

Chapter 29 Immigration and Career Training—Outcomes-Based Contracts

1.0 MAIN POINTS

By August 2021, the Ministry of Immigration and Career Training addressed our two outstanding recommendations since our 2017 audit of the Ministry's processes to establish outcomes-based contracts for its Adult Basic Education—Essential Skills for the Workplace Program.

The Ministry assessed the use of financial incentives in its outcomes-based contracts by consulting with staff and conducting stakeholder consultations. The Ministry concluded using financial incentives aligned with achieved outcomes is not beneficial at this time. The Ministry no longer uses outcomes-based contracts for this Program, but rather provides annual grants to suppliers who support the delivery of its Adult Basic Education—Essential Skills for the Workplace Program.

2.0 INTRODUCTION

The Ministry of Immigration and Career Training is responsible for increasing employment opportunities for Saskatchewan's people. Under *The Ministry of Immigration and Career Training Regulations* (formerly *The Ministry of the Economy Regulations*), the Ministry is to coordinate, develop, promote, and implement policies and programs related to:

- Training and career-related services
- Increasing participation in the labour market
- Supporting employers in meeting their labour market needs

The Ministry administers programs designed to develop skills for those under-represented in the labour market. For example, its Adult Basic Education programs assist adults in furthering their education and acquiring essential skills for the workplace. The Ministry defines essential skills to include reading, numeracy, writing, communication, collaboration, problem solving, use of digital technology, adaptability and creativity, and innovation.¹

The purpose of the Adult Basic Education—Essential Skills for the Workplace Program, an Adult Basic Education subprogram, is to help low-skill job seekers acquire essential skills required to work, and to assist employers to hire and retain workers. This Program provides general and job-specific learning at a basic level for learners with low literacy and numeracy levels to better prepare them for entry-level jobs.

¹ www.canada.ca/en/services/jobs/training/initiatives/skills-success.html (15 September 2021).



In 2015–16, the Ministry of the Economy began using a form of outcomes-based contracts for its labour market service programs including the Adult Basic Education—Essential Skills for the Workplace Program. The Ministry stated at that time, that the primary purpose of using outcomes-based contracting is to improve client outcomes in the most efficient and effective manner.²

The Ministry included specific outcomes directly in contracts; however, it did not prescribe how suppliers achieve the outcomes. Suppliers used their expertise to determine the services they will provide to achieve the outcomes. Additionally, the Ministry expected to measure suppliers' performance based on how well they achieve those outcomes. The Ministry did not tie payment terms to the suppliers' achievement of outcomes.

Since our last follow up in 2019, the Ministry no longer uses outcomes-based contracts with suppliers of its Adult Basic Education—Essential Skills for the Workplace Program. The Ministry gives funding to the suppliers through annual grants, and provides them with an annual funding letter that outlines program and reporting requirements.

2.1 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the recommendations we made in 2017.

In 2017, we assessed the Ministry's processes to establish outcomes-based contracts. Our *2017 Report – Volume 1*, Chapter 3, concluded that the Ministry had, other than the areas of our three recommendations, effective processes for establishing its form of outcomes-based contracts for delivery of its Adult Basic Education—Essential Skills for the Workplace Program. In our first follow up in 2019, the Ministry implemented one of the three recommendations.³

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

During our follow-up audit, we interviewed Ministry staff to discuss key actions management has taken since our 2019 follow-up to implement the outstanding recommendations. We also reviewed supporting documentation.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2021, and the Ministry's actions up to that date.

² Ministry of Immigration and Career Training, *Outcomes-Based Contract Management—Supplier Handbook* (2015), p.3.

³ *2019 Report – Volume 1*, Chapter 31, pp. 301–304.

3.1 Use of Financial Incentives Considered, But Not Implemented

We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) reconsider the use of financial incentives in its outcomes-based contracting. (2017 Report – Volume 1, p. 37, Recommendation 2; Public Accounts Committee agreement September 26, 2019)

Status—Implemented

We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) align contracted terms of payment with the suppliers' achievement of outcomes for its outcomes-based contracting. (2017 Report – Volume 1, p. 38, Recommendation 3; Public Accounts Committee agreement September 26, 2019)

Status—No longer relevant

The Ministry of Immigration and Career Training assessed the use of financial incentives in its outcomes-based contracts including for its Adult Basic Education—Essential Skills for the Workplace Program and decided they would not be beneficial.

Using a consultant, the Ministry held numerous stakeholder consultations, as well as consulted with its staff about outcomes-based contracts during 2020–21. These consultations included discussing financial incentives. As a result of these discussions, the Ministry concluded that using financial incentives in its outcomes-based contracting was not beneficial at this time. The Ministry indicated a limited number of suppliers deliver programs and tying payments to outcomes could create hardships for those suppliers. Given the Ministry's decision not to use financial incentives, aligning contracted terms of payment with suppliers' achievement of outcomes is no longer relevant.

The Ministry no longer uses outcomes-based contracts for its Adult Basic Education—Essential Skills for the Workplace Program, but rather provides annual grants to suppliers along with program and reporting requirements.

