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April 28, 2021

Memorandum to: Mr. Christopher Tyrell, Committee Clerk
Standing Committee on Public Accounts
Procedural Services Branch, Legislative Assembly of Ontario

Subject: **Ministry Response to the Standing Committee on Public Accounts - Status Updates on the Auditor General's 2020 Annual Report on Value-for-Money Audit on Business Case Development in the OPS**

As requested in your letter dated March 1, 2021 regarding the Business Case Development in the Ontario Public Service of the 2020 Annual Report of the Auditor General, please find enclosed a report providing updates on Treasury Board Secretariat's action plans and timetables for addressing the Auditor's recommendations made in the above stated audit report.

Treasury Board Secretariat continues to provide decision makers with the best evidence and advice they require to make informed decisions. Over the past year, we have experienced a severe disruption, including the transition to a distributed work force and the need to be even more nimble and agile as we continue to support the government's response to COVID-19.

We view these new ways of working, combined with the advice provided by the Auditor General as an opportunity to further improve the effectiveness and robustness of decision-making at all levels of the OPS. The ministry has taken a number of steps to enhance and leverage the existing business case development process, including:

- Making updates to the templates that ministries use when preparing submissions to strengthen business case development.
- Enhancing training for TBS analysts and Line Ministries for improved business case development and assessment
- Strengthening existing logistics and processes to better support Treasury Board decision-making

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In addition, we continue to actively engage with partners from across the OPS to identify the best way to implement other recommendations, and suggestions to improve the business case development process. We thank the Auditor General and her staff for their insights and recommendations in the report.

Thank you,

Kevin French
Deputy Minister, Treasury Board Secretariat
Secretary of Treasury Board and Management Board of Cabinet

Encl.

cc: Taras Natyshak, MPP, Chair of the Committee

Bonnie Lysyk, Auditor General

Ontario

Status Updates to the Standing Committee on Public Accounts on the Business Case Development in the Ontario Public Service of the 2020 Annual Report of the Auditor General

Ref	Auditor General's Recommendation	Action Plans	Target Date (as committed to OAGO)
1	To provide decision-makers with sufficient and comprehensive information for decision-making in business cases, we recommend that the Treasury Board Secretariat provide training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases: • present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option; • provide a summary of options, where options related to the request have been previously presented to the Treasury Board/Management Board of Cabinet or Cabinet; • identify whether a cost/benefit or cost effectiveness analysis is required for the request, the scope of that analysis, and conduct cost analyses as needed; and • systematically identify and assess key risks and mitigation strategies, including the risk of not proceeding with the proposed approach.	TBS is developing an ongoing training program for its analysts and line ministry staff to support their learning and development, by focusing on the key areas specified in this audit, tracking for launch in Q1 FY 21-22 Business case and assessment note templates will also be updated - Phase 1 of the Assessment Note refresh was released in Q4, FY 20-21, and Phase 2 will take place following an end-to-end Lean Review of in-year submission process CEMD's IT Governance Branch (ITGB) has already developed and published two required templates to assist ministries, TBS analysts and decision-makers in respect of IT-related submissions to TB/MBC, including; • IT Costing Template, guidelines document and explanatory slide deck, which have been updated to include to reflect requirements for comprehensive IT costing information and include the capacity to review a minimum of 3 costed options as part of IT submissions. • Benefits Realization (BR) analysis is now a due diligence requirement of IT business cases, as mandated upon the approval of the recent IT Directive refresh (took effect Feb. 1, 2021), and as a result, BR Template and BR Management Guidebook materials have been development • These templates and supporting documents are available on the main Business Case website for OTB as well as the intranet for IT Governance Branch. They have also been built into the Phase 1 update of the TB/MBC Business Case template itself.	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021
2	To provide decision-makers with complete information on internal and external consultations, we recommend that the Treasury Board Secretariat provide training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to: • clearly identify who was consulted, when consultation took place, the subject and format of consultations, and the findings from the consultations; and summarize how the ministry proposes to address findings from the consultations.	TBS is developing a training program for its analysts and line ministry staff to support their learning and development, by focusing on the key areas specified in this audit, tracking for launch in Q1 FY 21-22. In addition, business case and assessment note templates will also be updated - phase 1 of the Assessment Note refresh was released in Q4, FY 20-21, and phase 2 will take place following an end-to-end Lean Review of the in-year submission process. Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021

Ref	Auditor General's Recommendation	Action Plans	Target Date (as committed to OAGO)
3	To strengthen performance monitoring plans in business cases, we recommend that the Treasury Board Secretariat provide training, coaching and mentoring opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases: • include quantifiable performance indicators that relate to the objectives, outputs, outcomes and end-user impacts of a proposal; and • provide a plan for performance monitoring and reporting that includes a description of the data that needs to be collected, data sources, the frequency of collection and reporting, and assigned responsibility for monitoring and implementing continuous improvements, as needed.	TBS is developing a training program for its analysts and line ministry staff to support their learning and development, by focusing on the key areas specified in this audit, tracking for launch in Q1 FY 21-22. Business case and assessment note templates will also be updated - phase 1 of the Assessment Note refresh was released in Q4, FY 20-21, and phase 2 will take place following an end-to-end Lean Review of In-year submission process.	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021
4	To provide decision-makers with concise business cases, we recommend that the Treasury Board Secretariat: enforce the page limit for executive summaries for business cases; • set guidelines for flexibility in length and content of business cases, proportionate to the level and likelihood of risks associated with the request; and • provide training, coaching and mentorship opportunities to preparers of business cases on how to make their business cases clearer and more concise.	TBS is developing a training program for its analysts and line ministry staff to support their learning and development, focusing on the key areas specified in this audit, tracking for launch in Q1 FY 21-22 Business case and assessment note templates will also be updated - phase 1 of the Assessment Note refresh was released in Q4, FY 20-21, and phase 2 will take place following an end-to-end Lean Review of In-year submission process CEMD's IT Governance Branch have published a tool to assist Ministries/IT Clusters in focusing their due diligence requirements when putting forward TB/MBC submissions, entitled: "Improving Content for Ease of Use for IT-related Business Cases". This guidance (slide deck) is available on the main OTB intranet site for Business Cases.	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021
5	To strengthen its business case template to allow greater scope for decision-makers to make informed decisions or to defer a decision where appropriate, we recommend that the Treasury Board Secretariat: • update the business case template and guidance to require that: data gaps be clearly identified and the impact on decision-making explained; and • cross-cutting issues be considered, where applicable, including data governance, intellectual property, and environmental impacts and; • provide guidance and training to preparers of business cases on how to incorporate such issues into decision-making.	TBS is developing a training program for its analysts and line ministry staff to support their learning and development, focusing on the key areas specified in this audit, tracking for launch in Q1 FY 21-22 Business case and assessment note templates will also be updated - phase 1 of the Assessment Note refresh was released in Q4, FY 20-21, and phase 2 will take place following an end-to-end Lean Review of In-year submission process	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021

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6	To strengthen the ability of preparers of submissions to develop robust, evidence-based business cases, we recommend that the Treasury Board Secretariat (Secretariat): • incorporate business case training into ministry staff learning and development plans; • share best practices in business case development among initial preparers of business cases; and • consider identifying Secretariat staff as "business case champions" to proactively assist ministries in the development of business cases.	TBS has started discussions with Finance Directors from across all ministries to discuss opportunities to include business case training in staff learning and development plans Best practices will be shared as part of the training programs TBS will consider how to identify potential business case champions	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Logistics and Processes - targeting completion by mid-late 2022
7	To promote transparency and government accountability, we recommend that the Treasury Board Secretariat publish overview information about key government decision-making processes, including Cabinet and Treasury Board/Management Board of Cabinet approval processes, and guidance on the development of business cases.	TBS will engage key parties including Ontario Digital Service to evaluate the appropriate information and consider options for publicly sharing information in accordance with the Open Government mandate and objectives as well as those of the Simpler, Faster, Better Services Act 2019 Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Logistics and Processes - targeting completion by mid-late 2022
8	To help ensure that business cases receive sufficient due diligence and critical assessment, we recommend that the Treasury Board Secretariat provide staff who prepare assessment notes with Business Case Development in the Ontario Public Service analytical skill-building opportunities (such as training, mentoring, coaching) in the following areas: • assessing costing assumptions and considering impact of internal and external factors on revenue and expenditure projections, and the impact on provincial debt; • critically evaluating risks of proposed initiatives and the sufficiency of the proposed mitigation plans; • evaluating the sufficiency of consultation conducted and implications on decision making; and • evaluating ministry implementation plans and performance monitoring plans including performance indicators, data collection, oversight, and continuous improvement.	TBS is developing a training program for its analysts to support their learning and development, focusing on the key areas specified in the audit review	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021

Ref	Auditor General's Recommendation	Action Plans	Target Date (as committed to OAGO)
9	To provide decision-makers with a clear and concise analysis of requests, we recommend that the Treasury Board Secretariat: • reassess the length and contents of the assessment notes; and • require compliance with assessment note length and content requirements.	TBS regularly assesses and will continue to assess its templates, including the content and average length, and make adjustments as required; the updates will be communicated with analysts TBS will reinforce compliance through training and provision of instructional guides. Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Templates and Instructions - targeting completion by the end of 2021
10	To support the development of robust business cases, we recommend that the Treasury Board Secretariat (Secretariat) work with the Secretary of the Cabinet to: • revise current review and approval processes of business cases to require the review of business cases by the Secretariat prior to ministries obtaining final Deputy Minister and Minister sign-offs; • require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements before proceeding to the Treasury Board/Management Board of Cabinet unless clear exemptions are provided; and, • define and provide examples of clear exemptions to this review and approval process in guidance materials for the Secretariat and ministries.	TBS has started engaging Finance Directors from across ministries to discuss options for how they can share draft business cases with TBS earlier TBS will update instructions to request, where possible, ministries to provide drafts of business cases in advance of ministry Deputy Minister sign-off, unless clear exemptions are met This will be further reinforced at inter-ministry forums and the development of a good communication plan on business case submission timeline requirements to ensure line ministries are well informed of the submission process Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Logistics and Processes - targeting completion by mid-late 2022
11	To support the development of robust business cases, we recommend that the Treasury Board Secretariat (Secretariat): • clearly identify in the assessment note if required information is missing from the business case and the impact on decision making; and • establish a formal mechanism to allow the Secretariat to monitor and provide feedback to ministries on compliance with business case requirements, timeliness and quality.	TBS has begun monitoring the timeliness of DM and Minister signed in-year submissions and will present this information to the Chair of Treasury Board at regular intervals, and share results with ministries TBS will also use this data to inform a ministry KPI on the monitoring and reporting on ministry compliance with submission and signature deadlines as laid out in the TB/MBC Terms of Reference TBS will develop a formal mechanism, to assess and provide feedback to ministries on their compliance with business case requirements and quality of the final Minister signed submissions. Portfolio analysts will use the mechanism to identify missing components and include this information as part of the assessment note. The assessment note template will also be updated to reflect compliance. Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Logistics and Processes - targeting completion by mid-late 2022

Ref	Auditor General's Recommendation	Action Plans	Target Date (as committed to OAGO)
12	To ensure that its analysts have a consistent understanding of what is required in the development of assessment notes, we recommend that the Treasury Board Secretariat provide analysts with on-going training, guidance, mentorship and coaching opportunities in conducting evidence-based critical analyses of business cases.	TBS is developing a training program for its analysts to support their learning and development, focusing on the key areas specified in this audit, tracking for launch in Q1 FY 21-22	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021
13	To provide the Treasury Board /Management Board of Cabinet with impartial evidence-based recommendations and promote transparency, we recommend that the Treasury Board Secretariat: • update training and guidance materials to clearly outline when different types of recommendations should be used; • require that assessment notes include a clear rationale for all staff recommendations; • eliminate the use of Board judgment as an option available for staff recommendations; and • require and encourage Secretariat staff to provide recommendations based on their analysis that are fiscally sustainable and that support prudent financial management and the effective and efficient delivery of public services	TBS is developing a training program for its analysts to support their learning and development, focusing on the key areas specified in this audit including providing recommendations based on prudent financial management and aligned with the Province's financial goals. The current instructions will be updated to outline the recommendation options available, and the assessment note template will include a section for analysts to provide a rationale for their recommendation[s] Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021
14	To provide the Treasury Board Secretariat (Secretariat) with sufficient time to review and conduct adequate due diligence, we recommend that the Secretariat: • require the sharing of draft business cases with the Secretariat in situations where approvals from the Assistant Deputy Minister and Deputy Minister may not be possible within required timelines; • centrally track compliance with required timelines for business cases; • centrally track exemptions from timelines and reasons for the exemption; and • based on this information, make operational improvements.	TBS has started engaging Finance Directors from across ministries to discuss options for how they can share draft business cases with TBS earlier TBS has begun monitoring the timeliness of DM and Minister signed in-year submissions and will present this information to Chair of Treasury Board at regular intervals, and share results with ministries This data will also inform a ministry KPI on the monitoring and reporting on ministry compliance with submission and signature deadlines as laid out in the TB/MBC Terms of Reference TBS is also tracking exemption requests TBS will be communicating the results to ministries and making improvements Continue to leverage the OnTrack system (central system through which TB submissions are submitted by ministries), used by ministries and portfolio teams, to ensure consistency in data source for analysis	In the Process of Being Implemented: Logistics and Processes - targeting completion by mid-late 2022

Ref	Auditor General's Recommendation	Action Plans	Target Date (as committed to OAGO)
15	To strengthen the quality and timing of reporting to the Treasury Board/Management Board of Cabinet (Board), and to reduce the need for multiple business cases for the same item, we recommend that the Treasury Board Secretariat: • require that report-backs include required information before they are submitted to the Board, where feasible; and • require analysts to assess if report-backs meet the initial request and clearly indicate this in the assessment note.	The training program for analysts will encourage analyst to assess report backs and confirm with ministries that required information has been provided before the Board Date. The assessment note templates will be updated to support this process	In the Process of Being Implemented: Training and Resources - targeting completion by the end of 2021 Templates and Instructions - targeting completion by the end of 2021
16	To ensure the Treasury Board/Management Board of Cabinet (Board) receives sufficient information on significant initiatives, we recommend that the Treasury Board Secretariat: • identify parameters for report-backs for all significant projects/programs, including both financially and publicly significant initiatives; and • provide additional implementation and operational details in the quarterly	TBS will identify parameters and confirm which programs require report backs and the type of details that should be captured The board has been provided with specific in-depth presentations on certain topics such as infrastructure and procurement Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Logistics and Processes - targeting completion by mid-late 2022
17	To effectively assess the quality of business cases and the effectiveness of its submission process, we recommend that the Treasury Board Secretariat (Secretariat): • establish a performance measurement plan for the business case development process; • monitor ministries' performance in the development of robust business cases and communicate the results to ministries twice yearly; • monitor the quality of assessment notes and communicate results to Secretariat analysts twice yearly; and • centrally track and review the types of Secretariat staff recommendations provided to the Board.	TBS will be undertaking an end-to-end Lean Review of in-year submission process in Q1, 21-22; following that TBS will develop a performance measurement framework against which ministry performance will be evaluated TBS will also monitor the quality of assessment notes through a similar framework and feedback will be shared with analysts TBS will centrally track and report on the types of [staff] recommendations made by the analysts, and where feasible, provide additional training and coaching on drafting TB minute recommendations. Targeting completion by mid-2022, ahead of schedule	In the Process of Being Implemented: Templates and Instructions - targeting completion by the end of 2021 Logistics and Processes - targeting completion by mid-late 2022

Ref	Auditor General's Recommendation	Action Plans	Target Date (as committed to OAGO)
18	To help ensure effective and efficient decision making at the Treasury Board/Management Board of Cabinet (Board) by reducing the volume of less significant business brought before it, as appropriate, we recommend that the Treasury Board Secretariat: • reassess current thresholds and applications of thresholds and delegations of authorities pertaining to Board approvals; and • reassess the role of delegated committees in supporting the work of the Board.	Will not be implemented Direction from the Chair of Treasury Board is that all items will be brought to and considered by Treasury Board/Management Board of Cabinet.	No target date (will not be implemented)
19	To ensure effective and efficient decision-making in the Cabinet and Treasury Board/Management Board of Cabinet (Board) submission processes and to leverage existing analysis, we recommend that the Treasury Board Secretariat (Secretariat), working together with Cabinet Office: • improve sharing of information between Cabinet Office and the Secretariat relevant to the assessment of both Cabinet and Board submissions; • co-ordinate the review and assessment of submissions for requests seeking both Cabinet and Board approval; • review how they can eliminate duplication in their work and co-ordinate/streamline their processes; and • consider having Board representation on all Cabinet policy and legislative committees to facilitate the sharing of information in government decision-making processes.	TBS is work collaboratively with partners at Cabinet office to enhance the effectiveness and efficiency of decision-making by leveraging existing structures for collaboration. Some of the existing meetings that can be utilized include: Multi-corner meetings – TBS Portfolio analysts connect with Cabinet Office to discuss and share early drafts of items with affected ministries in attendance Central Agency Directors Meetings – weekly meeting with directors from Central Agency ministries to discuss items that are tracking to Cabinet and have a fiscal impact and will need to come to TB/MBC Central Agency ADMs – weekly meeting with ADMs from Central Agency ministries to discuss items that are tracking to Cabinet and have a fiscal impact and will need to come to TB/MBC Weekly Cabinet Office Agenda Review meetings are regularly attended by TBS Agenda Management Office The DM of Cabinet/Cabinet staff continue to attend agenda, Secretaries and Chairs Review meeting in addition to attending TB meetings.	In the Process of Being Implemented: Logistics and Processes - targeting completion by mid-late 2022