



Ontario Catholic School
Trustees' Association

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September 26, 2018

MEMORANDUM

TO: Chairpersons and Directors of Education
- All Catholic District School Boards

FROM: Beverley Eckensweiler, President

SUBJECT: **Review of Government Spending – Line-by-Line Audit**

On Tuesday September 25, 2018, the President of the Treasury Board Secretariat released the results of its line-by-line audit of government spending from 2002/03 to 2017/18 conducted by Ernst and Young Canada. The government's intention is to use this report as a baseline assist in making all government spending more effective and efficient.

Overview

Ernst and Young Canada conducted an analysis of past government spending across major sectors and government programs:

- Compared Ontario government expenditures and the rate of spending growth against that of other major provinces and international jurisdictions;
- Reviewed **22,000** additional lines of financial information for transfer payments made by the government;
- Reviewed an additional **11 years** of financial data for hospitals, **school boards** and colleges, comprising **286,000** lines of data
- Undertook a comparative analysis of Ontario and other Canadian provinces and subnational governments outside Canada. This work examined **15 years** of historical data on revenue, expenditure, gross domestic product (GDP), population, inflation and program outcome measures;
- Conducted interviews with **75** senior government officials across all ministries,

Results of the Review

- Total expenditures have grown over 50 per cent since 2002/03;
- An annual growth rate of 3.0 per cent.
- Growth in expenditures has outstripped growth in population.

Recommendations of the Ernst and Young Report

The line-by-line review recommends a number of potentially large-scale reforms including:

- Modernizing services through better use of digital and shared service models;
- Finding more cost efficient ways of administering government;
- Ensuring government funding is directed to those that require it the most;
- Maximizing the value of government assets, and putting them to their most productive use.

Further details are contained in the Ernst and Young report (see Section E “*Specific Ideas to Set the Ball Rolling*” p. 29) attached.

Next Steps

The government intends to review the Ernst and Young report with a goal to reforming future financial planning and identify areas for improvement, including efficiencies and cost savings. OCSTA will continue to review and monitor policy developments in this area to identify any impacts on our school boards.

If you have any questions, please contact Steve Andrews at sandrews@ocsta.on.ca; or Dan Duszczyzyn for more information.

Attachment