23 multi-year plan requests for funding and approvals, even though 43 (88%) of these KPIs were relevant to the requests being made at that time. For example, the Ministry of the Attorney General asked for funding for the Milton and Burlington courthouses, but did not include its KPI related to the condition of the courthouses.

- **KPIs did not reflect critical components of ministries' mandates, expenditures and risks.** Without these components, KPIs do not provide a complete picture of ministry performance. For instance, we found that between 2019/20 and 2021/22, the Ministry of Long-Term Care (formerly part of the Ministry of Health until 2019) did not have any KPIs related to the care provided to long-term care residents, or the outcomes of residents. In its KPIs for 2022/23,

the Ministry added two indicators to measure the average hours of direct care provided to residents, but there were still no KPIs to measure quality of care or resident health outcomes.

- **KPIs changed often and were inconsistent year over year.** In the last four years, the number of KPIs grew from 211 for 2019/20 to 469 for 2022/23. Having a large number of KPIs can make it challenging to assess whether a ministry is achieving its key mandates and priorities. Frequent changes can also make it difficult to see trends in performance over time.

- **Many KPIs were missing information critical for decision-makers.** We reviewed all KPIs reported internally for 2019/20 to 2022/23 and noted that between 20% and 31% of KPIs each year were missing critical information such as baselines and targets, with some of this information missing for years.

- **The Secretariat did not consistently evaluate the completeness of KPIs.** Based on our review of a sample of 49 KPIs, we noted that in many cases the Secretariat did not provide written feedback on missing components. For example, in the 21 KPIs that had missing target information or where the target was less ambitious than the baseline, the Secretariat only recommended changes to the KPI in six cases (29%).

- **KPIs were not consistently integrated with ministry performance measurement frameworks.** In Ontario, ministries are not required to have performance measurement frameworks, which link a ministry's goals, activities, KPIs and other program-performance measures and provide a consistent approach to systematically collect, analyze, use and report on performance.

Program Evaluations

- **Program evaluations are not being used to improve programs.** Program evaluations can provide evidence to inform TB/MBC and deputy ministers of opportunities to transform programs, make them more efficient and improve

outcomes. Based on our review of program evaluation reports, 34% led to a ministry request requiring TB/MBC approval for program or funding changes. However, another 36% recommended internal changes, but often did not detail these changes or provide a timeline of implementation, and the remaining 30% recommended either maintaining the status quo (often without explaining why) or conducting further analysis (often without explaining what type of analysis or a timeline of next steps), or they did not specify if any changes were planned as a result of the program evaluation.

- **Program evaluations were not always consistent with good practices.** We reviewed a sample of 30 program evaluations completed from 2019/20 to 2021/22, and found they were not always conducted in an independent manner (that is, by people who were not involved in the design or delivery of the program). They also often lacked clear and measurable objectives, did not include a mix of data types, sources or evidence, and did not identify and discuss potential limitations of the methodology or data used. In contrast, the federal government and Quebec require that program evaluations be conducted by staff independent of the program under review, and the federal government requires program evaluation staff to have and demonstrate specific qualifications and expertise. In Manitoba, a dedicated program evaluation team is embedded within the Treasury Board Secretariat to carry out independent program evaluations.

- **Ministries did not select program evaluations systematically, and therefore risked missing important programs. The Secretariat's goal of evaluating 250 programs by March 31, 2024, will likely not be met.** The program evaluation process was initiated in 2019 to establish a regular mechanism to assess all government programs. Until fall 2022, the Secretariat required ministries to select three programs, or programs representing 10% of total planned

program expenditures, for evaluation each year. However, there is no process to ensure that: all programs, or even major programs, are assessed in a systematic way; all ministries are meeting the Secretariat's program evaluation coverage requirements; and, ministries are completing program evaluations within the one-year time frame outlined by the Secretariat. To meet the Secretariat's goal for ministries to collectively evaluate 250 programs by March 31, 2024, ministries would need to complete 74 program evaluations per year, more than double the average number completed annually to date. In October 2022, the Secretariat released its instructions to ministries for the 2023/24 annual planning cycle and removed prior requirements for ministries to identify a minimum number of program evaluations (or to evaluate a minimum proportion of their expenditures) each year.

- **The rationale and ultimate purpose of program evaluations is not always clear or communicated.** Ministry staff we spoke with raised concerns about the lack of clarity regarding the Secretariat's expectations for program evaluations, their purpose and value to decision-making, or how they are used once completed. We also noted that in cases where TB/MBC selects a program for evaluation, the rationale for the program evaluation is not communicated to the ministry staff conducting the evaluation.

- **The Secretariat provides limited oversight and assessment of completed program evaluation work.** The Secretariat does not assess program evaluations for overall quality or robustness, but informed our Office it does provide written feedback to ministries on the evaluation's methodology and whether it supports the evaluation's key findings. However, of the 30 program evaluations we reviewed, the Secretariat only provided such feedback in one instance, even though we noted one or more significant methodological issues in 26 of these evaluations, such as not using independent evaluators, not having clear and measurable objectives, and not identifying data or methodology limitations.

This report contains 17 recommendations, with 59 action items, to address our review findings (see **Appendix 1** for the detailed list of recommendations).

Overall Conclusion

Our review concluded that Ontario ministries did not consistently have performance measurement frameworks in place for the timely internal monitoring and reporting of actual performance against stated ministry goals and objectives. Ministries are also not consistently reporting externally to the public on the extent to which they achieved their planned program goals and objectives. As well, the Treasury Board Secretariat (Secretariat) is not providing the necessary oversight and assessment of the quality of ministry key performance indicators (KPIs), program evaluations and annual reports, and it also needs to clarify the roles and responsibilities in the Ontario Public Service (OPS) with respect to performance measurement, program evaluation and performance reporting.

For performance reporting, ministries' annual reports vary drastically in the quality and consistency of performance information included. Many lack quantifiable performance measures and KPIs, don't compare results to plans or explain why results were not as expected, and don't provide the necessary context of ministry results by detailing the impact of risks or by providing comparisons with other jurisdictions or benchmarks. Thorough and timely reporting on performance is important to give all MPPs, the public and other stakeholders the information they need to understand ministries' performance and hold them accountable. Based on our review of other provinces, Ontario is one of the only provinces in Canada (apart from Saskatchewan and Prince Edward Island) that does not have requirements on annual performance reporting enshrined in legislation. Further, the Secretariat does not review annual reports for quality or completeness, missing a valuable opportunity to improve performance reporting.

For performance measurement, we found that the Treasury Board/Management Board of Cabinet (TB/MBC) and the Secretariat did not get complete or consistent information on KPIs, and that these indicators were not always aligned with ministries' priorities or the program outcomes they were intended to measure. This makes it difficult for decision-makers to assess if the ministries are meeting their program goals and objectives.

For program evaluations, we found they were often not useful because they were not conducted in an independent manner, frequently lacked clear and measurable objectives, and did not always include a mix of data types, sources or evidence. As well, the methodology for program evaluations needs to be more rigorous, and final reports on the results of program evaluations need to contain sufficient information to inform TB/MBC, the Secretariat and deputy ministers about what program changes are needed and how these changes should be carried out. Given the varying capacity of ministries in performing robust program evaluations on key programs, the Secretariat needs to provide greater due diligence over the selection, completeness and quality of program evaluations.

Central ministries of government, such as the Treasury Board Secretariat, can play a critical role in leading and advising ministries and government, including on how to conduct important processes, such as performance measurement, program evaluation and annual reporting. Through this function, central ministries are supposed to support the government's decision-making process, financial and risk management, formulation and implementation of government policies and programs, and accountability efforts. Overall, we found that the Secretariat, as a central ministry for the government of Ontario, was not fulfilling its leadership roles and responsibilities in the areas of performance measurement, program evaluation and performance reporting. In contrast, we found that the equivalent central ministries in other provinces, the federal government and international jurisdictions take a more active leadership role in these areas to provide more comprehensive structure, guidance, training and oversight (such as reviewing annual reports for quality and adherence to requirements).

Figure 1 summarizes our assessment of ministries' key performance indicators, program evaluations and annual reports.

OVERALL RESPONSE FROM THE SECRETARIAT

Treasury Board Secretariat (Secretariat) appreciates the Office of the Auditor General of Ontario for their review and recommendations. The Secretariat is working on many of these issues, including some recent progress that has been made to significantly increase the number of key performance indicators that are tracked and reported on. We agree that there is still room for improvement.

There are a number of recommendations that we are committed to implementing as soon as possible, including on issues like improving guidance and providing training for Ontario Public Service staff on best practices related to performance measurement, program evaluation and reporting. There are a number of others that we will examine further, including the possibility of public reporting and the introduction of new rules. At the same time, there are a few areas where the Secretariat will review ways to address the underlying issues to improve evidence-based decision-making and enhance accountability.

2.0 Background

2.1 Key Components of Performance Measurement, Program Evaluation and Performance Reporting

Performance measurement is a method of identifying the results achieved by an entity, project, program or policy, and comparing these results against defined goals or criteria (see **Appendix 2** for a detailed glossary of terms). It can be used as a project management tool to determine whether a project is on track to achieve its goal, or whether timely corrective action is needed, according to the maxim what gets measured, gets managed.

Figure 1: Assessment Summary of Key Performance Indicators, Program Evaluations, and Annual Reports

Prepared by the Office of the Auditor General of Ontario

Legend:

- ● (gold) Meets almost all good practices[1] [scored between 80% and 100%]
- ● (gray) Meets some good practices [scored between 50% and 65%]
- ● (cream) Meets most good practices [scored between 66% and 79%]
- ● (dark) Meets few good practices [scored between 0% and 49%]
- **n/a** No program evaluation or annual report was available to review

Ministry	Ministry Abbreviation	Key Performance Indicators[2]	Program Evaluations[3]	Annual Reports[4]
Agriculture, Food and Rural Affairs	OMAFRA	Some	Some	Few
Attorney General	MAG	Some	Some	Few
Cabinet Office	CO	Some	Some	Few
Children, Community and Social Services	MCCSS	Almost all	Most	Few
Citizenship and Multiculturalism[5]	MCM	Few	n/a	n/a
Colleges and Universities	MCU	Some	Few	Some
Economic Development, Job Creation and Trade	MEDJCT	Some	Few	Some
Education	MEDU	Most	Some	Some
Energy, Northern Development and Mines[6]	MENDM	Some	Almost all	Few
Environment, Conservation and Parks	MECP	Most	Few	Most
Finance	MOF	Most	Some	Few
Francophone Affairs[7]	MFA	Some	n/a	Few
Health	MOH	Most	Few	Some
Indigenous Affairs	IAO	Most	Most	Few
Infrastructure	MOI	Some	Some	Some
Labour, Immigration, Training and Skills Development	MLITSD	Most	Few	Some
Long-Term Care	MLTC	Almost all	Few	Some
Municipal Affairs and Housing	MMAH	Some	Most	Some
Natural Resources and Forestry	MNRF	Most	Most	Most
Public and Business Service Delivery	MPBSD	Most	Most	Most
Seniors and Accessibility	MSA	Most	Almost all	Few
Solicitor General	SOLGEN	Almost all	Most	Some
Tourism, Culture and Sport	MTCS	Some	Few	Few
Transportation	MTO	Most	Few	Most
Treasury Board Secretariat	TBS	Some	Most	Some

1. Refer to **Appendix 8c** for good practices used to evaluate key performance indicators, **Appendix 8b** for good practices used to evaluate program evaluations, and **Appendix 8c** for good practices used to evaluate annual reports.

2. Based on a sample of 49 key performance indicators (KPIs), two selected from each ministry except the Ministry of Citizenship and Multiculturalism, which has only one KPI. This represents 16% of each ministry's total KPIs on average.

3. Based on a sample of 30 program reviews (referred to in this report as program evaluations), with at least one from each ministry that has completed a program evaluation since 2019, representing 37% of each ministry's completed program evaluations on average.

4. Based on ministries' 2021/22 Published Plans and Annual Reports.

5. The Ministry of Citizenship and Multiculturalism was established as a ministry in June 2021. It has only one key performance indicator, had not submitted a program evaluation at the time of our assessment, and did not publicly report a Published Plan and Annual Report in 2021/22.

6. The Ministry of Energy, Northern Development and Mines was split into three independent ministries (Energy; Northern Development; Mines) in June 2022.

7. The Ministry of Francophone Affairs had not submitted a program evaluation at the time of our assessment.

It can also indicate whether a project is achieving its intended objectives. Without performance measurement, the government does not have the evidence-based data it needs to improve its programs and assure taxpayers that they are getting value for their money.

2.1.1 Performance Measures and Frameworks

Figure 2 outlines the four general types of performance measures. Each type can be useful at various stages of project management, decision-making and reporting on performance. For instance, input measures can be useful in tracking the resources that are used on a specific project. Output measures can be useful for ensuring project milestones and timelines are met and the project is being implemented as planned. Outcome (short- and medium-term) and impact (long-term) measures can be valuable in assessing if a project is meeting its goals. Together these measures can be used to assess whether a project is achieving value for money through economy (if the inputs are procured at the right price), efficiency (if the inputs are used to get the most output possible), and effectiveness (if the outputs are leading to the intended outcomes).

A ministry's planning should be directly tied to its performance measurement framework, which is a process used to systematically collect, analyze, use and report on performance. Performance measurement should happen at all levels of an organization, from an individual project to enterprise-wide. In the public service, ministries should be measuring and reporting on the outputs and outcomes of individual programs, but there should also be ministry-level performance measurement frameworks to assess if ministries are delivering on their mandates and strategic direction. A key performance indicator (KPI) (discussed further in **Section 2.2.1**) is a performance measure that helps demonstrate and track progress toward achieving a strategic outcome. It should provide decision-makers with a focus for strategic and operational improvement.

2.1.2 Program Evaluation

While performance measurement is an ongoing process that monitors and reports on a program's progress using pre-selected measures, program evaluation uses measurement and analysis to answer specific questions about how well a program is achieving its outcomes and why. Where performance measurement provides insight into areas of performance that might warrant further attention or corrective actions, program evaluation goes further in assessing why a program is or is not meeting its performance measures. Self-assessment and continuous improvement are important parts of ongoing project management; however, program evaluation offers an opportunity for in-depth examination of a program's performance based on objective data and independent assessment.

Figure 2: Types of Performance Measures

Prepared by the Office of the Auditor General of Ontario

INPUT	OUTPUT	OUTCOME	IMPACT
The financial, human or material resources that go into an intervention.	The products or volume of work resulting from an intervention.	The short-term and medium-term effects of the intervention.	The primary and secondary long-term effects produced by the intervention, either directly or indirectly.
E.g. $10 million was spent on rural broadband.	E.g. 15 communities received updates to broadband infrastructure.	E.g. Improved broadband connectivity and access for 100,000 more residents.	E.g. Local GDP increases by 10% as people are able to access more reliable Internet and e-commerce and e-commuting increases.

2.1.3 Performance Reporting

Performance reporting refers to how performance information is communicated to the public and other stakeholders. In the public sector, timely reporting on performance is important to inform decision-makers, but it also plays a significant role in government accountability. Ministries' expenditures, including transfer payments they administer on behalf of the government, comprise nearly all government annual expenditures. As such, public reporting on government performance demonstrates transparency and provides information to both the Legislature and the public to hold the government to account.

2.2 Performance Measurement and Program Evaluation in the Ontario Public Service

On an annual basis, ministries submit their KPIs and completed program evaluations to the Treasury Board/ Management Board of Cabinet (TB/MBC), a Cabinet committee responsible for making decisions, for example, regarding expenditure allocations, staffing resources, management practices, information technology and capital project approvals, and the creation of new programs or agencies.

The KPIs and completed program evaluations are included as part of ministries' multi-year plans. These plans present the ministry's goals and outline expenditures for up to the next five years for operations and 10 years for capital, while also seeking approval for the next fiscal year's spending. Decisions from this process form part of the Province's budget.

As part of its central ministry role, the Treasury Board Secretariat (Secretariat) leads the multi-year planning process, including developing guidance and reviewing ministries' KPIs and planned and completed program evaluations. According to the Secretariat, it is responsible for "provid[ing] leadership and advisory services that support evidence-based decision making, prudent financial management and transparent public reporting across the public sector in Ontario."

2.2.1 Key Performance Indicators

Since 2015, ministries have been required to identify KPIs to measure and demonstrate progress on ministry or government goals and priorities as part of their multi-year plans. The Secretariat defines a KPI as "a measurable value that helps demonstrate and track progress toward achieving a strategic outcome," and notes that "indicators should be quantifiable (that is, quantitatively expressed) and measurable over time." The Secretariat provides ministries with annual instructions on how to report on their KPIs. **Appendix 3** outlines the key components each KPI is required to include.

As part of reviewing ministries' multi-year plans, the Secretariat reviews ministries' KPIs for completeness, quality, alignment with ministry and government priorities, and relevance to decision-making. Secretariat staff document their assessment of the KPIs in an assessment note that is provided to the ministry and TB/MBC along with the multi-year plan submission. The assessment note is considered the Secretariat's official advice to TB/MBC and is the primary vehicle for the Secretariat to communicate feedback to ministries on their KPIs.

After TB/MBC reviews ministries' multi-year plans, Secretariat staff present a summary of all ministries' KPIs, indicating their respective baselines and which indicators are progressing towards or away from their respective targets. This is included in a document, called a KPI dashboard, that is manually assembled by Secretariat staff based on information submitted by ministries.

Ministries may self-identify KPIs (referred to as ministry-identified KPIs) that are tied to their priorities, and they may also be assigned government-directed KPIs that assess progress towards outcomes that align with the government's strategic priorities and objectives. The Secretariat identifies government-directed KPIs and communicates them to ministries on an annual basis through the multi-year plan instructions.

The number of KPIs varies widely across ministries. The Ministry of the Solicitor General had the most KPIs for 2022/23 (48) while the new Ministry of Citizenship

and Multiculturalism had one. **Figure 3** shows the number of KPIs, broken down by type, at each ministry for 2022/23.

2.2.2 Program Evaluations

In fall 2018, the government announced a new process for ongoing program reviews (referred to in this report as program evaluations) to be included as a component of ministries' multi-year plans. The process was intended to be "a regular mechanism for the government to ensure that all major programs are assessed." The findings from the reviews should "provide an evidence-base for decisions regarding the programs, from opportunities to modernize a program to make it more efficient or effective, to a complete program redesign, where applicable." Starting in 2019, ministries were required to identify candidates for

Figure 3: Number and Source of Key Performance Indicators at Each Ministry, as of the 2022/23[1] Annual Planning Cycle

Prepared by the Office of the Auditor General of Ontario
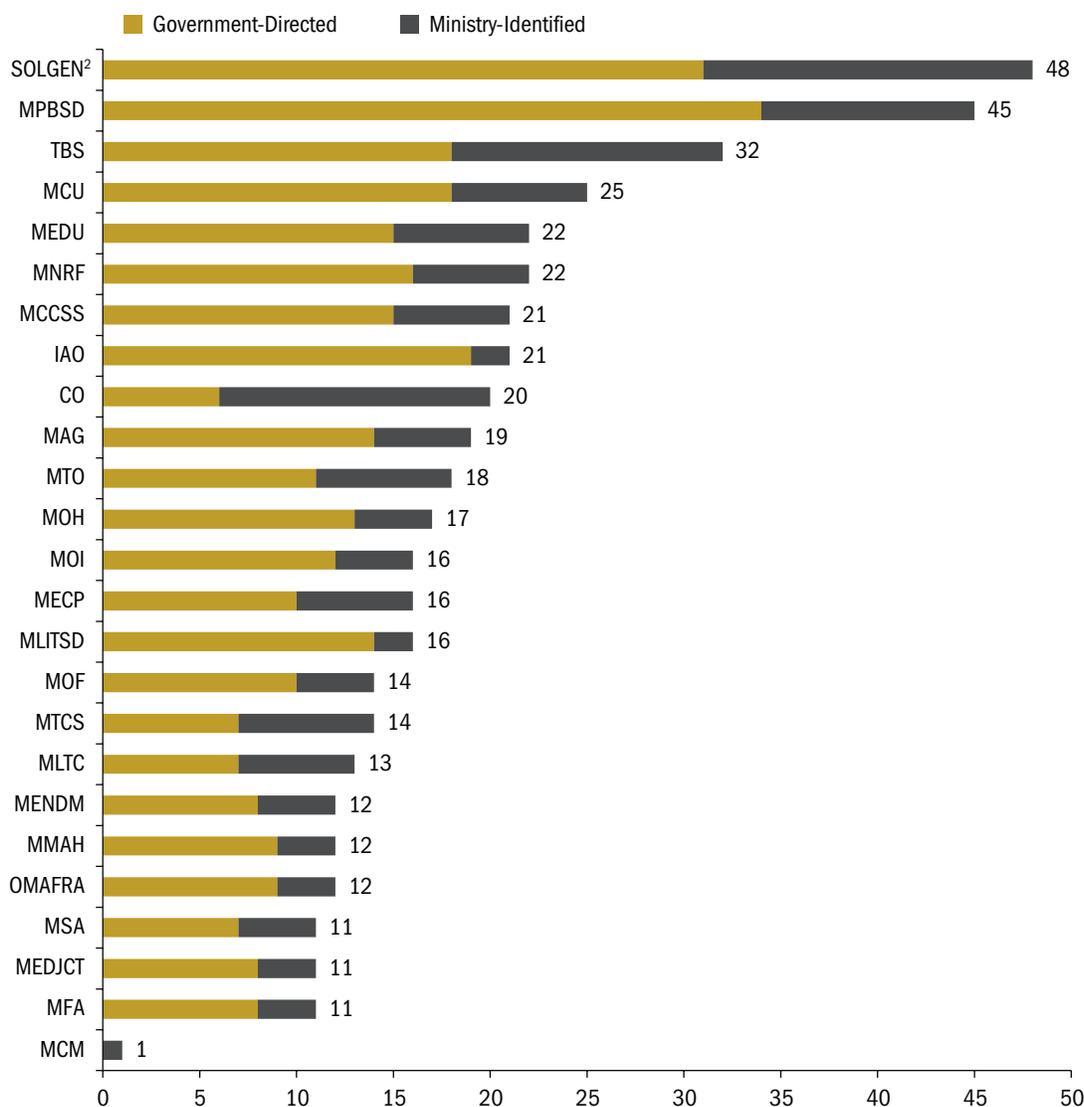
Note: This analysis is based on data submitted by ministries (after approval from Deputy Ministers) as part of their multi-year plans, and is the source of data provided to TB/MBC. The Secretariat has agreed to its use as the basis for this analysis.

1. Eleven KPIs marked as "historical" in the Secretariat's 2022/23 KPI data set were removed from our analysis.

2. See **Figure 1** for full ministry names and their corresponding abbreviations.

program evaluations in their multi-year plans. Instructions for selecting, planning, conducting and reporting on program evaluations are provided annually by the Secretariat. **Appendix 4** summarizes the Secretariat's instructions for the most recently completed planning cycle (2022/23).

Based on information provided by the Secretariat, 172 programs have been identified for program evaluation since spring 2019 (through four years of multi-year plans). Of these, 101 have been completed, 26 remain incomplete from past years and 45 were newly identified in 2021 for the 2022/23 planning cycle. **Figure 4** shows the number of program evaluations proposed and completed by each ministry, along with total program expenditures for their completed program evaluations.

The vast majority (80%) of initiated program evaluations were self-identified by ministries, but evaluations may also be identified centrally by TB/MBC (20% of evaluations were identified by TB/MBC since 2019).

Ministries can choose which programs to evaluate (unless otherwise directed), who will complete the program evaluation (internal ministry staff or external consultants), and the evaluation methods. Of the 101 program evaluations completed since 2019, 15 were completed by external consultants, which cost the Province $6 million.

The programs that have been evaluated from 2019 to 2021 accounted for a total of $27.7 billion in government expenditures during the years that their respective program evaluations were conducted. Of the

Figure 4: Program Evaluations Proposed and Completed by Ministry, 2019/20–2021/22

Source: Treasury Board Secretariat
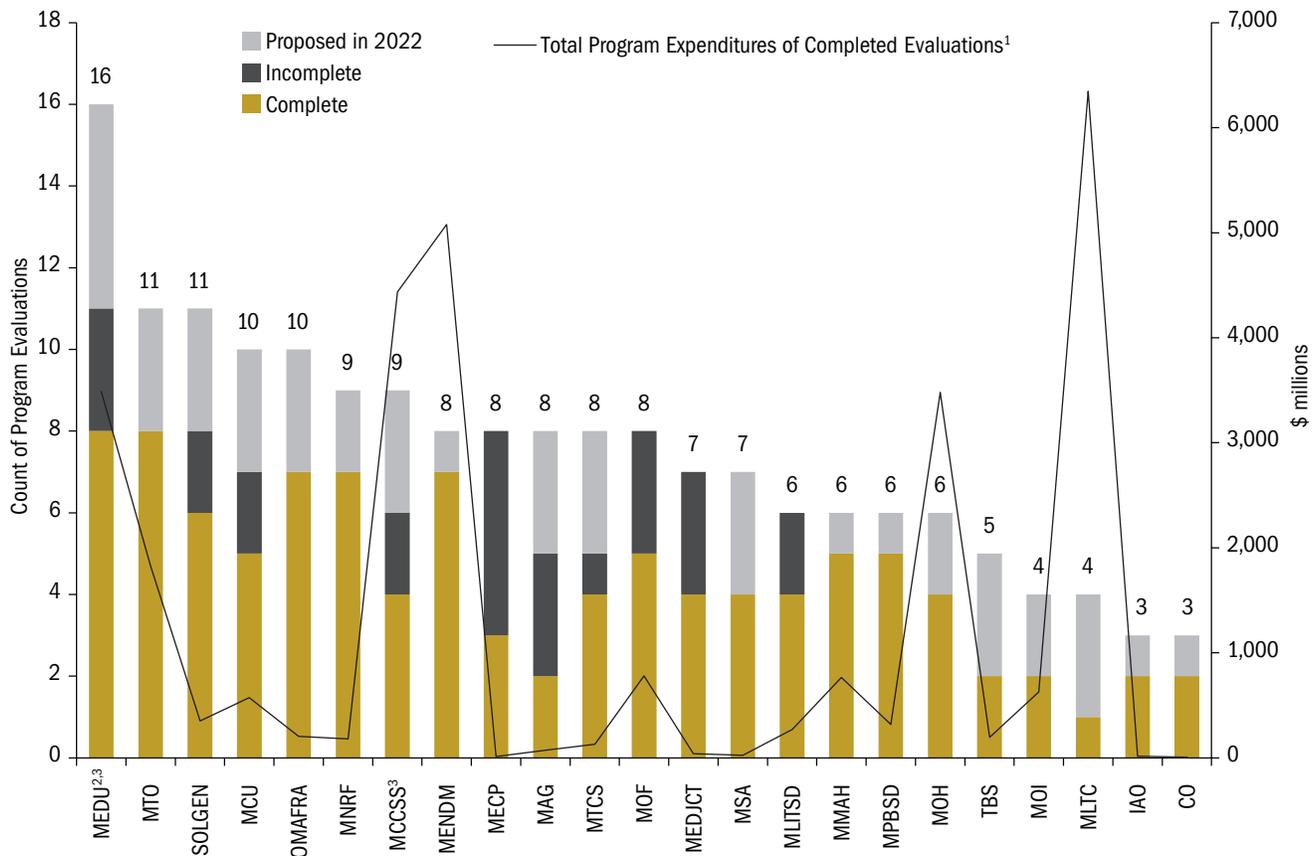
1. The program planned expenditure represents the financial allocation provided by government to a ministry program for the most recent year available when the program evaluation was completed. The total program expenditures of completed evaluations for each ministry was then determined by adding the program planned expenditures for all program evaluations the ministry had completed between 2019/20 and 2021/22.
2. See **Figure 1** for full ministry names and their corresponding abbreviations.
3. The Ministry of Education and the Ministry of Children, Community and Social Services proposed a joint program review of the same program in 2022.

101 program evaluations completed to date, the top three types of program evaluations undertaken were effectiveness (34 or 34% of evaluations); efficiency (27 or 27%); and value-for-money (13 or 13%).

Ministries are required to update the Secretariat on their program evaluations through their multi-year plans, where they must detail their plans for evaluations for the upcoming year, the status of ongoing evaluations, and the results of completed evaluations. For completed evaluations, the Secretariat requires ministries to provide, at minimum, information on the evaluation's methodology, data sources, options for program reform, findings, recommendations and next steps (see **Appendix 4** for the Secretariat's instructions to ministries).

As part of reviewing ministries' multi-year plans, the Secretariat reviews ministries' program evaluations for their completeness. Secretariat staff are directed to document their assessment of program evaluations in an assessment note. The multi-year plan assessment note is the primary vehicle for the Secretariat to provide TB/MBC with the status and results of program evaluations and to communicate feedback to ministries on their program evaluations, much like the feedback it provides on KPIs.

2.3 Public Reporting on Ministry Performance

The foundation of corporate reporting is built on the need to keep shareholders informed about a company, and about the actions of those to whom they have entrusted the responsibility of managing it. With over 60,000 employees and $183 billion in annual expenditures, the government of Ontario can be thought of as the largest company in Ontario, with its shareholders being the taxpayers. In this sense, government has an obligation to report to its shareholders—the taxpayers. Taxpayers, like shareholders and board members, are entitled to fair and transparent information about the risks, opportunities and performance of the company (or government), so that they can understand whether the programs and services provided that they use in their daily lives are worth the taxpayer dollars spent and achieving what was intended.

2.3.1 Published Plans and Annual Reports

Each ministry is instructed by the Secretariat to compile an annual performance report, commonly called an annual report, that should provide Members of Provincial Parliament (MPPs) and the public with information about its activities, and the extent to which it achieved its objectives and goals—and at what cost. The annual report should provide a retrospective look at the fiscal year, including financial and operational information, significant accomplishments and how a ministry met its performance targets. Notably, ministries' expenditures, including transfer payments they administer on behalf of the government, comprise nearly all government expenditures.

Given that ministries exist to carry out public policy objectives set out in applicable legislation and other governing documents, it is by regularly reporting on their activities that ministries can be held accountable for how these public policy objectives are being met and how public funding was used. The annual report can provide the public and Legislature with the information needed to evaluate a ministry's performance, while informing the Legislature and the public of a ministry's strategic direction.

Of Ontario's 24 ministries that we assessed as part of this review, 16 are legislatively required (through their own pieces of legislation enacted at different times between 1970 and 1986) to table an annual report on their affairs in the Legislature. See **Appendix 5** for a listing of these ministries and legislative requirements. However, the Secretariat instructs all ministries to prepare and submit annual reports in support of public reporting best practices.

The Secretariat instructs all ministries to prepare annual reports through their Estimates Briefing Books, which are documents that are given to MPPs to support their review of the government's Expenditure Estimates

in the Legislative Assembly. The Estimates Briefing Books contain the following two parts:

- **Part I**: Published Plans and Annual Reports includes an overview of the ministry's approved strategic plan for the upcoming fiscal year as well as its annual report, a narrative description of the results and outcomes of the provincial programs the ministry delivered in the prior fiscal year.
- **Part II:** Detailed Financials includes detailed financial information consistent with the Expenditure Estimates as well as a description of transfer payment funding and an explanation of year-over-year changes.

The Secretariat is responsible for developing the instructions for the Estimates Briefing Books, including the suggested content for the published plans and annual reports. Each ministry is responsible for completing its Estimates Briefing Book and submitting the final, minister- and deputy minister-approved version to the Secretariat. Ministries also provide Parts I and II to MPPs after the Expenditure Estimates have been tabled in the Legislature.

Once ministries submit their Estimates Briefing Books to the responsible Committee Clerk in the Legislative Assembly, they are de facto public, with copies available in the Legislative Library and also, on request, from the responsible Committee Clerk. The Secretariat publishes Part I: Published Plans and Annual Reports on the Government of Ontario website, but Part II: Detailed Financials is available publicly only upon request.

According to the Secretariat, the published plan and annual report are "publicly available documents that require ministries to convey what has been accomplished in the previous fiscal year as well as what is planned for the current fiscal year, and over the longer term. They are fact-based, primary reference documents that inform the public of ministry commitments, strategic priorities and deliverables." The suggested content requirements for published plans and annual reports are noted in **Appendix 6**.

3.0 Review Objective and Scope

Our review objective was to assess whether the Treasury Board Secretariat (Secretariat), working in partnership with other Ontario ministries, had effective and efficient systems and processes in place to:

- develop and implement performance measurement frameworks for timely monitoring and reporting of performance against stated ministry goals and objectives;
- internally report on ministries' performance to inform decision-making; and
- publicly report ministries' performance, including the extent to which they achieved their intended goals and objectives.

In planning our work, we identified the review criteria (see **Appendix 7**) we would use to address our review objective. These criteria were established based on a review of applicable legislation, policies and procedures, internal and external studies, and good practices. Senior management reviewed and agreed with the suitability of our objectives and associated criteria.

We conducted our review between February 16, 2022, and October 7, 2022. We obtained written representation from Ministry management that, effective November 29, 2022, they had provided us with all the information they were aware of that could significantly affect the findings or the conclusion of this report.

As part of this review, we:

- reviewed policies, procedures and guidance provided by the Secretariat regarding multi-year plans, key performance indicators, program evaluations and Estimates Briefing Books;
- met with Secretariat staff to understand the process to develop instructions for key performance indicators (KPIs), program evaluations and Estimates Briefing Books, and understand the process to review KPIs and program evaluations;
- met with ministry staff from 49 branches within 16 ministries to understand the processes for KPI

development, program evaluation and Estimates Briefing Books;

- reviewed KPI inventories for 2019/20 to 2022/23 to assess the completeness and consistency of KPIs;
- reviewed all published plans and annual reports since 2016 to assess the inclusion of performance measures and KPIs in annual reports;
- met with representatives from the Treasury Board of Canada Secretariat, His Majesty's (HM) Treasury (United Kingdom), the government of Nova Scotia and the government of Quebec to learn about their processes in performance measurement, program evaluation and performance reporting;
- conducted a survey of all Canadian provinces, the Canadian federal government, the government of the United Kingdom, and the government of Australia; and
- reviewed 2021/22 published plans and annual reports (most recent available), a sample of KPIs and completed program evaluations.

While ministries may measure and report on performance internally and externally in a variety of ways, our review examined the Ontario government's central processes in performance measurement, program evaluation and internal and public performance reporting. This involved reviewing how ministries identify, select and report on their key performance indicators; how they select government programs to evaluate, and the process and criteria they use to evaluate them; and how they publicly report on performance through annual reports (referred to as published plans and annual reports).

Key Performance Indicators

In order to assess the completeness and consistency of KPIs, we analyzed the complete sets of KPIs shared with TB/MBC since 2018. While KPIs were first reported to TB/MBC in 2015, we focused our analysis on 2019/20 onwards, as there was a change in government in 2018 that included a reorganization of ministries, functions, priorities and goals. It is therefore assumed that changes in KPIs would be likely with a newly elected government.

In order to assess the quality of ministry-level KPIs, we assessed a sample of 49 KPIs from the most recent multi-year planning cycle for 2022/23 (representing on average 16% of each ministry's total KPIs). To provide a cross-section of KPIs, we selected one government-directed and one ministry-identified KPI for each ministry. In one case, only one KPI was available for the newly created Ministry of Citizenship and Multiculturalism (established in June 2021).

To guide our assessment of the quality of KPIs, we developed a set of criteria (see **Appendix 8a**) based on the Secretariat's requirements for ministries as well as good practices for performance measurement in other jurisdictions. Through this review, we identified the following five good practices that a KPI should follow:

1. **Completeness:** KPI should be accompanied by adequate information to allow for ongoing performance measurement and decision-making. The baseline and target values and dates should be appropriate and justified.
2. **Validity:** KPI should be logically and factually sound, and should measure what is intended to be measured.
3. **Reliability:** KPI should be accurate and come from trusted and unbiased sources.
4. **Strategic Alignment:** KPI should be aligned with the organization's goals and activities.
5. **Usefulness in decision-making:** KPI should be meaningful and useful to end-users. It should provide practical information that can be used to manage and improve future performance.

Program evaluations

As part of our review, we assessed a sample of 30 completed program evaluations from 2019 to 2021 and their accompanying assessment notes (representing on average 37% of each ministry's completed program evaluations). We selected this sample to be representative of all ministries and include a cross-section of significant programs and decisions, evaluation types (effectiveness, efficiency, implementation, sustainability, relevance, and value-for-money), and evaluation sources (ministry-identified, government-directed). The program evaluations contained in our sample represent $22.9 billion in total program expenditures,

or 83% of the total program expenditures of all program evaluations completed by ministries from 2019 to 2021.

To guide our assessment of the quality of program evaluations, we developed a set of criteria (**Appendix 8b**) based on good practices in program evaluation in other jurisdictions, and on the Secretariat's instructions and stated purpose for program evaluations. Based on this review, we identified the following four good practices that a program evaluation should follow:

1. **Relevance:** The program evaluation is useful and relevant to the ministry or government and related to their core deliverables or priorities, and supports the overall goals of program evaluation.
2. **Credibility:** The program evaluation was conducted by independent evaluators, and involved or otherwise incorporated objective evaluation methodology.
3. **Robustness:** The program evaluation relies on appropriate methodology and resources that are sufficient to meet its objectives and withstand reasonable scrutiny.
4. **Proportionality:** The program evaluation's methodology is appropriately tailored to the program attributes and sufficient to obtain a reasonable level of confidence in its findings and recommendations.

Published Plans and Annual Reports

As part of our review, we assessed the most recent ministry published plans and annual reports (2021/22) available at the time of our audit work (which excluded the Premier's Office and Office of the Lieutenant Governor). To guide our assessment of the quality of the annual reports, we developed a set of criteria (**Appendix 8c**) based on good practices in public performance reporting and existing government directives. While we assessed the documents for the quality of the performance reporting, we considered content from both the published plan (plans for the next fiscal year) and the annual report (performance from the last fiscal year) because these reports are published together as one document.

In addition to Secretariat guidance, there are a number of sources that can help ministries determine what to include in their annual reports. The Public Sector Accounting Board has issued a Statement of Recommended Practice (SORP) with respect to matters of reporting supplementary information beyond that presented in the financial statements. SORP is not part of the CPA Canada Public Sector Accounting Handbook, but does provide general guidance to organizations that include supplementary information in their annual reports. SORP represents reporting practices that are encouraged, but not mandatory. Instead, SORP provides preparers of such information with a common framework for developing a consistent approach to reporting supplementary information. Therefore, these practices can guide all entities when preparing their annual reports.

For provincial agencies and broader public sector organizations, the TB/MBC issues directives that specify annual reporting requirements. The Agencies and Appointments Directive (most recently updated May 19, 2020) and the Broader Public Sector Business Documents Directive (most recently updated February 11, 2022) establish the annual report content requirements for provincial agencies and broader public sector organizations, respectively. Given these directives are for entities that report into the ministries, one can expect that they also represent useful practices and expectations for ministries' public performance reporting. The good practices outlined in **Appendix 8c** are based on the Secretariat's guidance, as well as SORP and other government guidance on performance reporting.

We conducted our work and reported on the results of our review in accordance with Canadian Standards on Assurance Engagements (CSAE) 3001—Direct Engagements issued by the Auditing and Assurance Standards Board of the Chartered Professional Accountants of Canada. The Office of the Auditor General of Ontario applies the Canadian Standards of Quality Control and, as a result, maintains a comprehensive quality control system that includes documented policies and procedures with respect to compliance with rules of professional conduct, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

4.0 Public Reporting on Ministry Performance

4.1 Limited Oversight and Requirements for Ministries' Annual Reports

4.1.1 Limited Requirements to Report on Performance

As indicated in **Section 2.3.1**, only 16 ministries have a legislative requirement to table an annual report in the Legislature, and the legislation does not set out the key components or content requirements for the annual reports (see **Appendix 5** for a list of these ministries' legislative requirements). In fact, based on our review of other provinces, Ontario is one of the only provinces in Canada (apart from Saskatchewan and Prince Edward Island) that does not have requirements on annual performance reporting enshrined in legislation. Moreover, the Canadian federal government, the United Kingdom and Australia also have annual reporting requirements outlined in legislation or government directives (see **Appendix 9**). However, in Ontario, the Secretariat provides only suggested reporting guidelines for the content of ministries' annual reports.

TB/MBC has statutory authority under existing legislation, such as the *Financial Administration Act*, *Management Board of Cabinet Act* and Broader Public Sector Accountability Act, which enables it to establish directives prescribing annual reporting requirements. TB/MBC has previously exercised this authority by issuing directives to mandate specific content and reporting requirements for the annual reports of provincial agencies (through the Agencies and Appointments Directive issued under the Management Board of Cabinet Act) and broader public sector organizations

(through the Business Documents Directive issued under the *Broader Public Sector Accountability Act*).

Through these directives, annual performance reporting for provincial agencies and broader public sector organizations are more detailed than the Secretariat's guidance for ministry annual reports. For instance, the Agencies and Appointments Directive requires board-governed agencies to include an analysis of risks that have affected results and provide a mitigation strategy. As a result, provincial agencies, such as Metrolinx, provide a more comprehensive discussion of risks than what we reviewed in ministries' annual reports. In its most recent annual report, Metrolinx described its enterprise risk management program in detail by outlining its key risks (financial, operational, project, safety, strategic) and what actions it took to mitigate those risks. The Agencies and Appointments Directive also requires that an environmental scan is included to compare an agency's performance with other jurisdictions or other industry-related benchmarks. As such, unlike most ministries, Metrolinx includes jurisdictional and industry-related benchmarks in its annual report, which enables users to compare Metrolinx's performance with similar entities.

4.1.2 Instructions for Performance Reporting Are Missing Important Elements

While the Secretariat's guidance for reporting ministry performance (**Appendix 6**) contains many elements from the Public Sector Account Board's Statement of Recommended Practice, other important elements are either missing or require further clarification to assist ministries.

For instance, the Secretariat's instructions for published plans and annual reports do not require ministries to explain performance shortfalls, or identify risk events that affected performance. Further, they do not require ministries to identify lessons learned or next steps to address the issues and risks identified, or to compare their performance with other jurisdictions or industry benchmarks. Further, when sharing our assessments with ministries, a number of them told us that they found the Secretariat's instructions to be limited or vague, and that they would appreciate

additional guidance—on, for example, how to explain significant variations or shortfalls in performance.

4.1.3 No Ministry Annual Reports Were Published for the 2017/18 Fiscal Year

Based on the Secretariat's website, no published plans and annual reports were posted in 2018 (which would include ministries' annual reports for the 2017/18 fiscal year and strategic plans for the upcoming 2018/19 fiscal year). We inquired with the Secretariat about this discrepancy, who told us that the government chose to fulfill only the minimum legislated requirements at the time to table the annual reports of 15 ministries (see **Appendix 5**), and not publicly post any published plans and annual reports that year.

4.1.4 Secretariat Does Not Review Annual Reports for Quality

While the Secretariat is responsible for leading and co-ordinating the Estimates Briefing Books process, including developing the instructions for the published plans and annual reports, it does not review annual reports for quality or completeness. As a result, there are wide variations in quality and consistency across annual reports (see **Figure 1** for our assessment summary for annual reports). As discussed in **Section 4.2**, we have identified a number of areas that do not comply with either the Secretariat's guidance or good practices in performance reporting, and most ministries do not comply with the Secretariat's instructions to include key performance indicators.

During our review, the Secretariat informed our Office that annual reports are considered ministry products, and according to Standing Order #68 of the Legislative Assembly of Ontario, each minister is separately accountable to the Legislature for the content of their published plans and annual reports. As such, it believes its role is only to co-ordinate the tabling of expenditure estimates and published plans and annual reports on behalf of all ministries.

In contrast, the Treasury Board Secretariat equivalent in other provinces and at the federal level in Canada take an active role in reviewing annual reports

for both quality and completeness. For example, Newfoundland's Treasury Board Secretariat requires ministries to submit their annual reports one to two months prior to tabling for a "central review", so that it can review the reports to ensure they contain the necessary content requirements. Similarly, internal audit within the Treasury Board Secretariat of Quebec (referred to as the Secrétariat du Conseil du Trésor) conducts reviews to ensure the quality of annual reports. The federal government's central ministry, Treasury Board of Canada Secretariat, also reviews annual reports for compliance with content requirements.

4.2 Ministries' Annual Reports Missing Information Important for Understanding Performance

4.2.1 Published Plans and Annual Reports Not Useful for Assessing Annual or Long-term Ministry Performance

Based on our review of 24 ministries' published plans and annual reports for 2020/21 (the latest year available at the time of our review), we found that:

- **The annual reports lacked quantifiable performance measures and were mainly narrative descriptions of ministry activities.** Twenty or 83% of ministries did not consistently use performance measures to provide quantifiable information on critical aspects of results from the prior fiscal year. Instead, the annual reports often contained only a narrative description of activities undertaken and how much money was spent or planned to be spent. For example, the Ministry of Infrastructure outlined its commitments from the budget to increase spending on rural broadband and its goal to connect all Ontarians to reliable broadband by the end of 2025; however, it did not report the actual amount spent on this initiative in the last fiscal year, nor the number of Ontarians with access to reliable broadband or how that number has changed as a result of the increased spending. Further, it did not include

performance measures that would illustrate the outcomes or impacts of the increased spending. In another case, the Ministry of Education's annual report was simply a collection of government news releases with a brief description of each announcement and links to the individual releases.

- **Where annual reports contained performance measures, they generally measured inputs or outputs instead of outcomes or impacts.** Of the annual reports we reviewed, 17 ministries provided at least one outcome or impact performance measure. However, in 16 of the 17 reports, the vast majority (80%) of measures were related to inputs or outputs and did not provide users with information on critical aspects of results. As illustrated in **Figure 2,** outcome and impact measures can be valuable in communicating intended goals and assessing progress toward achieving them. For example, the Ministry of Children, Community and Social Services reported that approximately 259,000 social assistance recipients and families received an Emergency Benefit, a temporary monthly benefit to assist Ontario Works and Ontario Disability Support Payment clients with costs related to the COVID-19 pandemic. It also reported that $40 million was provided to support community-based residential service providers. However, in both instances, the report did not include any performance measures to outline the outcomes or impacts of these investments.

- **Annual reports often did not compare planned and actual results, or provide information on variations in performance.** With the exception of including prior years' financial expenditures, 20 ministry reports lacked trend information or did not discuss planned versus actual results. Of the annual reports we reviewed, only the Ministry of Transportation's provided information on variations in performance, and it did not consistently explain the variances or any planned actions to minimize

the variances in the future. For instance, the Ministry of Transportation reported the on-time performance of Metrolinx had dropped from 97.8% in the 2012/13 baseline to 94.9% in 2019/20, but it did not explain what led to the variance or what actions it was taking to address the decline. In contrast, Metrolinx, in its own annual report (required through the Agency and Appointments Directive), provided actions to address the root cause of these delays.

- **Annual reports did not sufficiently compare ministry performance with other jurisdictions or related benchmarks.** Such comparisons with other similar organizations or industry benchmarks can help readers draw conclusions about how Ontario compares to other jurisdictions, and identify areas for improvement.

- **Annual reports contained very little discussion or analysis of risks.** Only four ministries (Environment, Conservation and Parks, Long-Term Care, Municipal Affairs and Housing, and Natural Resources and Forestry) adequately described risks and performance challenges in their annual reports. A discussion of risk should focus on all risks that have a significant impact on performance, and would help clarify why certain results proved more difficult to achieve than expected, and what the plan is to manage those risks. For example, in its annual report, the Ministry of Long-Term Care acknowledged the risk of staffing shortages in Ontario's long-term care homes, and referenced a plan to address these shortages. Most importantly, the Ministry indicated what fiscal resources were required to implement the plan, and what results were expected to be achieved.

- **Annual reports did not highlight performance shortfalls and their causes (other than COVID-19).** With the exception of referencing the impact of COVID-19, only three ministries (Environment, Conservation and Parks, Natural Resources and Forestry, and Solicitor General) highlighted performance shortfalls. Performance information is not fairly presented when

it emphasizes successes in an unbalanced way and minimizes discussion of matters that did not unfold as planned. For example, one ministry's annual report cited that 1,796 jobs were created by ministry-funded projects. However, based on the internal KPI information, this was lower than both the baseline (2,300 jobs in 2018/19) and the ministry's own target (3,000 by 2020/21). By omitting this information publicly, the ministry did not give readers the proper context required to assess its true performance. In contrast, the Ministry of Natural Resources and Forestry fairly highlighted performance shortfalls. The Ministry candidly acknowledged that it had not met its KPI target measuring the annual percentage increase in Ontario's forest industry exports (the report cited a 4% decrease in 2019-20 compared to the target of a 2% increase for 2019-20).

Our detailed assessment of ministries' 2021/22 published plans and annual reports can be found in **Appendix 8c.**

4.2.2 Ministry Key Performance Indicators Were Rarely Publicly Reported

While ministries have reported their KPIs internally to TB/MBC since 2015 (for the 2016/17 year), and were instructed to include them in their Estimates Briefing Books initially in 2013/14 (for the 2012/13 reporting year), they rarely report them publicly. In the Secretariat's instructions for the 2016/17 published plans and annual reports, ministries were instructed to include "well established KPIs" to "convey how those programs are contributing to the achievement of identified priorities and ministry goals." However, we reviewed the publicly available published plans and annual reports since 2016/17, and found that only 29% included at least some KPIs. Further, where KPIs were included in the published plan and annual report, they were often missing key information such as baselines and targets, making it difficult for readers to assess performance.

Similarly, in the most recent published plans and annual reports (2021/22), only eight of 24 ministries reported any KPIs, ranging from one to 15 KPIs, but

only four of these ministries (Environment, Conservation and Parks; Public and Business Service Delivery; Transportation; and Natural Resources and Forestry) reported complete KPIs, including a baseline, target and current results.

As part of new outreach sessions it initiated in the summer of 2022, the Secretariat met with 14 ministries to discuss (among other things) whether they had KPIs that could be used in public reporting.

In contrast, Quebec shares performance data publicly and centrally for both departments (the equivalent of provincial ministries) and government agencies. For each department, Quebec publishes a performance dashboard that includes an overview of KPIs, key figures (such as number of department staff and total expenditures), compliance with procurement legislation, an environmental sustainability plan, detailed financial information, and an organizational chart of senior leadership. The dashboard links to a listing of department-level KPIs, their results from the prior year, the target for the current year, and whether the target was reached or not. The overall achievement of strategic plan targets across KPIs for a ministry is reported year over year. Further details on the indicators are included in the annual report, which includes the relevant objective, context about the objective, the targets for the prior, current and two future fiscal years, and the actual performance of the measure from the current and prior year.

Similarly, the Treasury Board of Canada Secretariat publishes performance data publicly for its departments. Similar to Quebec, the interactive performance dashboard includes an overview of KPIs, indicating which targets have been met or not met for select departmental KPIs. The KPIs are also connected to each department's core responsibilities and programs, allowing users to see what each KPI is related to. The dashboard also includes key figures (such as number of department staff and total expenditures) and detailed financial information.

4.3 Information on Ministry Performance Difficult for Public to Find

4.3.1 Estimates Briefing Books Available to Public Upon Request Only

The published plans and annual reports form Part I of the Estimates Briefing Books for each ministry. Part II includes detailed financial information for the upcoming year, along with more detailed descriptions of programs and results achieved (see **Section 2.3.1**). However, the Secretariat only publicly posted Part I for each ministry to the province's website. To access Part II, members of the public would need to contact the responsible Committee Clerk in the Legislative Assembly to request a copy. However, there was no information about the Estimates Briefing Books on either the provincial government's or Legislative Assembly's website, and only limited information about the estimates processes, so it is unlikely that members of the public are aware such documents exist or know how to obtain them.

4.3.2 Information on Ministry Performance Not Easily Accessible on Ministries' Websites

While the Secretariat posts all ministries' published plans and annual reports on a single government webpage, they are not located on or linked to ministries' individual webpages, alongside other important ministry information such as their programs and services offered to the public. This makes it more difficult for members of the public to find the annual reports if they are navigating ministry webpages.

In contrast, the government has detailed requirements for how entities outside of ministries, such as broader public sector and provincial agencies, should share key governance and operational information, including their annual reports. For example, each broader public sector organization and agency is required by legislation to include specific information when preparing its strategic plan and other business and financial documents (including an annual report).

The Broader Public Sector Business Documents Directive, issued by TB/MBC under the Broader Public Sector Accountability Act, goes even further and requires broader public sector organizations to publish all of these documents together on the same webpage on the organization's website, and provide links to supporting information.

In addition, in Ontario, a ministry's published plan for the upcoming year and annual report for the prior year are published as one document, although they have two distinct functions. The published plan (the first part of the document) focuses on the upcoming fiscal year and contains a ministry's strategic plan, and provides supplemental information on the expenditure estimates that are presented to the Legislature. The annual report is included as an appendix and shows a ministry's performance and key activities from the previous fiscal year. However, to compare a ministry's performance against planned activities for the same year, a user would have to read the annual report for that year in conjunction with the prior year's published plan—two separate documents. Further, we found that this was not explained in the annual reports, leaving readers with little detail on how to connect ministries' plans to actual results. Based on our review of other provinces and the federal government, only Ontario publishes the strategic plan and annual report as one document (see **Appendix 9**).

Other jurisdictions require much more comprehensive reporting when it comes to linking high-level ministry goals to a ministry's current progress in achieving these goals. For example, Newfoundland legislatively requires that as part of their annual reports, a ministry "shall compare actual results for the applicable fiscal year of its strategic plan or business plan with the projected results of that plan for the fiscal year", and where an annual report includes "a variance between the actual and projected results of the [ministry] for the applicable fiscal year of the [ministry's plan], the report shall provide an explanation of the variance."

We made four recommendations consisting of 11 action items to address our review findings related to annual performance reporting (see **Appendix 1**).

5.0 Ministry Performance Measurement

5.1 Key Performance Indicators Not Always Focused on Strategic and Operational Improvements

Key performance indicators (KPIs) should be the critical indicators that measure progress towards an intended result or outcome. They should provide decision-makers with a focus for strategic and operational improvement. Based on our review of the ministries' KPIs, we found that the Treasury Board/Management Board of Cabinet (TB/MBC) may not be receiving the most useful indicators to make decisions about the programs and services Ontarians rely on.

5.1.1 Key Performance Indicator Targets Not Always Focused on Improving Performance

In order for KPIs to be relevant, they should measure something that matters and drives performance improvement. Secretariat guidance states that KPIs must have ambitious stretch targets that will be met over time; and where ministries meet their targets, they are strongly encouraged to identify a new target to demonstrate progress. In our review of ministries' KPIs for 2019/20 to 2022/23, we found that each year, between 9% and 22% of targets were the same or less ambitious than baselines (**Figure 5**). In particular, 6% to 11% of all KPIs each year from 2019/20 to 2022/23 had targets that were less ambitious than the baselines. For example:

A KPI at one ministry measured the percentage of Freedom of Information Requests that met legislated deadlines and had a baseline of 100%. However, the target was set at 90%. The ministry did not provide a rationale for why the target value was set 10% lower. If a 100% response rate was possible, had recently been achieved, and is required by legislation, it was unclear why the target was set 10% lower.

Another ministry's KPI focused on reducing violence, but the target set was above the baseline, even though its goal was to reduce violent incidents. The Secretariat did not encourage the ministry to identify a more ambitious target as part of its assessment note.

Figure 5: Key Performance Indicators with the Same or Less Ambitious Target[1], 2019/20–2022/23

Source: Treasury Board Secretariat

Planning Year[2] (Date Submitted)	Total KPIs	Less Ambitious Target		No Change from Baseline		More Ambitious Target		Missing Baseline and/or Target[3]	
		#	%	#	%	#	%	#	%
2019/20 (Spring 2019)	**211**	12	6	7	3	126	60	66	31
2020/21 (Fall 2019)	**352**	33	9	23	7	215	61	81	23
2021/22 (Fall 2020)	**468**	42	9	51	11	251	54	124	26
2022/23[4] (Fall 2021)	**469**	52	11	49	11	273	58	95	20

Note: This analysis is based on data submitted by ministries (after approval from Deputy Ministers) as part of their multi-year plans, and is the source of data provided to TB/MBC. The Secretariat has agreed to its use as the basis for this analysis.

1. Target ambition refers to the relationship between a KPI's baseline, target and its intended outcome. If a KPI's target shows progress towards an intended outcome compared to the baseline, then it is an ambitious target. If the target demonstrates a decline from the intended outcome compared to the baseline, then it is a less ambitious target.
2. Typically, ministries submit their multi-year plans (ministries' annual business planning documents) containing their KPIs in the fall prior to the start of the next fiscal year.
3. A KPI may be missing both a baseline and a target.
4. Eleven KPIs marked as "historical" in the Secretariat's 2022/23 KPI data set were removed from our analysis.

In 82% of the cases where targets were less ambitious or the same as the baseline, no rationale for the target was provided. Based on the rationales for targets that were included, ministries noted that a target may be less ambitious than baseline because of the impacts of COVID-19, or because the program was under redevelopment or funding had changed, the KPI or target was dependant on external factors, or there were issues collecting data.

We also identified one instance where the KPI reported to TB/MBC was misleading and not focused on improvements. We found that the Ministry of Health reported a 100% baseline and 100% target for the following government-selected KPI: "Completion of Emergency Management Program legislative requirements". The indicator was intended to measure if a ministry is complying with all requirements under the *Emergency Management and Civil Protection Act*. The Ministry of Health informed our Office that it reports on its performance for this key performance indicator through a self-assessment and attestation of its review of its emergency response plans. Our 2020 Emergency Management in Ontario follow-up report found that the Ministry of Health reported in its 2019 compliance checklist that it had met the requirement in the *Emergency Management and Civil Protection Act* to annually review its emergency response plans and update them if needed. However, its two plans related to COVID-19 (Health Response Plan and Health Pandemic Plan) had not been updated since 2013 and many of the roles, responsibilities and practices outlined in the plans, and the assignment of these roles to different actors, were outdated. According to the Ministry, it determined no updates to the plans were necessary, so it had met its requirements under the act to "review and if necessary, revise" the plans.

5.1.2 Key Performance Indicators Often Did Not Measure Outcomes

Generally, KPIs should measure the outcomes (short- or medium-term effects) that result from the output attributable to a ministry intervention. For example, the government could provide funding to create an ad campaign (output) to raise awareness of risky driving laws in Ontario (short-term outcome) and reduce risky driving behaviours (medium-term outcome).

According to Ontario's Guide to Outcomes-based Performance Measurement, an outcome should articulate the expected impact of a government intervention. A short-term outcome demonstrates a change in the target group that is directly associated with the output of a program (for example, increased awareness of risky driving laws among drivers). A medium-term outcome demonstrates a change in the target group that is attributable to the output and is logically expected to occur after one or more short-term outcomes have been achieved (for example, reduction in risky driving behaviours among drivers). A long-term or ultimate outcome demonstrates a change in the target group that cannot be directly attributed to the program because it is often a large-scale change to society, the economy, or the environment (for example, increased road safety in the province). Ministry-level KPIs should provide progress updates to decision-makers on how ministries aim to achieve these ultimate outcomes through the identification of short-term and medium-term outcomes.

Performance measures that assess the resources used (inputs), or actions, services or products the ministry delivers (outputs) are helpful in certain situations, but do not answer the question of effectiveness. Out of our sample of 49 KPIs from 2022/23, 30 KPIs (61%) were outputs (refer to **Figure 2** for definitions).

Only 15 indicators (31%) were outcome measures. Outcome measures (including short- and medium-term) are better measures of effectiveness than output measures because they better demonstrate the impact of government programs or services, which can be more useful for decision-makers. In contrast, the Secrétariat du Conseil du Trésor (Quebec's equivalent to the Secretariat) mandates that a minimum of 75% of indicators that are publicly reported by ministries should be "results' indicators"—that is, outcome indicators.

In our sample, four indicators (8%) were impact measures (the long-term effects produced by the intervention, either directly or indirectly). While these measures can provide interesting context about the

sector, they are also generally not solely attributable to the work of the ministry.

For example, one KPI in our sample assessed the rate of re-contact for those who serve sentences in provincial jail (that is, recidivism). While the ministry can offer programs and services to those who have recently served sentences, such as job re-training and housing supports, recidivism is also greatly influenced by factors such as poverty, negative peer associations, mental health concerns, and substance abuse. A better outcome measure could assess the effectiveness of ministry-run programs (for example, the number of formerly incarcerated individuals who participated in a job re-training program and were employed within six months of completing the program).

While sharing high-level information about a sector is important to give decision-makers at TB/MBC context about the environment in which the ministry is operating, KPIs should demonstrate the impact of government decision-making, programs and policies. Instead of sharing this kind of information in the form of KPIs, Quebec shares information in its public reporting dashboards on both KPIs and "key figures." For example, a Quebec Environment Ministry KPI is the percentage of establishments participating in the provincial greenhouse gas emission cap-and-trade system that have reduced their emissions. This measures the effect of a government program (cap and trade) on an ultimate outcome (reducing greenhouse gas emissions). As a part of its "key figures" reporting, the ministry provides the total reduction in greenhouse gas emissions across the province (impact). While emission reductions are partially attributable to government programs such as cap and trade, emissions are also greatly affected by entities and factors outside the control of the ministry and government, including private businesses, households and individuals. By separating the reporting of KPIs from key figures, decision-makers and the public are receiving important information on results attributable to government as well as progress toward an ultimate outcome—reducing greenhouse gas emissions.

As part of the Secretariat's instructions, Ontario ministries are asked to include an outcome statement.

The outcome statement should describe the desired outcome or change resulting from government action. Along with the expected results, it should also include the activities to be undertaken to achieve the results, the target population impacted by the outcome, and a timeline. Of the 49 KPIs we reviewed, we found that more than half of them had very general or at times vague outcome statements. This may have been a contributing factor in selecting KPIs that did not clearly measure the outcome of government action.

In many instances, we found that the selected KPI did not measure the intended outcome. For example, one ministry established an outcome to end systemic racism in the Ontario Public Service, but selected the following KPI to measure this: the number of organizations using baseline race-based data to identify systemic racism.

5.1.3 Critical Components of Ministry Mandates and Risks Were Not Reflected in Ministry Key Performance Indicators

Based on our review of all KPIs reported internally for 2019/20 to 2022/23, we found that they did not always provide a complete picture of ministry performance and may not reflect critical components of the ministry's mandates or risks. Ministry- and government-wide goals, mandates, priorities and risks should be tied to ministry-level KPIs, in order to track progress towards achieving goals and priorities, and mitigate risk. However, we found that KPIs, strategic plans and risk assessments were not aligned.

For example, we found that between 2019/20 and 2021/22, the Ministry of Long-Term Care (part of the Ministry of Health until 2019) did not have any indicators relating to the care provided to long-term care residents, despite reporting on KPIs since 2016. One of the ministry's key priorities since its establishment is to improve the quality of care and quality of life for residents in long-term care. While there were indicators relating to number of new beds, placement wait times, and red-tape reduction, we found a lack of patient indicators such as average hours of care per day, average number of residents to a room, or other

quality and resident safety indicators. These could have yielded critical information for decision-makers, especially in the context of COVID-19. In its 2022/23 KPIs, the Ministry of Long-term Care added two indicators on average hours of direct care. In November 2020, the Province committed to increasing direct care for long-term-care residents to an average of four hours per day by 2024/25. Our 2021 report on Pandemic Readiness and Response in Long-Term Care found that the 2018 average was 2.75 direct care hours per resident. Having indicators that measure progress towards the goal of four hours per day is a critical step for accountability. However, there are still no KPIs to measure quality of care or resident health outcomes.

The Secretariat also identified that ministries' KPIs may not capture all strategic priorities and raised the issue to ministries through one-on-one sessions held between April and July 2022, in which the Secretariat provided assessments of each ministries' suite of KPIs as a whole. The Secretariat identified, for the 14 ministries it met with, that the KPIs selected by the ministry did not represent all strategic priorities (see **Section 5.3** for more on the Secretariat's work).

As part of multi-year plan submissions, ministries are required to conduct Enterprise Risk Assessments and develop a risk profile that identifies and categorizes the key risks they are facing. However, KPI information is not meaningfully linked to such assessments, even though results from these performance measures can help ministries and decision-makers identify risks and respond to them faster. As such, risk monitoring should be a fundamental part of performance measurement and continuous improvement plans.

5.1.4 Key Performance Indicators Are Not Consistently Integrated with Ministry Performance Measurement Frameworks

Unlike ministry KPIs, program- or project-level performance measures are not centrally tracked or reported to the Secretariat or the TB/MBC on an ongoing basis. There are also no central requirements for ministries to have their own performance measurement frameworks in place, link their goals, priorities and mandates to KPIs, or maintain a centralized listing of their other performance measures.

A ministry performance measurement framework would outline the ministry's key goals and objectives, identify the KPIs used to measure performance against those objectives, and identify the programs and related performance measures that support achieving them. Intentionally integrating ministry-level KPIs into performance measurement frameworks can help tie ministry programs and related program-performance measures of a ministry together, and provide a more complete picture of how a ministry's activities contribute to achieving its goals and objectives.

We found that performance measurement frameworks were used inconsistently across ministries, and were often specific to a program or subject matter, or not linked with their ministry KPIs. In contrast, other jurisdictions, such as the Government of Canada, Manitoba and Quebec, require ministries to have performance measurement frameworks (**Appendix 9**).

For instance, through its Policy on Results, the Treasury Board of Canada Secretariat requires that all federal departments develop and publish a Departmental Results Framework. The Framework outlines the department's core responsibilities, and for each responsibility, identifies the key results the department is trying to achieve. The department also identifies a few indicators to measure each key result. The department also assembles a Program Inventory to identify the programs that contribute to the department's core responsibilities and results. The Departmental Results Framework is published and reported in two public documents: the Departmental Plan (annual expenditure plans that provide information on the department's planned activities, expected results, performance indicators, and resource requirements) and the Departmental Results Report (annual reports that report on actual accomplishments against the plan's priorities and expected results). Refer to **Appendix 10** for more details on the Departmental Results Framework.

Transfer Payment Performance Measurement Framework

In our 2019 audit of Oversight of Time-Limited Discretionary Grants, we found that ministries did not adequately monitor grant recipients to ensure funds were spent as intended and grant activities were taking place effectively. We also found that performance measures assessing whether grant programs were meeting their objectives were not sufficient. In response to these findings, the Secretariat established phase one of the Transfer Payment Performance Measurement Framework in January 2022. During phase one, all time-limited discretionary transfer payment programs were required to report on four types of performance measures related to the number of people served or the number of services or activities delivered, program expenditures and program impact.

While this was a step in the right direction, to systematically collect performance measurement information, the Secretariat did not require ministries to tie their KPIs to this framework and simply suggested they do so. Further, the performance measures were stored and tracked in a separate information system from KPIs. Linking project-level and program-level performance measures with ministry KPIs would allow for the connection to be made between a ministry's discrete activities and how they contribute to achieving high-level ministry or government priorities.

5.1.5 Key Performance Indicators Not Used in Business Cases or Requests for Funding

Starting in 2021, six years after KPIs began to be reported, the Secretariat asked ministries to link any relevant KPIs to their requests for approval of program changes or requests for additional funding in their multi-year plans. According to the Secretariat, this would support evidence-based decision-making and demonstrate to TB/MBC how the request aligns with the ministry's mandate and strategic priorities.

As part of our Review of the Pre-Election 2022 Multi-Year Fiscal Plan, our Office examined ministries' 2021 multi-year plans and found that they were not as detailed as those we examined during the 2018 Pre-Election Report. In particular, the level of detail regarding targets and performance measures was absent from the 2021 multi-year planning documentation supporting the budget decisions. Similarly, based on our review of a sample of KPIs, only 27 of the 49 KPIs reviewed (or 55%) were included in the ministry's 2022/23 multi-year plan requests for funding and approvals, despite 43 of these KPIs (or 88%) being relevant to the requests being made at that time. For example, the Ministry of the Attorney General asked for funding for the Milton and Burlington courthouses, but did not include its ministry KPI related to the condition of courthouses.

5.2 Ministries Do Not Provide Decision-Makers with Complete or Consistent Key Performance Indicators

The Province has been centrally collecting KPIs since 2015 (for the 2016/17 year). However, based on our review, the usefulness of the KPIs reported to decision-makers was greatly limited by the KPIs selected and the inconsistency and incompleteness of the information included.

5.2.1 Key Performance Indicators Change Often and Are Inconsistent Year to Year

In the last four years, the number of KPIs increased from 211 in 2019/20 to 469 in 2022/23. As illustrated in **Figure 6**, new KPIs made up between 14% (2022/23) and 77% (2019/20) of the total KPIs reported each year. We also examined the continuity of KPIs over each of the four years and found that only 34% were reported consistently. While there may be reasons to change a ministry's KPIs, such as differing government priorities

Figure 6: Change in Key Performance Indicators Year Over Year, 2019/20–2022/23*

Source: Treasury Board Secretariat
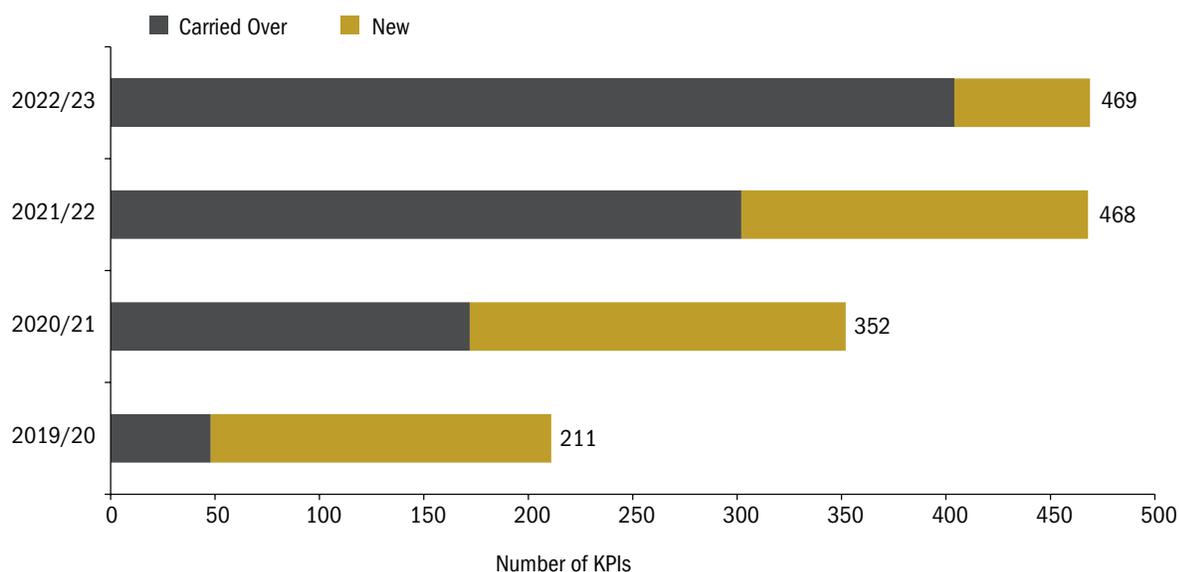
Note: This analysis is based on data submitted by ministries (after approval from Deputy Ministers) as part of their multi-year plans, and is the source of data provided to TB/MBC. The Secretariat has agreed to its use as the basis for this analysis.

*   Eleven KPIs marked as "historical" in the Secretariat's 2022/23 KPI data set were removed from our analysis.

or new programs, changing them frequently makes it difficult to see trend information and get a more complete understanding of performance in the medium to long term.

The Secretariat's instructions state that ministries should continue reporting on KPIs from the previous year, but that they can identify new KPIs to "reflect the ministry's mandate and breadth of strategic priorities." The Secretariat can also direct ministries to report on new KPIs based on new government-wide priorities. However, the instructions do not require that ministries review their existing suite of KPIs periodically to ensure that all indicators continue to be relevant.

As we were finalizing our review, the Secretariat released its instructions to ministries for the 2023/24 annual planning cycle. These instructions state that ministries may want to consider removing or replacing a ministry-identified KPI when it is not linked to any program, and encourage ministries to consider revising a ministry-identified KPI that is recommended by the Secretariat for refinement or not a good representation of the programs that are linked to it.

5.2.2 Many Key Performance Indicators Are Missing Information Critical to Decision-Makers

Targets and Baselines Often Missing

We reviewed all KPIs reported for 2019/20 to 2022/23 and noted that they regularly lacked critical information such as baselines and targets, with some information missing for years. For instance, almost a third of all KPIs reported in 2019/20 were missing either a baseline or a target. Some of those KPIs were missing this information for the following three years as well. **Figure 7** illustrates the number of KPIs with missing baselines or targets for the last four years.

Baselines and targets are important components of KPIs. A baseline is used as the starting point or benchmark to assess the impact of ministry intervention. Targets are a clear, concrete, and measurable statement of desired results to be attained in a given time period. Without targets or baselines, it is difficult to objectively demonstrate change or performance.

Ministries told us that there may have been missing information because of data collection or reporting challenges. Other ministries noted that they submitted

Figure 7: Key Performance Indicators Missing Baselines and/or Targets, 2019/20–2022/23

Source: Treasury Board Secretariat

Planning Year[1] (Date Submitted)	Total KPIs	No Baseline		No Target		No Baseline or Target[2]	
		#	%	#	%	#	%
2019/20 (Spring 2019)	**211**	27	13	66	31	66	31
2020/21 (Fall 2019)	**352**	43	12	81	23	81	23
2021/22 (Fall 2020)	**468**	71	15	115	25	124	26
2022/23[3] (Fall 2021)	**469**	33	7	87	19	95	20

Note: This analysis is based on data submitted by ministries (after approval from Deputy Ministers) as part of their multi-year plans, and is the source of data provided to TB/MBC. The Secretariat has agreed to its use as the basis for this analysis.

1. Typically, ministries submit their multi-year plans (ministries' annual business planning documents) containing their KPIs in the fall prior to the start of the next fiscal year.
2. A KPI may be missing both a baseline and a target.
3. Eleven KPIs marked as "historical" in the Secretariat's 2022/23 KPI data set were removed from our analysis.

incomplete KPIs to TB/MBC because they believed KPIs were important for showing potential opportunities or key initiatives, yet they needed more time to identify data sources or collect the required data. However, an incomplete KPI does not give decision-makers an accurate picture of ministry performance, and is therefore not useful in decision-making.

Target Rationale and KPI Methodology Lacking

To assess the quality and completeness of KPIs, we examined a sample from each ministry for 2022/23 (see **Appendix 8a**). Based on our review of 49 KPIs, we found other critical information that was missing in the KPIs reported by ministries. Specifically, we noted:

- **The rationale for setting a target was not always documented:** Of the 49 KPIs we reviewed, 18 or 37% did not provide a rationale for their targets, and a further 18 (37%) did not clearly explain the rationale for selecting the target. Targets should be specific, measurable, achievable, realistic and time-bound (SMART). Outlining the rationale of the target value and date demonstrates to users of the information that the target is reasonable, while ensuring the organization is striving for improvement.

- **Information on methodology was lacking:** Of the 49 KPIs reviewed, 35 (71%) had unclear or missing information on methodology. In some instances, ministries did not explain how the KPI was calculated, did not identify the source of data used, or did not provide enough information to indicate if the source was reliable (for example, who administered a survey, or who participated).

Further details about our assessment of the sample of KPIs are found in **Appendix 8a.**

Secretariat's Review of KPIs Incomplete

Secretariat staff review and evaluate ministries' KPIs as part of their review of the multi-year plans. This assessment is documented in a portion of the assessment note (Secretariat's formal assessment of the multi-year plan and advice to TB/MBC) and is based on three main criteria: alignment with ministry or government-wide priorities, relevance to decision-making, and whether the KPI is technically sound (that is, logical, based on reliable data sources, frequently reported on, includes a rationale for the target provided, and is aligned with the outcome the ministry intends to measure).

If ministries do not meet the criteria or do not complete the KPI submission with the required elements above, the Secretariat may choose to include recommendations to ministries in the multi-year plan assessment note. Ministries, however, are not required to update their KPIs based on this feedback.

In our sample of 49 KPIs, we reviewed the assessment notes and saw that in many cases the Secretariat did not leave a comment when information was missing. For example, in the 21 KPIs that had missing target information or where the target was less ambitious than the baseline, the Secretariat only recommended changes to the KPI in six cases (29%).

Further, the Secretariat's recommendations in the assessment note were not consistently addressed by ministries. For example, the Ministry of the Solicitor General reported 49 KPIs in 2021/22 and 48 in 2022/23. In the 2021/22 assessment note, the Secretariat noted that 29 of these KPIs were "under development" with targets that had yet to be identified, and recommended that targets should be developed to support tracking activities. In 2022/23, only 4 of the 29 KPIs were updated, leaving 25 KPIs still "under development." The 2022/23 assessment note also flagged that the Secretariat had asked the ministry to refine measures from previous reporting cycles, but no changes were made at that time.

Poor Data Stewardship of KPI information

The Secretariat established an information system for ministries to submit their KPI information in 2015. Ministries are instructed by the Secretariat to ensure the KPI information entered into the information system is complete, including targets, baselines and trend data.

Despite being the owner of the information system, the Secretariat does not have effective data stewardship processes in place to ensure the KPI data submitted is complete and up to date. To update KPI information or remove it from the information system, ministries must request the Secretariat remove the information. However, the Secretariat informed us that ministries did not always request updates, and while the Secretariat reviewed all KPIs submitted by

ministries on this information system each year, it did not ensure the information system contained complete and up-to-date information.

This lack of data stewardship created inefficiencies and inconsistencies. Instead of using this information system to provide TB/MBC with a summary of KPIs, the Secretariat manually created a document (called the KPI dashboard). When reviewing the KPI dashboard, we identified a number of errors, likely caused during manual input such as presenting the baseline as the target value and target value as the baseline.

5.3 Newly Started Secretariat Training on Performance Measurement Should Continue, and Be Expanded

Our review of Business Case Development in the Ontario Public Service in our *2020 Annual Report* found that at least 80% of the business cases we reviewed did not provide adequate performance monitoring plans. At the time of our 2020 review, the Secretariat offered training on performance measurement to ministries who requested it, but we found that only four ministries participated in such training in 2019/20.

To strengthen performance monitoring plans in business cases, we recommended that the Secretariat provide training, coaching and mentoring opportunities to preparers of business cases. As part of this, we also recommended the Secretariat proactively work with ministries to ensure that business cases include certain key components, such as quantifiable performance indicators and a plan for performance monitoring and reporting going forward.

In response to the follow-up of our 2020 review, found in our *2022 Annual Report*, the Secretariat informed us that it started delivering additional training modules on performance measurement to Secretariat analysts, but it did not have any plans for additional ongoing training sessions for ministry staff who prepare business cases.

However, during our review work, between April and July 2022, the Secretariat held one-on-one

sessions for the first time with each ministry to provide feedback on their existing KPIs. Based on the attendance list, ministry staff from both corporate and policy/program areas attended these sessions. The Secretariat provided an overview of performance measurement fundamentals in a primary session and then followed up with the findings of its assessment of each ministry's entire suite of KPIs. The Secretariat assessed each KPI based on the criteria used during the multi-year planning process (alignment with priorities, relevance to decision-making, completeness and technical standards), and also assessed the entire suite of KPIs from each ministry to ensure that the KPIs reflected all of the ministry's strategic priorities. This is a good practice for the Secretariat to provide at least on an annual basis, to ensure ministries are receiving feedback and guidance on their KPIs. Further, as we noted in our follow-up report, this training could be expanded to provide instruction on how to develop plans for monitoring and reporting on performance. This could include, for example, a description of data that needs to be collected, data sources, the frequency of data collection and reporting, and assigned responsibility for monitoring and implementing continuous improvements. The Secretariat informed us that it intends to provide more specific training on performance measurement in the future.

In addition to the training sessions, the Ontario Public Service has a Community of Practice for Performance Measurement and Evaluation. Established in 2008 and restarted in 2018, its purpose is to create an environment to share best practices and foster innovation in performance measurement and evaluation across the OPS. The Community of Practice is led by a group of three or four staff volunteers from ministries across the Ontario Public Service, and had 378 active members as of October 2022. In the last two fiscal years, the Community of Practice has held three events annually, on topics such as foundational principles of performance measurement and evaluation, developing measurement approaches for digital products, using logic models, conducting gender and diversity analysis, and the services the Secretariat offers related to performance measurement. The Community of Practice

also hosts its own online platform where resources can be shared by members. However, it is not currently used by the Secretariat as a venue to share instructions and guidance, assess performance measurement capacity, or identify ministry training needs.

We made four recommendations consisting of 13 action items to address our review findings related to performance measurement (see **Appendix 1)**.

6.0 Program Evaluation

In our discussions with ministries, staff at two ministries noted that the program evaluation process is valuable because it allocates the time and resources to assessing a program that may otherwise not have been assessed. When conducted with rigour, program evaluations have the capacity to assess a program's efficiency and effectiveness at meeting its intended objectives, to identify areas for improvement, and to provide evidence to inform and support strategic decision-making.

For example, the Ministry of Energy, Northern Development and Mines was directed by Treasury Board/Management Board of Cabinet (TB/MBC) in 2019 to undertake a program evaluation of the Ontario Electricity Support Program (OESP) and to report back with evidence-based recommendations for program reform. The OESP is a government-funded, needs-based monthly credit applied to the electricity bills of approximately 255,000 eligible households in the province. The ministry used the program evaluation as an opportunity to critically evaluate the OESP's application process, enrolment and participation rates, program impact, and delivery on intended outcomes and to identify opportunities to increase the program's overall effectiveness. Through the program evaluation, the ministry determined that the OESP was effective and reaching intended recipients, but identified that prior to the evaluation the program lacked clearly defined performance metrics or targets. The ministry recommended the establishment of a performance measurement framework based on the key findings of the evaluation, which could improve its ability to track

program performance against intended outcomes and to identify opportunities to improve program delivery as they arise. The ministry subsequently consulted with partner ministries and stakeholders on a proposed OESP performance measurement framework, which was submitted to TB/MBC in 2021 and approved by TB/MBC in 2022.

However, as detailed in the section below, there is significant room to improve the program evaluation process in Ontario so that programs are selected systematically based on risk, and that the final reports on the program evaluations contain enough information to provide decision-makers with the evidence required to inform program changes, where needed.

6.1 Program Evaluations Not Always Being Used to Improve Programs

When the program evaluation process was first initiated through the 2019/20 multi-year plan cycle, the Secretariat stated that its goal was to ensure that all programs were assessed so that "the findings of the [evaluations] will provide an evidence-base for decisions regarding the programs, from opportunities to modernize a program to make it more efficient or effective, to a complete program redesign where applicable."

Our review of final program evaluation reports found that 34% led to a business case requiring TB/MBC approval. Another 36% reported internal changes that would be pursued, but often did not detail these changes or provide a timeline for their implementation. The remaining 30% either recommended maintaining the status quo, but often did not explain why; indicated further analysis was necessary, but often did not explain what further analysis was needed or provide any timeline of next steps; or, did not outline if any changes were planned as a result of the evaluation.

In one example, a program evaluation by the Ministry of the Solicitor General of its Court Security and Prisoner Transportation Program sought to evaluate why program costs had consistently exceeded its funding allocation and program design rewarded spending inefficiencies. The externally conducted program evaluation provided

evidence of existing inefficiencies in the program's design and delivery and indicated that the program lacked outcomes-based performance measures. It recommended 18 action items to undertake in the short, medium and long term aimed at correcting program inefficiencies, including establishing stronger cost controls and a performance measurement framework. The ministry accepted two of the recommendations: one on maintaining the status quo to its approach in allocating funding to municipalities; and the other on developing a performance measurement framework. In the ministry's view, the remaining recommendations required further development and analysis to assess viability, as well as the joint effort of all justice sector stakeholders.

In another example, a program evaluation by the Ministry for Seniors and Accessibility of its Seniors Active Living Centres Program sought to assess whether the program was providing benefits equitably and in line with the needs of targeted recipients. The evaluation found that the program benefitted some populations of recipients, while others did not have equal access to program funding and services, and it identified a number of opportunities to correct this inequity. However, the ministry ultimately recommended maintaining the status quo while reviewing possibilities to target investments to under-served groups and reducing administrative burden ("red tape") for third-party service providers, which did not address the findings of the program evaluation. When we asked the ministry about this, it indicated that the deadlines for submitting multi-year plans (and its program evaluation) were earlier than expected, so the ministry decided to exclude the results of an ongoing survey of program operators and stakeholders and instead provided recommendations based on work conducted to date, including to maintain the status quo. We were also informed that the ministry continued its program evaluation work internally after reporting on the evaluation to the Secretariat, and has since recommended 30 program improvements, and implemented some of them. This information has not been shared outside of the ministry or reported to TB/MBC to better inform decision-making about the program.

6.2 Program Evaluations Completed to Date Have Not Always Been Consistent with Good Practices

We reviewed a sample of 30 completed program evaluations from 2019/20 to 2021/22 against good practices in program evaluations (refer to **Section 3.0** and **Appendix 8b** for additional details). Based on our review, we found that:

- **Program evaluations were not always conducted in an independent manner.** In the majority of the evaluations (21 or 70%), only individuals involved in the design or delivery of the program were involved in conducting the program evaluation. Where this was the case, we did not see attempts to ensure objectivity, such as engaging a third party to review the methodology or final report, or using external data sources to corroborate existing internal information. While ministry staff often can provide important insight as subject-matter experts, relying only on these staff to conduct a program evaluation diminishes the objectivity and credibility of an evaluation's findings.

    For example, the Secretariat directed one ministry to conduct a program evaluation of one of its agencies and provide evidence-based recommendations to modernize it. The program evaluation was conducted entirely by internal agency staff, and relied primarily on internal information and discussions with agency staff and executives. It also used results from an external survey on the impacts of COVID-19 on the non-profit sector (not specific to the agency's work).

    In contrast, under the government of Canada's Policy on Results, program evaluators within the evaluation function in each department conduct the program evaluations to ensure they are independent. Program evaluators would never work for a program that is under evaluation (see **Appendix 10**). In Quebec, program evaluations are conducted by a program evaluation committee comprising both program staff and

dedicated evaluation staff within each department that are independent of the program area. In Manitoba, a dedicated program evaluation team embedded within the Treasury Board Secretariat carries out independent evaluations of ministry programs and government entities based on the strategic priorities of the government.

- **Program evaluations often did not have clear objectives.** The majority (24 or 80%) of the program evaluations did not contain clear and measurable objectives and outcomes. This makes it challenging to know if the program evaluation was of sufficient depth to meet its intended objectives, or if the questions of decision-makers were sufficiently addressed in the evaluation.

    For example, one ministry evaluated one of its programs (based on direction from TB/MBC) to assess its value for money and report back on evidence-based recommendations for program reform. Typically, a value-for-money evaluation would establish measurable objectives at the outset, along with clear metrics for each objective. The ministry in this case established only high-level objectives, including to "ensure the program is aligned with government priorities, is responsive to the needs of Ontarians, sustains and enhances social and economic benefits, is delivered efficiently and effectively, and has [a] sustainable funding source including appropriate revenue generation." These broad objectives lacked defined evaluation metrics, and would be difficult for both those conducting the evaluation and users of the final report to assess if the objectives were met. The ministry's program evaluation also did not conclude on most of its objectives.

- **Program evaluations did not involve a mix of data sources and evidence.** Only 33% or 10 of the program evaluations included qualitative and quantitative evidence to support the findings and recommendations. In four reviews, the reports relied only on internal information

and feedback from ministry staff (as opposed to end-users or other objective or independent data sources). In five reviews, the reports did not conduct any independent program evaluation work or critical analysis, but instead provided a narrative summary of findings and recommendations from other internal reviews, and internal and external audits, including from our Office.

For example, in one case the evaluation was conducted entirely by an executive lead of the program. This executive lead relied primarily on qualitative information gathered through discussions with internal ministry staff to reach conclusions about the efficiency of the program's operations.

- **Most program evaluations did not identify and discuss potential limitations.** Almost all (29 or 97%) of the program evaluations neglected to discuss data or methodology limitations along with their actual or potential impacts on key findings and recommendations. Any limitations (such as data gaps) and their implications for the findings and recommendations should be clearly communicated to strengthen confidence in the evaluation and to ensure decision-makers are well informed on all circumstances that can affect their decision-making.

Further details about our assessment of the sample of program evaluations can be found in **Appendix 8b.**

6.3 Program Evaluations Are Not Selected Systematically or Conducted on a Regular Basis

The initial goal of the program evaluation process when first announced in 2018 was to establish a regular mechanism to ensure that all government programs are assessed. However, outside of the Secretariat's requirement for ministries to select three program evaluations per year, or programs representing 10% of the ministry's total planned expenditures, there is no process to ensure all programs, or even major programs, are assessed in a systematic way.

Between fall 2019 and fall 2022, the Secretariat asked ministries to identify at least three programs

every year to evaluate, or programs with a combined total value equivalent to 10% of the ministry's total planned expenditures. Ministries were then required to complete and report back on the results of their program evaluations within one year through their subsequent multi-year planning cycle submission. Based on information from the 2021/22 Public Accounts of Ontario, the 101 program evaluations completed since 2019 have a total program value equivalent to 16% of the 2021/22 total operating and capital expenditures of the associated ministries (see **Figure 8**).

Beginning in 2020, the Secretariat provided ministries with a tool to help prioritize programs for evaluation based on whether there are opportunities to streamline regulatory requirements; how much program spending compared to estimated and historical program spending; whether there is high-quality data available on program recipients; how well the program is performing according to available performance measurement information; and whether a program has been reviewed in the past five years. However, the use of the tool by ministries is voluntary and the Secretariat does not track the extent of its use.

TB/MBC has identified 20% of the program evaluations initiated to date, and directs ministries to complete them. The Secretariat told us there are a number of ways programs are selected for evaluation, including if past business cases submitted to TB/MBC lacked key information or if Secretariat analysts familiar with the program identified it as a good candidate for evaluation. The Secretariat tracks planned, ongoing and completed program evaluations, but does not have formal criteria for prioritizing the government-directed program evaluations or a plan of future program evaluations. Such criteria or plans would be helpful to ensure that the highest-risk programs are selected for evaluation and that the rationale for selecting evaluations is documented.

In contrast, Canada's *Financial Administration Act* requires that ongoing federal programs with five-year actual expenditures of $5 million or more be evaluated once every five years, including an assessment of relevance, effectiveness and efficiency. Further, as part of the government of Canada's Policy on Results

Figure 8: Proportion of Total Program Expenditures Evaluated[1] by Ministry, 2019/20–2021/22

Source: Treasury Board Secretariat
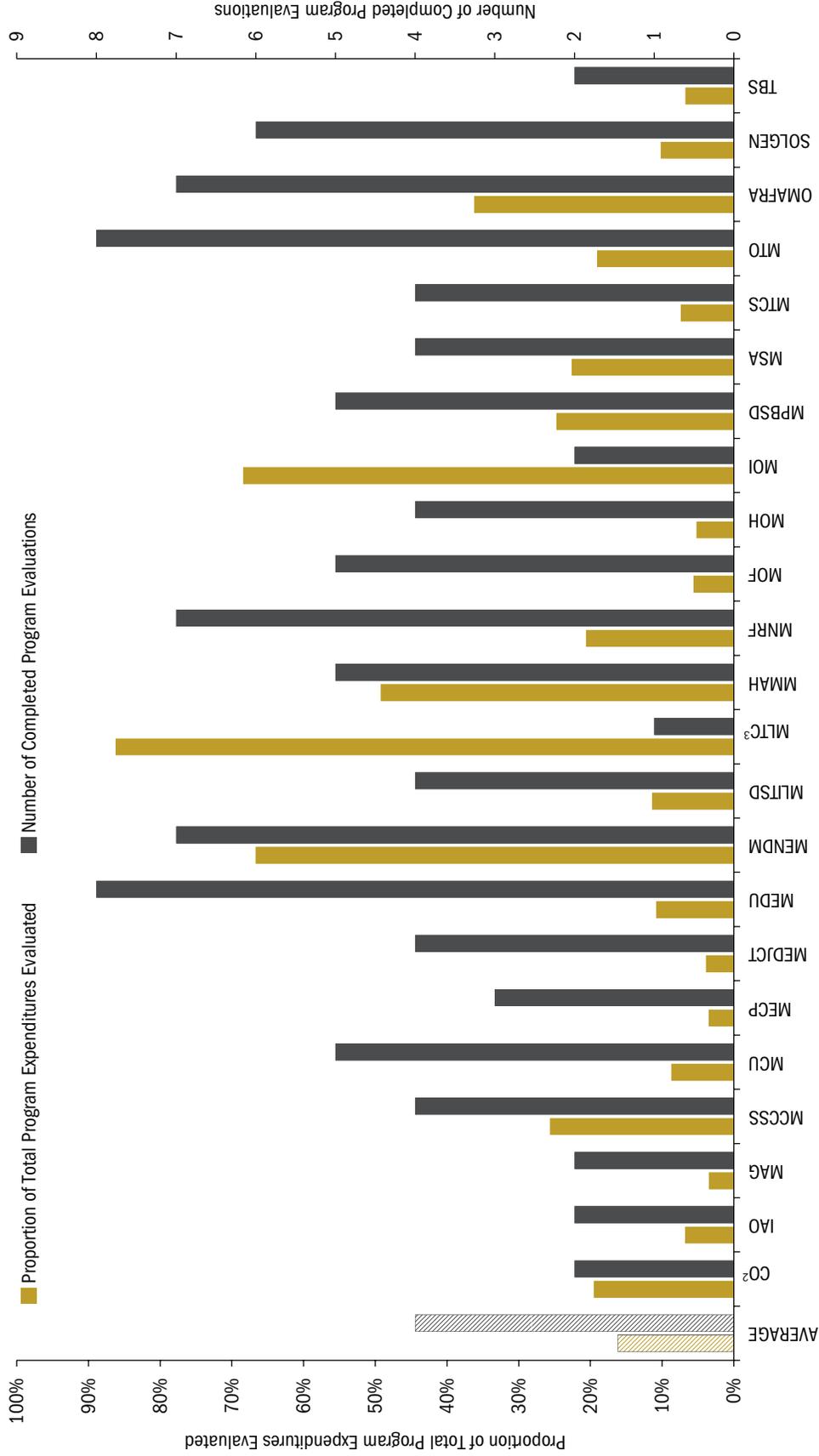
1. The program planned expenditure corresponds to the financial allocation provided by government for the most recent year available when the program evaluation was completed. The total program expenditures evaluated by ministry was then calculated by dividing the sum of program planned expenditures for all completed program evaluations for a ministry by its total program expenditures as reported in the 2021/22 Public Accounts.
2. See **Figure 1** for full ministry names and their corresponding abbreviations.
3. At the time the Ministry of Long-Term Care proposed its single program review it was part of the combined Ministry of Health and Long-Term Care, so the program expenditure would have corresponded to approximately 7.6% of the combined annual expenditures of both ministries at the time. The Ministry of Long-Term Care subsequently completed and reported back on this program evaluation as a standalone ministry in 2021/22.

and its Directive on Results, departments are required to publish an annual five-year schedule of evaluations that includes programs that are legislatively required to be evaluated, as well as high-risk and high-priority programs and spending to be evaluated, and any other programs selected (working from the principle that all programs should be evaluated periodically).

The federal government's published schedule of departmental evaluations must also outline the extent of planned coverage, including spending, and explain the extent of organizational programs and spending that will not be evaluated in the planning period, the key reasons for not evaluating, and the year in which the program or spending was last evaluated.

Since 2019, 23 of 25 Ontario ministries have conducted a program evaluation. The Ministry of Citizenship and Multiculturalism (established in June 2021) and the Ministry of Francophone Affairs have not submitted a program evaluation as of our review. We found that not all ministries complied with the Secretariat's instructions to identify three programs (or programs with a combined total value of 10% of a ministry's total planned expenditures) for evaluation each year. Between 2019/20 and 2021/22, only three ministries (Agriculture, Food and Rural Affairs, Colleges and Universities, and Education) initiated a minimum of three program evaluations each year. For the remaining 20 ministries that initiated fewer than three program evaluations in at least one of those years, their program evaluations failed to account for the required minimum coverage of ministry expenditures 72% of the time. The number of completed program evaluations by each ministry varied widely, with some ministries having multiple outstanding program evaluations for multiple years. Of the 127 program evaluations that were identified for the 2019/20, 2020/21 and 2021/22 multi-year plan cycles, only 80 or 63% were completed within the required time frame of one year. Twenty-six evaluations have been outstanding for at least one year; nine of these have been outstanding for two years, and two of these have been outstanding for three years.

According to the Secretariat's published plan and annual report for 2021/22, it has a target to complete a total of 250 program evaluations by March 31, 2024, with each identifying opportunities for improvement,

modernization or reform. Between 2019/20 and 2021/22, a total of 101 program evaluations were completed, averaging 34 completed program evaluations annually. To meet the Secretariat's target, ministries would collectively need to complete a minimum of 74 program evaluations per year, more than double the average number completed annually so far.

In October 2022, the Secretariat released its instructions to ministries for the 2023/24 annual planning cycle and removed prior requirements for ministries to identify a minimum number of program evaluations (or to review a minimum proportion of their financial allocation) each year. For the 2023/24 annual planning cycle, some ministries may be centrally-directed to conduct a program evaluation and ministries have the option to identify programs for evaluations, but they are not required to identify any programs for evaluation.

6.4 Rationale for Some Program Evaluations Unclear, Raising Concerns about Usefulness

Based on our interviews with ministry staff involved in program evaluations, the majority thought that the overall purpose, expectations and usefulness of program evaluations was not always clear to ministries and even to program staff conducting the evaluation. We spoke with ministry staff in 26 program units across 13 different ministries that were involved in completing both ministry-identified and government-directed program evaluations about their experiences selecting, planning, conducting and reporting on a program evaluation. In eight instances, ministry and program staff independently raised concerns to our Office regarding the lack of clarity around the Secretariat's expectations for program evaluations, their purpose and value to decision-making, or results after they submitted a program evaluation report or related business case.

Further, the rationale or justification for selecting a particular program to evaluate was not always communicated to the staff performing the review. In the case of a program evaluation identified by TB/MBC,

it communicated its selection of government-directed program evaluations through formal minutes (that is, the recorded decisions from TB/MBC meetings). In some instances, TB/MBC also specified the type of evaluation the ministry should conduct (for example, efficiency or value for money). However, in the program evaluations we reviewed, TB/MBC did not communicate or describe why it selected the program for evaluation. In the case of ministry-identified program evaluations, we also noted instances where staff conducting the program evaluation were unaware of why the program was selected to be evaluated at that time.

Program evaluations take time and resources to complete, so it is important to ensure the right programs are selected for evaluation at the right time. Without a clear rationale for conducting a program evaluation, there is a risk that resources are used for no discernible benefit. As part of our review of a sample of program evaluations, we identified instances where the benefit of selecting a program for evaluation was unclear.

For example, TB/MBC directed one ministry to evaluate a $1.3 billion program. In its direction to the ministry, TB/MBC did not communicate its rationale for selecting the program for evaluation, stating only that it had approved a program evaluation focused on the implementation of the program and had directed the ministry to report back with evidence-based recommendations for program reform. However, given that the program had only been fully operational for two years and any program reforms could not be implemented until the next round of collective bargaining in two to five years, the ministry staff who conducted the program evaluation indicated they were unclear on the reason for evaluating the program at that time, and indicated that their final report did not inform program decision-making.

In another example, TB/MBC selected the Ministry of Transportation's Highway and Road Maintenance Services, a program with $473 million in annual expenditures, for evaluation, citing a request for evidence-based recommendations for program reform. However, in both the TB/MBC minutes requesting

the evaluation, and the program evaluation plan and report, the rationale for this program evaluation was unclear. The program had recently undergone three internal reviews and audits that provided recommendations for transforming the program and enhancing sustainability, which the ministry noted it was actively implementing. The program evaluation's key finding was that the ministry was actively implementing the recommendations of these internal and external reviews and audits (including our 2015 Special Audit of Winter Highway Maintenance), and its recommendation was that the ministry continue to implement these, raising concerns about the need for and value of the program evaluation.

6.5 Limited Guidance and Oversight of Program Evaluations by the Treasury Board Secretariat

6.5.1 Secretariat Provides Little Oversight of Program Evaluations

Secretariat analysts review ministries' program evaluations as part of their multi-year plans. In our interviews with Secretariat staff, they told us they review program evaluation reports and related business cases for completeness. However, we found the Secretariat lacked standardized evaluation criteria for assessing completeness, and the assessment was left up to the judgment of the Secretariat analysts reviewing the report. This can lead to inconsistent assessments of completion across program evaluations. For example, in 2020, the Ministry of Economic Development, Job Creation and Trade provided the Secretariat with a status update document indicating its program evaluation was complete and the next steps in its evaluation of its internal administration, but did not submit any program evaluation report that included the minimum information required by the Secretariat, such as the evaluation's methodology, key data sources, findings and recommendations. In response, the Secretariat assessed the program evaluation as complete.

The Secretariat also informed us that it does not assess program evaluations for overall quality or robustness, but may provide feedback to ministries

through the assessment note on the evaluation's methodology and whether it supports the evaluation's key findings. However, in the sample of 30 program evaluations we reviewed, we found only one instance where the Secretariat provided feedback on a program evaluation's methodology, in which it flagged concerns with the representativeness of the survey results the ministry relied upon in the evaluation, based on an assessment of the response rate and an overrepresentation of a group within the survey response population. As outlined in **Section 6.2**, in the remaining 29 program evaluations, we identified a number of weaknesses in the evaluations' methodology and findings, while the Secretariat did not provide any analysis, evaluation or feedback on these areas. In particular, we noted 26 instances where program evaluations did not have credible and robust methodology—that is, they did not use independent evaluators; have clear and measurable objectives and outcomes; use mixed, objective data types and sources; include comparisons to other delivery models or jurisdictions; or identify data and methodology limitations and their impact on the findings and recommendations. We also found seven instances where the findings of the evaluation were not supported by the data (collected or reported through the program evaluation).

In addition to providing limited assessments of program evaluations, the Secretariat also does not consistently provide TB/MBC with a summary of the key details of the evaluation to inform decision-making. For example, of the 30 completed program evaluations we reviewed, in seven instances, the Secretariat's assessment note provided no information on the program evaluation's type, objective, methodology, data sources, limitations, key findings, options for program reform, recommendations or next steps; and in the remaining 23 instances, the Secretariat's assessment note provided no information on at least one of these key elements of the program evaluation.

There is also no requirement for a ministry to adopt or incorporate any feedback the Secretariat provides on the program evaluation within its assessment note. The Secretariat informed us that it relies on ministries to incorporate any feedback provided into future program evaluations. Further, even if the Secretariat flags concerns with the program evaluation, such as concerns with methodology or findings, this does not affect the Secretariat's assessment of completeness. Once a program evaluation is assessed as complete, no further work on the program evaluation is required.

The assessment note is the only vehicle to provide written feedback to ministries on their program evaluations, and to summarize relevant information on the results and outcomes of completed program evaluations for TB/MBC. Therefore, documenting the Secretariat's assessment of the program evaluation and providing feedback on the completeness and quality of the evaluation would be helpful for increasing the capacity of program evaluation across the public service, and recommendations on how to improve program evaluations would be useful to ministries moving forward.

The Secretariat informed us that ministries may reach out to the Secretariat on an ad hoc basis to discuss a program evaluation, but was unable to provide any documentation of such conversations.

6.5.2 Secretariat Guidance on Program Evaluations Missing Important Information and Not Used Consistently

According to the Secretariat's guidance, all completed program evaluations should be reported to TB/MBC using a template that provides information on the evaluation's methodology, key data sources, findings and recommendations. While ministries are not required to use the template provided by the Secretariat, they should include all the same information in whichever template they use. Where a business case is submitted, the completed program evaluation report—including all the required information items—should be included within or as an attachment to the business case.

We found that 18 of the 30 program evaluations reported back to the Secretariat were missing key components required by the Secretariat, such as a description of the evaluation's methodology, data sources, findings, initial options for program reform,

recommendations and next steps. In other cases, the depth and detail of the evaluation varied drastically. As a result, decision-makers are provided with inconsistent information on program evaluations.

The Secretariat's templates and multi-year planning instructions for program evaluations include some of the criteria for a robust program evaluation, but lack some important elements. In particular, these materials do not provide guidance or instruction on, or require ministries to detail:

- a definition of what constitutes a "program";
- how the program evaluation aligns with core ministry deliverables or the strategic priorities of the ministry or government;
- the relevant performance measurement and evaluation training and expertise of those conducting the program evaluation;
- if and how any limitations in the program evaluation's design, methodology, or data affected the key findings and recommendations;
- the suitability of the program evaluation methodology for the size, risk, and purpose of the selected program;
- how the findings of the program evaluation will be used to inform decision-making in instances where the ministry does not submit a business case as a result of a program evaluation; and
- the implementation timeline and steps of any changes the ministry decides to pursue internally as a result of the program evaluation, if those changes do not require TB/MBC approval.

Given there is no definition of what constitutes a "program" within the Secretariat's instructions for program evaluations, ministries are free to select programs for evaluation and set the scope of their evaluations. This has led to some poorly chosen and scoped program evaluations, particularly in light of their one-year completion timeline and available ministry resources. For example, in 2019/20, the then Ministry of Health and Long-Term Care identified the "long-term care program" for evaluation, which comprised all ministry expenditures related to long-term care ($6.345 billion in 2019/20). Scoping of a program

evaluation should take into consideration the need for the evaluation, overall feasibility, timelines and available resources. In this case, the program evaluation consisted of internal ministry staff summarizing and synthesizing the findings and recommendations of past external reviews of the province's long-term care program, without providing additional analysis or without identifying any specific options for program reform. It took the ministry three years to complete and report its evaluation to the TB/MBC, and the evaluation did not directly inform any business case or request for funding. Proper evaluation scoping is critical to ensuring that the evaluation achieves its purpose and that its results and findings are useful to decision makers. Guidance on evaluation scoping could help those conducting an evaluation to define the program, identify the evaluation needs, and understand the most appropriate evaluation approaches.

Ministry and program-level staff that we spoke with noted that they would benefit from more detailed guidance on program evaluations, with more accessible language and more guidance on best practices in program evaluation. For example, the instructions could provide clearer and more comprehensive guidance on:

- the essential components of what constitutes a high-quality program evaluation, such as the best practice principles of relevance, credibility, robustness, and proportionality;
- the proper scoping of an evaluation, including setting clear, measurable, achievable objectives and corresponding evaluation metrics to ensure delivery on them;
- the types of evaluation methods that can be used depending on the type of evaluation and the goal(s) of the specific program evaluation;
- choosing the appropriate methodology, data sources and data mix to have high confidence in the key findings of an evaluation; and
- ensuring high-quality data is collected and relied on for conclusions about the program.

6.5.3 Training on Program Evaluation Lacking

The Secretariat offers limited opportunities for training in program evaluation and does not effectively use existing venues for sharing best practices across all ministries and among program areas engaged in program evaluation. For example, the Secretariat has not used the OPS Community of Practice for Performance Measurement and Evaluation (see **Section 5.3**) as a venue to share guidance and training on conducting program evaluations. Further, while the Secretariat has on one occasion, since 2019, presented to ministry staff on what program evaluation is, it has not provided training on how to conduct a robust program evaluation, including training on developing evaluation objectives, methodology, data quality, strength of evidence, and application of findings.

Ministry and program-level staff we spoke with suggested that sharing program evaluations completed by other ministries and clearer guidance on best practices would be useful for them to better understand the purpose of program evaluations, and the Secretariat's expectations and intended outcomes for program evaluations. Moreover, staff we spoke with from multiple ministries who were involved in conducting and reporting on a completed program evaluation noted that they were either unfamiliar with or did not use the Secretariat's instructions for conducting and reporting on program evaluations.

Further, feedback in assessment notes often comes once the program evaluation is complete. More opportunities for formal feedback during the evaluation would also be helpful. Ministry staff we spoke with suggested they would benefit from the Secretariat maintaining more regular, direct engagement with program staff early on in the program evaluation process so they could get feedback and clarify expectations; as well, regular communication between the Secretariat and staff conducting the review could help ensure continued alignment with needs and expectations.

In contrast, the government of Canada's Policy on Results includes detailed evaluation competencies and training expectations for staff engaged in performance measurement and evaluation across government. At a minimum, staff at all levels are expected to hold a university degree, preferably at the master's level, and are required to participate in ongoing training on program evaluation and performance measurement. Additionally, the Treasury Board of Canada Secretariat has defined the competency and training expectations for designated positions in each department that oversees the performance measurement and program evaluation function, including the Head of Performance Measurement, the Head of Evaluation, the Director of Evaluation, and Departmental Evaluation Specialists (refer to **Appendix 10** for more information on these positions and their roles).

We made seven recommendations consisting of 29 action items to address our review findings related to program evaluation (see **Appendix 1**).

7.0 Roles and Responsibilities in Performance Measurement, Program Evaluation and Performance Reporting

7.1 Secretariat Does Not Share Guidance Publicly

The Secretariat does not publicly post instructions or related guidance on performance measurement, program evaluation, or performance reporting. While the web pages of some ministries (such as the Ministry of Agriculture, Food and Rural Affairs) have information explaining what performance measurement is, it is often specific to one industry (such as agriculture, agri-food and economic development organizations). The Secretariat could take a leadership role and post standardized information and guidance online. This would ensure all those in the public sector have access to guidance on performance measurement and reporting, and could improve transparency with the public. Also, sharing such guidance and requirements would demonstrate the government's commitment to improving performance measurement, program evaluation and performance reporting.

Based on our review of other jurisdictions, we found that many jurisdictions post guidance on these topics publicly. For example, Quebec and Australia publicly post guidance on key performance indicators, program evaluation and ministries' annual reporting, while the federal government publicly posts guidance on key performance indicators and program evaluation (see **Appendix 9**).

7.2 Roles and Responsibilities Are Unclear

In the Ontario Public Service (OPS), it is not clear who is responsible for performance measurement and program evaluation. From our interviews with ministry staff, we noted there are often a number of branches and units involved in compiling annual reports and completing program evaluations. Similarly, ministry KPIs are typically identified by senior management, but may also be put forward by program or performance measurement staff. In some cases, the individual responsible may change from year to year. As noted in **Section 6.2**, in some cases program staff evaluate their own program even though they do not have expertise in program evaluation.

Based on our review of ministries' organizational charts, some ministries have specific units or branches dedicated to performance measurement and evaluation for the entire ministry. For example, one ministry has a Performance Measures and Data Branch that is dedicated to performance measurement for the entire ministry, while another ministry has a Performance Measurement, Monitoring and Reporting Unit within one of its divisions. Other ministries may have a dedicated unit embedded within specific programs that is responsible for performance measurement, monitoring and evaluation for a suite of programs and policies. However, some ministries did not have a dedicated group responsible for performance measurement and program evaluation. For those ministries that do have a dedicated group, their publicly stated mandate and responsibilities, and number of full-time employees, vary greatly.

In contrast, the federal government's Policy on Results, administered by the Treasury Board of Canada Secretariat, defines specific roles and responsibilities for individuals engaged in evaluation within each department and agency, including performance measurement and evaluation, monitoring, and reporting requirements (see **Appendix 10**).

We made two recommendations consisting of six action items to address our review findings noted in this section (see **Appendix 1**).

Appendix 1: Recommendations

Prepared by the Office of the Auditor General of Ontario

ANNUAL PERFORMANCE REPORTING

RECOMMENDATION 1

To improve consistency in annual reports across all ministries, we recommend the Treasury Board Secretariat (Secretariat):

- review all ministry annual reports each year before publication to assess if they include either the key components recommended in the Secretariat's guidance or a description of which components were not included and why;
- require ministries to update annual reports for missing or incomplete information before publication; and
- provide annual feedback to ministries where their annual reports fall short of guidance.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat acknowledges the recommendation, but under existing legislation, the Secretariat does not currently have authority or responsibility for the content of ministry annual reports. The Secretariat will explore potential options to further promote the consistency, completeness and transparency of ministry annual reports, including approaching Treasury Board/Management Board of Cabinet if needed to obtain any necessary approvals. In doing so, the Secretariat will also consider ministerial accountability for annual reports to the Legislature and the public.

RECOMMENDATION 2

To improve the quality of ministries' annual reports, we recommend the Treasury Board Secretariat update guidance on annual reports to require ministries to:

- clearly explain performance shortfalls and significant variations in performance;
- identify lessons learned or next steps to address performance shortfalls and significant variations in performance;
- identify risks that had or could have an impact on performance, and steps taken or planned to mitigate such risks; and
- compare their performance results with other jurisdictions or industry benchmarks.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendation and will work to identify opportunities to update the guidance on annual reports to improve the quality of performance reporting in ministries' annual reports.

RECOMMENDATION 3

To improve the quality of ministry annual reports, we recommend the Treasury Board Secretariat deliver training, at least annually, to preparers of ministry annual reports to outline expectations and good practices in performance reporting.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendation and will deliver training, at least annually, to preparers of ministry annual reports to outline expectations and good practices in performance reporting.

RECOMMENDATION 4

To make it easier for the public and members of provincial parliament (MPPs) to access information on ministry performance, and therefore enhance accountability, we recommend the Treasury Board Secretariat take steps necessary to:

- require that published plans and annual reports be reported separately;
- require ministries to publicly post their annual reports along with other key governance material (such as strategic plans, key action plans, public accounts and estimates), as is already required for provincial agencies and broader public sector entities; and
- publish each ministry's complete Estimates Briefing Books (Part I and Part II) on a government of Ontario website and link it to the estimates and public accounts.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat acknowledges the recommendation and the importance of enabling access to information on ministry performance. In order to make progress in support of the intent of this recommendation the Secretariat will work with Cabinet Office to identify opportunities to make it easier for the public and MPPs to access information on ministry performance. The Secretariat will also approach the Treasury Board/Management Board of Cabinet as required to obtain any necessary approvals.

PERFORMANCE MEASUREMENT

RECOMMENDATION 5

To provide more useful ministry key performance indicators (KPIs) that measure the key outcomes of implemented programs and inform decision-making, we recommend the Treasury Board Secretariat work with ministries to:

- develop a ministry-wide performance measurement framework;
- integrate ministry KPIs with supporting program-level performance measures into their ministry-wide performance measurement frameworks;
- identify KPIs that are outcome-based, measure the direct impacts of government actions, and measure the effectiveness or efficiency of its programs;
- identify KPIs that focus on strategic and operational improvements and reflect the ministry's mandate, central activities and key risks; and
- report on their KPI performance in business case submissions and requests for funding, where applicable.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendations and acknowledges the importance of the use of performance measurement to support evidence-based decision-making. In order to make progress in support of the intent of this recommendation, the Secretariat will:

- explore opportunities to work with ministries to support their development of a ministry-wide performance measurement framework including the integration of existing and new ministry-level and program-level KPIs;
- continue with its updates to the Strategic Planning Process and in-year business case templates where ministries are asked to provide program-level performance measure plans, and to link their proposals to ministry KPIs; and
- continue to work with line ministries to identify areas of improvement related to identifying outcome-based KPIs that will allow the government to measure progress toward both ministry- and enterprise-wide objectives using various support methods such as but not limited to workshops, training webinars, outreach sessions, and advisory sessions.

RECOMMENDATION 6

To provide decision-makers with complete and consistent information on KPIs, we recommend the Treasury Board Secretariat work with ministries to:

- update and maintain complete KPIs, including baselines, targets, target rationales, details on methodology and current results;
- update KPI targets to be more ambitious than the associated baselines, where appropriate, and if that is not possible, reassess the usefulness of the indicator; and
- maintain consistent KPIs year to year and only make changes when necessary, such as to reflect significant changes to government priorities or the creation of new programs.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendation and acknowledges the importance of complete and consistent performance measurement information. In order to make progress in support of this recommendation, the Secretariat will work with line ministries to:

- update and refine existing KPIs to ensure all key information (such as baseline, targets, methodology, and results) is kept up to date going forward;
- continually review existing targets to ensure they are realistic and ambitious in supporting ongoing continuous improvement efforts; and
- regularly review their existing KPIs to ensure relevance to the ministry goals and objectives, maintain consistency year to year wherever feasible or useful, and remove KPIs that are no longer relevant or useful.

RECOMMENDATION 7

To improve the completeness and accuracy of KPI information, we recommend the Treasury Board Secretariat:

- consistently review KPI information provided by ministries and correct data in its information system for any errors; and
- assess the feasibility of integrating this information system with other systems used to track program performance measures in the Ontario Public Service, and integrate where feasible.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the goal of the recommendation. In order to make progress in support of the intent of this recommendation the Secretariat will explore ways in which a consistent information system might be used to track and report on KPIs, or to explore data integration opportunities between systems if consolidation into a single system is not feasible. In addition, the Secretariat will work with line ministries to ensure that KPI data tracked and reported by ministries in the system(s) is accurate.

RECOMMENDATION 8

To strengthen ministries' expertise in performance measurement, we recommend the Treasury Board Secretariat provide enhanced KPI-related training, guidance and support to ministry staff that focuses on:

- identifying and reporting on measures that directly reflect ministry mandates and intended outcomes of key ministry actions;
- the importance of timely data collection and using reliable sources; and
- clearly identifying the usefulness of each KPI to ministry- and government-wide decision-making.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendation and acknowledges the importance of capacity building through the provision of training, guidance and support to ministry staff. In this regard, the Secretariat will review existing training and guidance materials with a goal to developing additional trainings and guidance (where necessary and feasible) on the importance of reporting performance measures that reflect ministry mandates and intended outcomes, timely and reliable data collection, and use of that information to support decision-making.

PROGRAM EVALUATION

To strengthen the quality of program evaluation reports and their usefulness in decision-making, we recommend the Treasury Board Secretariat update its reporting template for program evaluations to include:
- a description of how the selected program falls within the definition of "program" as prescribed in the Secretariat's program evaluation instructions;
- an explanation of the reasons for the program's selection for evaluation, such as a description of the selection metrics used or the demonstrated need for selecting the program for evaluation;
- an explanation of how the program evaluation aligns with core ministry deliverables and the strategic priorities of the ministry or government;
- a description of the program evaluators' connection to the program being evaluated, if any;
- a justification for the chosen methodology and data sources used;
- specific actions the ministry will take as a result of the program evaluation findings; and
- a detailed implementation plan and timeline for completing those actions.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendations and acknowledges the importance of using quality program evaluation reports to inform decision-making. The Secretariat will update the program review template to include:
- a description of how the selected program falls within the definition of "program";
- a description of the rationale for selection and how the review aligns with core ministry deliverables and priorities of the ministry and government;
- an explanation of the methods and data sources used;
- program evaluation findings and recommendations along with an action plan for implementing the recommendations; and
- disclosure whether the members of the evaluation team are involved in the delivery of the program.

The Secretariat will also provide guidance for program evaluation best practices on:
- selecting programs for review; and
- choosing suitable evaluators, evaluation methods, and data sources.

To strengthen the independence and objectivity of program evaluations, we recommend the Treasury Board Secretariat, in conjunction with ministries:
- develop guidance on when to have staff, other than program staff who are involved in delivering or developing a program, conduct the program evaluation;
- establish competency guidelines for those conducting program evaluations;
- report the results of their program evaluations using a standardized reporting template (or templates) for guidance and consistency; and
- promote fulsome program evaluation reports, which include: a mix of data sources, such as external data sources, to corroborate existing internal information; clear documenation of the methodology and data

sources used; and identification of limitations and discussion of the impact of these limitations on the credibility and reliability of the corresponding findings and report recommendations.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat recognizes the importance of objective and rigorous reviews. The Secretariat will develop competency guidelines for those involved in conducting program evaluations and on best practices for carrying out program evaluations. As well, in order to improve consistency, the Secretariat supports the development and adoption of standardized templates for reporting program evaluation results.

The Secretariat will also reinforce that key elements be provided in reporting program-review results, such as use of mixed data sources, and methods and methodology used (including data limitations and the impact of these limitations on the findings and report recommendations).

RECOMMENDATION 11

To promote the constant improvement of program evaluation, we recommend the Treasury Board Secretariat:
- develop standardized evaluation criteria for Secretariat staff assessing the completeness of program evaluations;
- critically review ministry program evaluation plans and reports to assess for quality and completeness according to the evaluation criteria;
- meet with evaluators during program evaluations to ensure the evaluations are being conducted in accordance with Secretariat guidance; and
- provide feedback to ministries on the program evaluation reports regarding the quality of the evaluation, including areas for future improvement.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendations and acknowledges the need for continuous improvement of program evaluation. In this regard, the Secretariat will:
- develop standardized evaluation criteria for Secretariat staff assessing the completeness of program evaluations;
- review ministry program evaluation plans and reports to assess for quality and completeness according to the evaluation criteria and provide feedback to ministries; and
- offer support during program evaluations and meet with evaluators, if requested by the ministry.

RECOMMENDATION 12

To improve the transparency and usefulness of the program evaluation process, we recommend the Treasury Board Secretariat require ministries to:
- publish completed program evaluations on the ministry or government of Ontario website; and
- where a business case is submitted to Treasury Board/Management Board of Cabinet, clearly communicate—both in the reporting template and in the business case—how the findings of the program evaluation support the request made in the business case.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendation and acknowledges the need for continuous improvement of program evaluation. In this regard, the Secretariat will:

- work with line ministries to explore opportunities to publish results from completed program evaluations on ministry or government of Ontario websites, with considerations of privacy and/or confidentiality (e.g., Advice to Cabinet, commercially sensitive findings, or issues related to personal information); and
- reinforce requirements in the in-year business case template to demonstrate how the findings of the program evaluation support the request made in the business case.

RECOMMENDATION 13

To enhance the capacity of staff performing program evaluations, we recommend the Treasury Board Secretariat provide training, guidance and support to ministries focused on best practices for planning, conducting, analyzing and reporting on program evaluations, including:

- defining what constitutes a "program" for the purposes of evaluation;
- aligning the purpose and objectives of an evaluation to program and decision-making needs;
- ensuring those leading and conducting the evaluation have necessary training and expertise;
- selecting an appropriate scope and robust methodology to meet the evaluation's purpose and objectives;
- collecting and assessing the quality of data;
- identifying data and methodology limitations and their potential impacts on the evaluation's findings;
- ensuring a mix of objective data types and sources; and
- developing and implementing options for addressing the evaluation's findings.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat accepts the recommendations and acknowledges the need for ongoing capacity building of staff performing program evaluations. In this regard, the Secretariat will develop additional training and guidance focused on planning, conducting, analyzing and reporting of program evaluations, what constitutes a "program," best practices on selecting programs for review, choosing suitable evaluators, evaluation methods, and data sources, and how to develop options and implementation plans for addressing the evaluation's findings.

RECOMMENDATION 14

To improve how and when programs are selected for evaluation, we recommend the Treasury Board Secretariat:

- develop selection criteria for identifying and prioritizing programs for evaluation; and
- require ministries and its own analysts to follow the criteria when selecting programs for evaluation or indicate why the selection criteria were not followed.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat acknowledges the benefit of having a clear rationale for selecting a program for review and will develop criteria that could support ministries in selecting programs for review and will request that ministries articulate their rationale. In the new Strategic Planning Process, the Secretariat has requested that ministries identify programs for review as the Secretariat also believes that ministries may have their own criteria that are relevant.

RECOMMENDATION 15

To provide a mechanism for regular, ongoing program evaluation, we recommend the Treasury Board Secretariat:

- develop, through consultation with ministries, a multi-year program evaluation plan to evaluate all major programs, with consideration given to program allocation coverage, and update the plan on an annual basis; and
- introduce guidance that ministries complete program evaluations in accordance with the multi-year evaluation plan unless there are exceptional circumstances, which should be communicated to Treasury Board/Management Board of Cabinet.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat acknowledges the benefit of improving how and when programs are selected for evaluation. In this regard, the Secretariat will work with ministries to have them develop a multi-year program evaluation plan that reflects a comprehensive review of major programs on a consistent basis, which would be updated on a yearly basis.

PERFORMANCE MEASUREMENT, PROGRAM EVALUATION AND ANNUAL PERFORMANCE REPORTING

RECOMMENDATION 16

To have a consistent approach to performance measurement, program evaluation and performance reporting across the Ontario Public Service (OPS), we recommend the Treasury Board Secretariat work with Treasury Board/Management Board of Cabinet to develop or update existing directives on performance measurement, program evaluation and performance reporting that:

- clearly outline the roles and responsibilities in the OPS related to performance measurement, program evaluation, and annual reporting;
- require ministries to develop a performance measurement framework and identify key performance indicators to measure progress against ministry goals and objectives;
- require ministries to publish an annual report on ministry performance that includes reporting on actual results against plans, key risks, performance shortfalls (where applicable) and KPIs (with baselines, current results, and targets); and
- require ministries to systematically identify and evaluate programs.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat acknowledges the benefit of having a consistent approach to performance measurement, program evaluation and performance reporting across the OPS. The Secretariat will explore the creation of additional directives and/or the update of applicable existing directives.

In order to make progress in support of the intent of this recommendation, the Secretariat will explore options for ensuring a more consistent approach to performance measurement, program evaluation and performance reporting across the OPS.

The Secretariat believes its recent initiatives, taken together and in concert with additional actions it is committed to implementing, including additional guidance on appropriate roles and responsibilities in the OPS, will allow the Secretariat and line ministries to implement better strategies to integrate evidence, research and analytics into decision making process.

RECOMMENDATION 17

To clarify its expectations for performance measurement, program evaluation and performance reporting to ministries and share best practices, we recommend the Treasury Board Secretariat:
- publish its guidance and instructions for key performance indicators, program evaluations and published plans and annual reports; and
- assemble and disseminate best practices for key performance indicators, program evaluations, and published plans and annual reports to preparers, including information on elements such as using logic models, program evaluation methodology, and performance reporting.

TREASURY BOARD SECRETARIAT'S RESPONSE

The Secretariat acknowledges the importance of providing ministries with clear expectations for performance measurement, program evaluation and performance reporting. In this regard, the Secretariat will develop a set of resources that will support the development and implementation of key performance indicators and program evaluations including best practices, use of logic models, program evaluation methodology, and performance reporting.

Appendix 2: Glossary of Terms

Prepared by the Office of the Auditor General of Ontario

Term	Definition
Assessment Note	A document created by the Treasury Board Secretariat containing a summary and analysis of a ministry's multi-year plan submission, including its key performance indicators and program evaluations, along with the Treasury Board Secretariat's recommendations for decision(s) to be made by Treasury Board/Management Board of Cabinet. The assessment note is considered the Treasury Board Secretariat's official advice to Treasury Board/Management Board of Cabinet on a ministry's multi-year plan and the primary vehicle to communicate feedback to ministries on their key performance indicators and program evaluations.
Baseline	The starting point for the value of an indicator that provides a comparison for future performance. A baseline should be established prior to the implementation of a project or program.
Estimates Briefing Books	A document that the Secretariat directs all ministries to prepare, which are given to the Standing Committee on Procedure and House Affairs (Standing Committee) and Members of Provincial Parliament to support their review of the government's Expenditure Estimates in the Legislative Assembly. The Secretariat is responsible for developing the instructions for preparing the Estimates Briefing Books. Ministries must submit their Estimates Briefing Books directly to the Clerk of the Standing Committee within 10 to 15 working days of the government tabling the Expenditure Estimates in the Legislature. These documents contain two parts: the ministry's Published Plan and Annual Report (*Part I*) and the ministry's Detailed Financials (including a description of transfer payment funding and an explanation of year-over-year changes; *Part II*). Part I is publicly available, while Part II is only available to the public on request to the Clerk of the Standing Committee.
Expenditure Estimates	A document that sets out the details of the operating and capital spending requirements of all ministries and some legislative offices for the fiscal year (April 1-March 31). The Expenditure Estimates constitute the government's annual formal request to the Legislature for approval of the expenditures involved, and are organized by ministry. Within each ministry, the estimates or ministry spending plans are subdivided by program area and spending activity (referred to as a vote item). The Expenditure Estimates, once passed in the Legislature (through the *Supply Act*), give each ministry legal authority to spend their operating and capital budgets.
Government-directed key performance indicator	A key performance indicator developed by a ministry to measure its progress towards achieving an outcome identified by the Treasury Board Secretariat that aligns with the government's strategic priorities and objectives. The Treasury Board Secretariat identifies and communicates these to ministries on an annual basis through the multi-year plan instructions.
Impact measure	A measure of the primary and secondary long-term effects produced by a policy, program or initiative, either directly or indirectly. See **Figure 2** for more information.
Input measure	A measure of the resources (financial, human or material) used by organizations to implement policies, programs and initiatives. See **Figure 2** for more information.
Key performance indicator (KPI)	A performance measure that demonstrates and tracks progress toward achieving a strategic outcome. KPIs should be quantifiable (i.e. quantitatively expressed) and measurable over time. In Ontario, ministry KPIs should measure progress towards ministry or government-wide strategic outcomes.

Term	Definition
Key Performance Indicator Dashboard	A visual summary of all ministry KPIs, including progress made in the last year, that is prepared by staff in the Treasury Board Secretariat and presented to the Treasury Board/Management Board of Cabinet. The dashboard includes baseline, trend and target dates and values, where available, and indicates if the indicator is making progress toward or away from the target.
Ministry-identified key performance indicator	A key performance indicator chosen by a ministry to measure and demonstrate progress toward achieving one of its strategic outcomes.
Multi-year plans	The annual business planning documents prepared by each ministry and reported to the Treasury Board Secretariat as part of the government's annual business planning process. These plans should present the ministry's goals, projected operational spending over five years, and projected capital spending over 10 years. The planning process for a given fiscal year typically starts in the fall of the prior fiscal year and ends before the Budget is finalized by the following March. Treasury Board/Management Board of Cabinet decisions made through this process shape the Province's Budget. Each ministry submits a multi-year plan, including strategic business cases, detailed financial outlooks, an enterprise risk assessment, performance measures, program evaluations, and strategic communication plans.
Outcome measure	A measure of the short-term and medium-term effects of activities of an organization, policy, program or initiative. See **Figure 2** for more information.
Output measure	A measure of the direct products stemming from the activities of an organization, policy, program or initiative. See **Figure 2** for more information.
Performance information	Describes what an organization did with its resources to achieve its results and the assessment of those results against what the organization intended to achieve. Performance information often describes an organization's effort, capacity and intent.
Performance measure	A metric used to directly or indirectly measure a particular aspect of performance, including input (i.e. the resources used to implement an initiative), output (i.e. the direct products stemming from an initiative), outcome (i.e. the short-term and medium-term effects of an initiative), or impact (i.e. the primary and secondary long-term effects of an initiative). To be meaningful, performance measures must be specific, measurable, achievable, results-oriented and time-focused.
Performance measurement	A method of identifying and assessing results achieved by an organization, project, program or policy against defined goals or criteria.
Performance measurement framework	A process to provide a consistent approach to systematically collect, analyze, use and report information on performance. This process shows how existing programs are performing and whether they are achieving their intended outcomes.
Performance reporting	The method(s) by which information on performance is communicated to the public and other stakeholders. In the public sector, timely reporting on performance is important for accurately informing decision-makers and for demonstrating transparency and accountability.
Program evaluation	A process for systematically collecting and analyzing information about the performance of a program with respect to its design, implementation and outcomes. This information is then used to assess the relevance, progress or success and cost-effectiveness of a program, and to inform decisions about its design and implementation.

Term	Definition
Published Plan and Annual Report	A ministry report that includes an overview of the ministry's approved strategic plan for the upcoming fiscal year along with its annual report, which provides a narrative description of results and outcomes for provincial programs that the ministry delivered in the prior fiscal year. The published plan should identify the ministry's core commitments and key deliverables and how these align with government priorities; highlight key decisions that have been approved for the upcoming fiscal year; and describe the intended outcomes and impacts of its programs and how these are reflected in the ministry's key performance indicators. The annual report should include a description of the actual results compared with what was planned and how the ministry delivered programming that contributed to it achieving its strategic priorities.
Target	A future desired value of an indicator that is a time-bound benchmark for driving and measuring progress toward meeting an objective. An initial target should be established prior to implementing a project or program, and then regularly reviewed and adjusted as performance is assessed as achieving or exceeding the target.
Treasury Board/Management Board of Cabinet (TB/MBC)	A legislated committee of Cabinet that has broad powers and responsibilities over the expenditure of public money and the programs of ministries and other public entities. These powers include making decisions about multi-year expenditure allocations, in-year spending changes, staffing resources, management practices, information technology and capital project approvals, and the creation of new programs and/or agencies. TB/MBC consists of ministers (voting members) and advisors (non-voting members, often parliamentary assistants). The Chair of TB/MBC is the President of the Treasury Board (Minister of the Treasury Board Secretariat), and the Vice-Chair is the Minister of Finance.
Treasury Board Secretariat	A central ministry responsible for government fiscal planning and expenditure management, as well as providing advice and assistance to Treasury Board/Management Board of Cabinet to support evidence-based decision-making and prudent financial management.

Appendix 3: Required Key Components of Ministries' Key Performance Indicators

Source: Treasury Board Secretariat

Component	Description	Example
Outcome statement	Describe the desired outcome or change that the KPI should be measuring.	Improve safety on Ontario highways.
Unit of measure and statistical methods	Identify the calculation used to determine the indicator as well as the unit of measurement, such as percentage, dollars, etc.	Fatalities per 10,000 licensed drivers = (total fatalities / total licensed drivers) * 10,000
Baseline, target and trend values, dates to be achieved	Include baseline (starting point), target values (the target ending point to achieve) and associated dates for each. If the target is achieved, the Treasury Board Secretariat recommends that ministries set a more ambitious target to demonstrate continuous improvement.	Baseline (2018) = 1.04 Trend (2019) = 0.91 Trend (2020) = 0.95 Target (2023) = 0.84
Target rationale	Explain the rationale for the selected target, including: • evidence of informed target-setting, such as previous trends, benchmarking against similar jurisdictions, the government's goals, etc.; and, • strategies planned to achieve the targets, such as new initiatives, evidence-based program or service reforms, etc.	The target was established based on benchmarking against provincial highways in British Columbia, Alberta and Quebec.
Source and ownership of data	Describe the source and ownership of the data used to measure the indicator.	Fatalities data is from the Ministry of Transportation's Ontario Safety Report; licensed driver total is from the Ministry's Licensing and Control System.
Frequency of data collection	Indicate the frequency with which data collection is available.	Annually.

Appendix 4: Secretariat's Instructions to Ministries on Annual Program Evaluations, 2021

Source: Treasury Board Secretariat

SELECTING

- Identify a minimum of three programs, or program(s) representing a minimum of 10% of the ministry's total program expenditures, for evaluation each year.

- Prioritize a program where:
  - there are opportunities to streamline regulations (if program operates within regulated environment).
  - actual program spending is higher than estimated spending.
  - actual program spending has increased over the past five years.
  - high-quality data related to program recipients/users is available.
  - the program has performed poorly.
  - the program has not been evaluated in the past five years.

PLANNING

- Submit a program evaluation identification template that provides information on the type of evaluation to be carried out; rationale for choosing the program for evaluation; goal(s) of the evaluation; and details on the program's financial allocation for the current year.

CONDUCTING

- Unless otherwise directed, identify the most appropriate program evaluation type, including:
  - **Relevance evaluation:** to determine the extent to which a program is aligned with government priorities and/or continues to meet an existing need and/or demand.
  - **Sustainability evaluation:** to assess cost drivers and identify opportunities for improvement to program sustainability.
  - **Implementation evaluation:** to understand who is benefitting from the program and to identify the reach of the program.
  - **Effectiveness evaluation:** to understand if the program is achieving its intended outcomes.
  - **Efficiency evaluation:** to find efficiencies and cost-saving opportunities.
  - **Value-for-money evaluation:** to determine if the program is delivering overall value for money.

- All program evaluations are expected to be completed in time to ensure that they inform the ministry's subsequent, multi-year plan (that is, within one year) with evidence-based recommendations for modernization and/or reform.

REPORTING

- Once the program evaluation is complete, submit a *program evaluation report* to the Secretariat that summarizes the results of the evaluation, including:
    - **Program summary:** brief description of the program and program financial allocation.

    - **Type and methodology:** the type of evaluation undertaken, rationale for the evaluation, and a high-level overview of the evaluation methodology and approach to the analysis conducted.

    - **Key findings:** summary of the key evidence-based findings resulting from the evaluation.

    - **Options for reform:** summary of the viable options for program reform, as well as the ministry-recommended option, supported by evidence collected through the program evaluation. A high-level rationale for selecting the recommended option should also be provided, including the improved outcomes, impacts to vulnerable populations/delivery partners/other programs or other governments, risks, and implementation and ongoing monitoring.

    - **Next steps:** summary of required next steps for the evaluation, as well as whether a communications strategy is required.

- For program evaluations not completed by the subsequent multi-year plan, ministries are required to submit a *program evaluation status tracker* that outlines the: name and current status; rationale for incomplete status; any contributing circumstances and factors; and, anticipated completion date.

Appendix 5: Ministries Subject to Legislative Annual Reporting Requirements

Prepared by the Office of the Auditor General of Ontario

Ministry	Legislation (Year First Enacted)	Details on Reporting Requirements
Agriculture, Food and Rural Affairs	*Ministry of Agriculture, Food and Rural Affairs Act (1972)*	"The Minister shall in each year submit to the Lieutenant Governor in Council a report of the proceedings of the Ministry during the next preceding fiscal year, and such report shall be laid before the Assembly forthwith."
Attorney General	*Ministry of the Attorney General Act (1980)*	"The Attorney General after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Citizenship and Multiculturalism	*Ministry of Citizenship and Culture Act (1982)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Economic Development, Job Creation and Trade	*Ministry of Economic Development and Trade Act (1972)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Education	*Education Act (1970)*	"The Minister shall, after the close of each fiscal year, submit to the Lieutenant Governor in Council a report upon the affairs of the Ministry for the immediately preceding fiscal year and shall then lay the report before the Assembly."
Environment, Conservation and Parks*	*Ministry of Natural Resources Act (1972)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Francophone Affairs	*French Language Services Act (1986)*	"The Minister, after the close of each fiscal year, shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry of Francophone Affairs and shall then lay the report before the Assembly."
Health	*Ministry of Health and Long-Term Care Act (1972)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Labour, Immigration, Training and Skills Development	*Ministry of Labour Act (1970)*	"The Minister shall after the close of each fiscal year submit an annual report upon the affairs of the Ministry to the Lieutenant Governor in Council and shall then lay the report before the Assembly."
Long-Term Care	*Ministry of Health and Long-Term Care Act (1972)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Municipal Affairs and Housing	*Ministry of Municipal Affairs and Housing Act (1981)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly if it is in session or, if not, at the next session."
Natural Resources and Forestry	*Ministry of Natural Resources Act (1972)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."

Ministry	Legislation (Year First Enacted)	Details on Reporting Requirements
Public and Business Service Delivery	*Ministry of Government Services Act (1973)*	"The Minister, after the close of each year, shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Solicitor General	*Ministry of the Solicitor General Act (1972)*	"The Solicitor General, after the close of each year, shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."
Tourism, Culture and Sport	*Ministry of Tourism and Recreation Act (1972)*	"The Minister shall in each year submit to the Lieutenant Governor in Council a report of the proceedings of the Ministry during the next preceding fiscal year, and such report shall be laid before the Assembly forthwith."
Transportation	*Ministry of Transportation Act (1970)*	"The Minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the Ministry and shall then lay the report before the Assembly."

* The Ministry of Environment, Conservation and Parks is subject to annual reporting requirements under the Ministry of Natural Resources Act due to the transfer of responsibility for conservation and parks programs from the Ministry of Natural Resources.

Appendix 6: Content Requirements for Ministries' Published Plans and Annual Reports

Source of data: Treasury Board Secretariat

PUBLISHED PLANS

- **Overview:** Includes the ministry's vision statement, core commitments, key deliverables for the upcoming fiscal year that have been approved and their alignment with broader government priorities (as outlined in the Budget).

- **Program summary:** Provides an overview of the programs and activities the ministry delivers, the issues/needs it addresses, the clients served, and intended outcomes for each program.

- **Ministry-approved strategic plan:** Identifies the key deliverables for the upcoming year and outlines their funding requirements, risks and intended outcomes.

- **Detailed financial information:** Includes charts outlining operating and capital expenditure and asset estimates, interim actuals and actuals from the current year, prior year, and two years prior

- **List of agencies, boards and commissions:** Includes an overview of the role and expenditures of all agencies, boards and commissions that report to the ministry.

- **Organizational chart:** Illustrates the ministry's approved structure (does not include full-time employee counts).

ANNUAL REPORTS

- Summary of actions taken in the prior year to deliver on the government's priorities and identify what results were achieved.

- Use detailed results from ministry-level key performance indicators (KPIs) and program-level measures to demonstrate how the ministry delivered programming that contributed to achieving its strategic priorities (first required in 2017).

- Include ministry-level outcomes or KPIs, as well as other relevant program performance measures (e.g., output/efficiency and outcome measures) that support the narrative of driving government sustainability, transparency and accountability.

- Include interim actual expenditures—operating, capital, and COVID-19 approvals.

- Describe any measures that were put in place to respond to the COVID-19 pandemic and actions the ministry took to mitigate the impact of COVID-19 on the delivery of critical programs and services to Ontarians (2020).

Appendix 7: Review Criteria

Prepared by the Office of the Auditor General of Ontario

1. **Key Performance Indicators:** Ministries, working in conjunction with the Treasury Board Secretariat, establish key performance indicators and associated targets to monitor performance against stated ministry goals and objectives. Indicators and targets are specific, measurable, realistic, relevant, time-bound, based on sound evidence, in line with best practices, and regularly reviewed and updated as needed.

2. **Program Evaluation:** Ministries regularly evaluate key programs and processes to assess their performance, in line with best practices.

3. **Application of Performance Measurement Framework:** The results of performance measures and program evaluations are used as evidence to inform decision-making.

4. **Performance Reporting:** Ministries publicly report on performance through their published plans and annual reports in an accessible manner, in line with legislation, best practices and government directives.

5. **Training and Capacity:** Processes are in place to ensure those developing KPIs, conducting program evaluations and publishing annual reports have the appropriate capacity, training and guidance, and oversight.

6. **Due Diligence:** Treasury Board Secretariat provides a critical assessment of performance measurement and reporting as part of multi-year plans, program evaluations, and published plans and annual reports.

7. **Roles and Responsibilities:** Roles and responsibilities in performance measurement and reporting are clearly defined and accountability requirements are established.

Appendix 8: Good Practices Used to Evaluate Key Performance Indicators, Program Evaluations and Annual Reports

Prepared by the Office of the Auditor General of Ontario

APPENDIX 8a: GOOD PRACTICES USED TO EVALUATE KEY PERFORMANCE INDICATORS[1]

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
Completeness						
The measure is accompanied by adequate information to allow for ongoing performance measurement and decision-making.						
a) The outcome statement clearly identifies elements such as: • the target population impacted by the outcome; • a timeline; • the desired change/impact of the initiative; • the expected results; and • the activities to be undertaken to achieve the results. [specific][2]	23	47	25	51	1	2
b) The outcome of the KPI appears to be reasonable and is attributable to the ministry's activities. [achievable]	25	51	20	41	4	8
c) The baseline value and date are appropriate and justified: • the baseline appears to be significantly and demonstrably different (value-wise and temporally) than the target; and • the baseline date is recent enough to be comparable with trend/target timelines. [timely]	35	72	9	18	5	10
d) The trend value(s) and date(s) are reported[3]: • regularly (at least once per year); • consistently (year over year, if that data is available); • in a consistent format to the baseline and target; and • where relevant, trend data is accompanied by information about significant changes (such as explanations if there were changes to things like the total program funding, an emergency like COVID-19, data collection issues). [achievable] [timely]	28	62	14	31	3	7
e) The target value and date are appropriate and justified: • the target appears to be significantly and demonstrably different (value-wise and temporally) than the baseline; and • the target date is reasonable enough to be comparable with baseline/target timelines. [timely]	13	26	15	31	21	43
f) The rationale of the target value and date is logical, where relevant/applicable, benchmarks to similar institutions are being used. [achievable] [timely]	13	26	18	37	18	37
Validity						
The measure is logically and factually sound.						
a) KPI explains statistical methods/calculation such as the numerator and denominator are tied to KPI. [measurable]	31	63	14	29	4	8
b) KPI clearly measures the outcome (i.e., what is intended to be measured). [specific]	21	43	23	47	5	10

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
Reliability						
The result of the measurement or calculation can be depended upon to be accurate.						
a) Data is collected regularly (at least once per year) and consistently (i.e., if data is collected annually, the indicator is reported annually, year over year). [timely]	37	76	7	14	5	10
b) Data is collected from reliable and robust sources sources such that the ministry is using administrative data, if available, instead of survey data. [measurable]	21	43	16	33	12	24
Strategic Alignment						
The measure is tied to a ministry or government mandate/priority.						
a) KPI is aligned with the ministry's mandate, responsibilities, and/or activities, including whether it is a measure of the ministry's actions or the ministry's actions will contribute to what is being measured by the KPI and/or KPI is aligned with the government's priorities. [relevant]	47	96	2	4	0	0
Usefulness in Decision-Making						
The measure is used to manage and improve future performance.						
a) KPI is useful or meaningful to Treasury Board/Management Board of Cabinet such that: • it supports decision-making related to financial allocation of public dollars; • it demonstrates improved outcomes, or cost efficiencies/cost avoidance; and • it allows decision-makers to understand how well the system performs, and where improvements should be considered.	7	14	30	61	12	25
b) KPI is mentioned and connected to the current year's multi-year plan requests (i.e., a business case.)[4] [relevant]	25	53	1	2	21	45

1. We assessed a sample of 49 KPIs from the most recent multi-year planning cycle for 2022/23. To provide a cross-section of KPIs, we randomly selected one government-directed and one ministry-identified KPI for each ministry. In one case, only one KPI was available for the newly created Ministry of Citizenship and Multiculturalism (established in June 2021).

2. Key performance indicators should be specific, measurable, achievable, realistic and time-bound (SMART).

3. Four KPIs do not have trend values because they are brand new. As such, this category was evaluated for 45 of the 49 KPIs.

4. The Ministry for Seniors and Accessibility did not have any business cases in its multi-year plan. As such, two KPIs have been removed from this category (47 of the 49 KPIs were evaluated for this category).

APPENDIX 8b: GOOD PRACTICES USED TO EVALUATE PROGRAM EVALUATIONS*

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
Relevance						
The program evaluation is useful and relevant to the ministry and/or government and related to its core deliverables and/or priorities, and supports the overall goals of program evaluation.						
a) There is a clear need or objective rationale for the program evaluation, and it is clearly communicated.	12	**40**	10	**33**	8	**27**
b) Program evaluation aligns with the Treasury Board Secretariat's stated goal or purpose of conducting program evaluations.	30	**100**	-	**-**	-	**-**
c) Program evaluation relates to core deliverables and/or strategic priorities of the ministry.	27	**90**	3	**10**	-	**-**
d) Program evaluation aligns with current government strategic priorities.	17	**57**	13	**43**	-	**-**
e) Program evaluation serves an ongoing need/demand.	30	**100**	-	**-**	-	**-**
f) Program evaluation identifies and assesses specific areas for program improvement, opportunities for efficiencies and improved effectiveness.	25	**84**	1	**3**	4	**13**
g) Program evaluation completed by the following Multi-Year Plan cycle (or in an otherwise appropriate time frame to effectively inform program improvement).	20	**66**	5	**17**	5	**17**
h) The findings and/or recommendations of the program evaluation were used to inform ministry and/or government decision-making.	10	**33**	11	**37**	9	**30**
Credibility						
The program evaluation is conducted by, involved or otherwise incorporated independent evaluators and objective evaluation methodology.						
a) Program evaluation involves evaluators independent to those designing/ delivering the program (such as external, ministry staff outside the program area, designated program evaluation staff) and/or is peer reviewed.	8	**27**	1	**3**	21	**70**
b) Program evaluation methodology ensures objectivity (i.e., does not rely on only one methodology or source of data, or solely on surveys/interviews with program users to reach conclusions, but includes measurements and data collection from which analysis and inferences are made).	9	**30**	16	**53**	5	**17**
Robustness						
The program evaluation relies on appropriate methodology and resources that are sufficient to meet its objectives and withstand reasonable scrutiny.						
a) Program evaluation has clear and measurable objectives and outcomes.	6	**20**	23	**77**	1	**3**
b) Program evaluation is based on objective evaluation metrics.	4	**13**	1	**3**	25	**84**
c) Program evaluation results are sufficient to meet the objectives of the evaluation.	5	**17**	13	**43**	12	**40**
d) Program evaluation conducted by individuals with sufficient and relevant training and/or experience.	8	**27**	22	**73**	-	**-**
e) Program evaluation includes comparison to program delivery over time (historical), alternative delivery models, or delivery with other jurisdictions.	14	**47**	5	**17**	11	**36**

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
f) Documented discussion and analysis of limitations of the program evaluation.	1	3	9	30	20	67
g) Findings and recommendations are supported by objective quantitative/ qualitative evidence.	10	33	9	30	11	37

Proportionality

The program evaluation methodology is appropriately tailored to the program attributes and sufficient to obtain a reasonable level of confidence in its findings and recommendations.

	Met		Partially met		Did not meet	
a) Documented discussion and analysis regarding the selection of program evaluation methodology.	7	23	19	64	4	13
b) Program evaluation methodology correlates to the attributes (such as cost, size, risk, purpose) of the selected program.	18	60	7	23	5	17
c) Program evaluation methodology sufficient to provide confidence in the findings and recommendations.	6	20	14	47	10	33

*   We assessed a sample of 30 completed program evaluations from 2019/20 to 2021/22 and their accompanying assessment notes. We selected this sample to be representative of all ministries and include a cross-section of significant programs and decisions, program evaluation types (effectiveness, efficiency, implementation, sustainability, relevance, and value-for-money), and sources of program evaluations (ministry-identified, government-directed). The program evaluations contained in our sample represent $22.9 billion in total program value, which corresponds to 83% of the total program value of all program evaluations completed by ministries from 2019/20 to 2021/22.

APPENDIX 8c: GOOD PRACTICES USED TO EVALUATE ANNUAL REPORTS*

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
The report is easily accessible and identifiable as the Ministry's Annual Performance Report						
a) It is easy for a member of the public to find an annual report for the ministry.	24	100	0	0	0	0
The report describes the ministry's strategic direction						
a) The report summarizes information about the ministry's high-level priorities and long-term goals so as to provide context for reported performance.	24	100	0	0	0	0
b) The source of the ministry's high-level priorities and long-term goals is provided via references to companion documents or website links for users who need more detail.	7	29	13	54	4	17
c) Sections of the report are devoted specifically to describing how the entity serves the public.	23	96	1	4	0	0
d) The report's description of the ministry's goals and objectives helps the user understand how their accomplishment is consistent with the ministry's strategic direction.	22	92	1	4	1	4
The ministry's performance information is relevant						
a) Information about actual performance is hyperlinked to the ministry's previous year's published plan (strategic plan).	0	0	1	4	23	96
b) Information in the annual report is aligned with the previous year's published plan (strategic plan).	11	46	8	33	5	21
c) To the greatest extent possible, ultimate outcomes and annual performance goals are measurable, or there are immediate outcomes presented that a user can readily understand and relate to ultimate outcomes.	5	21	14	58	5	21
The ministry provides fair information in its report						
a) The report presents unbiased information about performance. The form and presentation of information and the relative emphasis (or lack of emphasis) on specific matters appears reasonable.	11	46	6	25	7	29
b) The ministry reports some performance shortfalls (unless an entity claims to have achieved perfection, a 100% success rate suggests that performance metrics are not sufficiently challenging).	3	12	4	17	17	71
The ministry's performance information is comparable and consistent						
a) The report enables the user to see performance trends, typically by including baseline and prior-period results for consistent measures going for more than two years.	7	29	11	46	6	25
b) Comparative information is presented on a consistent basis to compare actual results for the current period against more than two years of prior-period actuals.	4	17	13	54	7	29

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
The report is understandable						
a) The report is concise and written in plain language that a member of the public can readily understand.	21	88	3	12	0	0
The report focuses on the few critical aspects of performance						
a) The report focuses on the ministry's key strategies, goals and objectives.	22	92	0	0	2	8
b) The report lists and describes the role and expenditures of all agencies, boards and commissions that report to the ministry, including reference to the ministry's other delivery partners (i.e., roles/responsibilities of other ministries/levels of government, agencies, broader public sector partners, and consolidated entities).	22	92	2	8	0	0
c) The report describes the public benefits resulting from the ministry's work in a manner understandable to users and illustrates those benefits with concrete, outcome-oriented examples of the ministry's accomplishments for the reporting period.	11	46	10	42	3	12
d) Users have a clear understanding of what the ministry is trying to accomplish.	23	96	0	0	1	4
e) The narratives in the report are supported by performance information that compares the ministry's planned and actual results.	4	16	10	42	10	42
f) The report provides details on results using performance measures to demonstrate how the ministry delivered programming that contributed to achieving its strategic priorities.	15	62	4	17	5	21
g) The report provides results on the ministry's key performance indicators (KPIs) as identified in ministry's multi-year plan.	3	12	5	21	16	67
h) The KPIs help users identify the ministry's few critical aspects of performance/demonstrate how the ministry delivered programming that contributed to achieving its strategic priorities.	3	12	4	17	17	71
The ministry explains actual results for the reporting period and compares them with planned results, and explains any significant variances						
a) The report identifies planned results for the reporting period, stated in terms of outputs and outcomes.	4	17	14	58	6	25
b) The report clearly and candidly acknowledges performance shortfalls within Multi-Year Plan KPIs.	3	13	2	8	19	79
c) The report explains all significant variances and gives the user reasonable insight into their cause(s).	1	4	8	33	15	63
d) The explanation of variances includes a description of planned actions to minimize them in the future, thereby adding to the user's understanding of the variance and the user's confidence that the variance is being addressed.	0	0	11	46	13	54
e) The ministry uses a variety of measurement approaches and data, particularly when reported results reflect the combined effect of collaboration between several programs or other ministries.	10	42	6	25	8	33

Good Practices	Met		Partially met		Did not meet	
	#	%	#	%	#	%
The report provides comparative information about trends, benchmarks, baseline data or the performance of other similar organizations						
a) The report includes trend information that, at a minimum, presents current-period actual results with actual results for at least the two previous periods.	8	33	12	50	4	17
b) The ministry compares its performance to other jurisdictions or other related industry benchmarks.	2	8	3	13	19	79
The report describes lessons learned and key factors influencing performance and results						
a) The report describes the implications of significant variances between planned and actual results. If evaluations were conducted that result in plans to improve the overall performance of individual programs, these plans are summarized.	0	0	2	8	22	92
b) There is a summary of the ministry's most serious management and performance challenges and the impact(s) they had on performance and results.	1	4	14	58	9	38
c) Where there are risks that had a significant impact on performance (e.g., COVID-19), the report includes outlines of the steps needed to bring actual performance in line with planned results, and progress is evaluated in relation to those steps.	3	12	11	46	10	42
d) The report explains performance targets achieved and action to be taken when targets are not achieved (measures of actual performance targets should be provided so the ministry and the public can compare strategic plan targets to achievements for the years of the annual report; where strategic plan targets are not met, the report explains the actions to be taken to meet the target, or it includes explanations and descriptions for targets that were significantly exceeded).	1	4	12	50	11	46
The ministry links its financial and non-financial performance information						
a) The report describes the policies, processes and systems used to align financial and non-financial information with the ministry's goals and key strategies, and provides a member of the public with an understanding of financial information and its connection to performance information.	10	42	12	50	2	8
b) The report includes narratives and performance measures that show the ministry understands how financial and non-financial resources contributed to actual results.	3	12	16	67	5	21
c) The report references the public accounts and/or reports on actual spending; it is clear to members of the public how the ministry is spending money in programs (links to vote/item in Public Accounts).	3	12	14	58	7	30

*   We assessed the most recent published plans and annual reports for all ministries (2021/22) available at the time of our review.

Appendix 9: Performance Measurement, Program Evaluation and Annual Performance Reporting Practices in Other Jurisdictions

Prepared by the Office of the Auditor General of Ontario

Jurisdiction	Key Performance Indicators			
	Publishes Ministry Performance Measurement Framework	Consistent Public Reporting on Ministry Performance Indicators	KPIs Required by Legislation or Directive	Publicly Available Guidance
Alberta	✓	✓	✓ (Directive)	✗
British Columbia	✓	✓	✓ (Legislation)	✗
Saskatchewan	✗	✓	✗	✗
Manitoba	✓	✓	✓ (Legislation)	✗
Ontario	✗	✗	✗	✗
Quebec	✓	✓	✓ (Legislation)	✓
Newfoundland and Labrador	✗	✓	✓ (Directive)	✗
New Brunswick	✗	✗	✓ (Legislation)	✗
Nova Scotia	✗	✗	✗	✗
Prince Edward Island	✗	✗	✗	✗
Canada	✓	✓	✓ (Directive)	✓
Australia	✓	✓	✓ (Legislation)	✓
United Kingdom	✗	✓	✓ (Directive)	✗

Jurisdiction	Program Evaluation				
	Centralized Program Evaluation Process in Place	Consistently Uses Independent[1] Evaluators	Publishes All Evaluation Reports	Content Requirements Outlined in Legislation or Directive	Publicly Available Guidance
Alberta	✗	✗	✗	✗	✗
British Columbia	✓	✗	✗	✗	✗
Saskatchewan	✗	✗	✗	✗	✗
Manitoba	✓	✓	✗	✗	✗
Ontario	✓	✗	✗	✗	✗
Quebec	✓	✓	✗	✓ (Directive)	✓
Newfoundland and Labrador	✓	✗	✗	✓ (Directive)	✗
New Brunswick	✗	✗	✗	✗	✗
Nova Scotia	✗	✗	✗	✗	✗
Prince Edward Island	✓	✗	✗	✗	✗
Canada	✓	✓	✓	✓ (Directive)	✓
Australia	✓	✗	✗	✗	✓
United Kingdom	✗	✓	✗	✗	✓

1. Independent refers to evaluations being conducted by individuals who are independent of the program being evaluated.

Jurisdiction	Annual Reports				
	Strategic Plans and Annual Reports Are Published Separately	Guidance Requires Explanation of Shortfalls or Performance Variances	Guidance Requires Outcome Indicators	Content Requirements Outlined in Legislation or Directive	Publicly Available Guidance
Alberta	✓	✓	✓	✓ (Legislation)	✕
British Columbia	✓	✓	✓	✓ (Legislation)	✕
Saskatchewan	✓	✕	✓	✕	✕
Manitoba	✓	✓	✓	✓ (Legislation)	✕
Ontario	✕	✕	✓	✕	✕
Quebec	✓	✓	✓	✓ (Legislation)	✓
Newfoundland and Labrador	✓	✓	✓	✓ (Legislation)	✕
New Brunswick	✓	✓	✓	✓ (Legislation)	✕
Nova Scotia	✓	✕	✓	✓ (Legislation)	✕
Prince Edward Island	✓	✕	✕	✕	✕
Canada	✓	✓	✓	✓ (Directive)	✕
Australia	✓	✓	✓	✓ (Legislation)	✓
United Kingdom	✓	✓	✓	✓ (Directive)	✓

Appendix 10: Treasury Board of Canada Secretariat's Departmental Performance Measurement and Program Evaluation Functions

Prepared by the Office of the Auditor General of Ontario

TREASURY BOARD OF CANADA SECRETARIAT (TBCS)

- Responsible for overseeing implementation of Policy and Directive on Results
- Approves changes to Departments Results Framework and Departmental Results Indicators
- Approves Departmental Evaluation Plans and identifies additional programs for evaluation

PERFORMANCE MEASUREMENT　　　　**PROGRAM EVALUATION**

Deputy of Department

Responsible for maintaining a robust departmental performance measurement and evaluation function, and ensuring that Head of Performance Measurement and Head of Evaluation demonstrate the competencies required by the TBCS

Performance Measurement and Evaluation Committee
(chaired by the Deputy of Department, comprised of senior departmental officials)

- Drafts the Departmental Performance Plan
- Reviews and advises Deputy on Departmental Results Framework, Evaluation Plan, program inventory and performance information profiles
- Conducts assessment of department's evaluation function every five years

Head of Performance Measurement
(designated by Deputy of Department)
Responsible for Departmental Results Framework, Program Inventory, Performance Information Profiles

Departmental Performance Plan
An annual strategic performance plan, ordinarily tabled immediately following the Main Estimates, which includes departmental priorities for the upcoming year, including programs, expected results and departmental indicators

Head of Evaluation
(designated by Deputy of Department)
Responsible for leading the departmental evaluation function, including submitting Department Evaluation Plan to TBCS, and ensuring that departmental evaluation specialists demonstrate the competencies required by the TBCS

Departmental Results Framework
Outlines core responsibilities, Departmental Results, and Departmental Results Indicators

Departmental Results Report
Annual report on performance that compares actual results against expected results (including Departmental Results indicators) as set out in the Departmental Performance Plan

Departmental Evaluation Plan
Annual five-year rolling evaluation plan, including what programs will be evaluated and, resources required and the rationale for not evaluating elements of the department's spending and programs

Departmental Results Indicators
Performance measures selected to measure progress against departmental results that inform the Departmental Results Report

Departmental Evaluation Unit, Evaluation Specialists
An independent* unit of the department responsible for conducting program evaluationscomprised of staff with evaluation training and expertise

Program Inventory
Identifies all department programs and related expenditures to contribute to the department's core responsibilities and results

Program Evaluation Reports
Details the results and recommendations of independent* program (and spending) evaluations

Performance Information Profiles and Program Results Indicators
Identifies Program Results Indicators for each program in the Program Inventory that are used to measure or describe progress on program results

Program Official
Department staff designated by Deputy of Department for each program who consults with independent* program evaluators on the evaluation Terms of Reference

Program Official
Department staff designated by Deputy of Department for each program to oversee program-level performance and results

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*　Independent refers to evaluations being conducted by individuals who are independent of the program being evaluated.

←　The Treasury Board of Canada approves new Departmental Results Frameworks, while the Secretary of the Treasury Board of Canada approves changes to existing Departmental Results Frameworks. The Secretary of the Treasury Board of Canada receives and reviews the Departmental Evaluation Plan.

　　Indicates a work product that is drafted by and/or reported to the Performance Measurement and Evaluation Committee and that is made publicly available. Note that for Departmental Evaluation Plans, each department only makes its planned evaluation schedule public, not its full Departmental Evaluation Plan.

Office of the Auditor General of Ontario