

# Report 11

Reports of the Auditor General of Canada  
to the Parliament of Canada

## Programs to Assist Seniors



**Independent Auditor's  
Report | 2024**



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada (OAG) under the authority of the [Auditor General Act](#).

A performance audit is an independent, objective, and systematic assessment of how well government is managing its activities, responsibilities, and resources. Audit topics are selected on the basis of their significance. While the OAG may comment on policy implementation in a performance audit, it does not comment on the merits of a policy.

Performance audits are planned, performed, and reported in accordance with professional auditing standards and OAG policies. They are conducted by qualified auditors who

- establish audit objectives and criteria for the assessment of performance
- gather the evidence necessary to assess performance against the criteria
- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

Performance audits contribute to a public service that is ethical and effective and a government that is accountable to Parliament and Canadians.

This publication is available on our website at [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca).

*Cette publication est également offerte en français.*

© His Majesty the King in Right of Canada, as represented by the Auditor General of Canada, 2024.

Icons for United Nations' Sustainable Development Goals are used with permission.

The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials.

<https://www.un.org/sustainabledevelopment/>

Cat. No. FA1-27/2024-1-11E-PDF

ISBN 978-0-660-73973-1

ISSN 2561-343X

Cover photo: kate\_sept2004/Gettyimages.ca

# At a Glance



## Overall message

Aging can bring new challenges, such as declining health, social isolation, and financial insecurity. In 2023, there were 7.5 million people over the age of 65 in Canada, a total that could almost double within 20 years.

In 2018, Employment and Social Development Canada was tasked with supporting the Minister of Seniors, whose responsibility is to help the federal government better understand seniors' needs and ensure that programs and services are in place to meet those needs. Overall, the department did not have a full picture of the needs of seniors and the programs that were in place across Canada to serve them. As a result, it did not know whether the federal programs in place were sufficient to support the current needs of seniors and whether they will be sufficient in the future.

The Old Age Security program, delivered by Employment and Social Development Canada, is meant to strengthen seniors' income security. In 2020, the benefit payments and administrative costs to run the program totalled \$60.6 billion. The payments and costs are projected to triple by 2045. This increase was projected not only because of the increasing number of seniors but also because of inflationary pressures. The department could not demonstrate how it determined the basic level of benefits paid to seniors under the program and whether they were sufficient to support seniors' financial security. In addition, Old Age Security payments are regularly adjusted for inflation, using the Consumer Price Index. Working with Statistics Canada, efforts were made to determine whether a consumer price index for seniors was needed. The approach used by Employment and Social Development Canada did not provide a robust foundation to conclude that the general consumer price index remained an appropriate measure for seniors and was not sufficient to assess whether seniors face a higher level of inflation than Canadians in general.

Ultimately, without comprehensive data and strong analyses, Employment and Social Development Canada cannot ensure that programs for seniors are effectively meeting their social and economic needs.

## Key facts and findings



- In 2023, Statistics Canada indicated that there were 7.5 million people in Canada aged 65 and older and that for the first time, there were more people in that age bracket than under age 18.
- Over 20 federal organizations provide programs, services, or initiatives that support seniors' needs.
- Employment and Social Development Canada delivers the Old Age Security program and the New Horizons for Seniors Program. The department did not know whether the objectives of these programs were being met.
- Under the New Horizons for Seniors Program, value-for-money concerns were noted in 44% of the projects that were funded from March 2022 to March 2024. This included documentation in the files that some projects were not completed as planned by the recipients.
- Information in the New Horizons for Seniors Program project files often did not allow Employment and Social Development Canada to determine how many seniors benefitted from the program.

See [Recommendations and Responses](#) at the end of this report.

# Table of Contents

<b>Introduction</b>	<b>1</b>
<b>Background</b> .....	<b>1</b>
<b>Focus of the audit</b> .....	<b>4</b>
<b>Findings and Recommendations</b>	<b>5</b>
<b>Employment and Social Development Canada did not take the required actions to support the federal government in meeting the needs of seniors</b> .....	<b>5</b>
More work was needed to improve understanding of seniors’ needs and programs in place to address them .....	6
<b>Employment and Social Development Canada did not know whether the programs it delivered were meeting seniors’ needs</b> .....	<b>8</b>
Limited assessment of the sufficiency of Old Age Security payment amounts .....	12
Incomplete measurement of whether program objectives were met and value for money was achieved.....	14
<b>Conclusion</b>	<b>17</b>
<b>About the Audit</b>	<b>18</b>
<b>Recommendations and Responses</b>	<b>23</b>

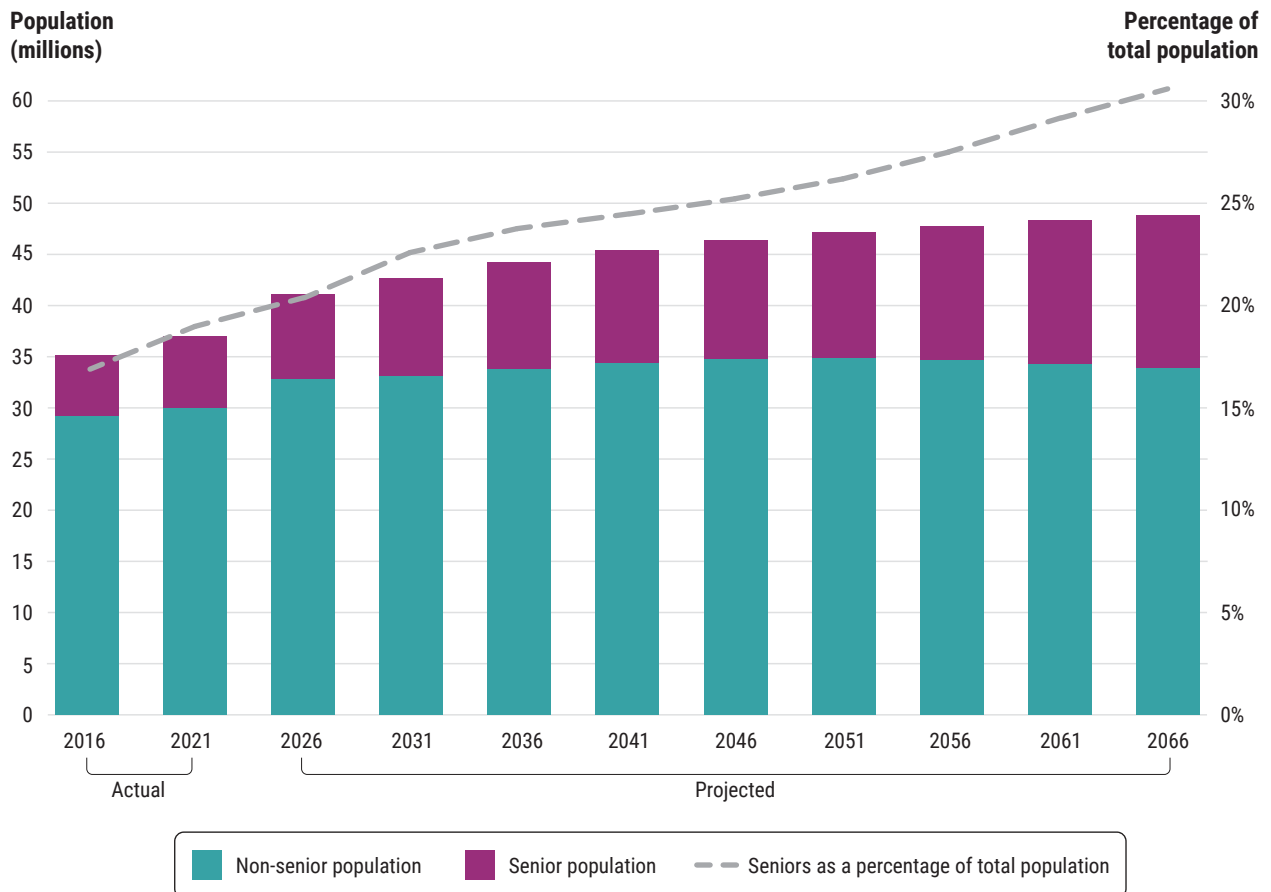
# Introduction

## Background

### Canada's aging population

11.1 Canada's population of seniors is growing at an unprecedented rate ([Exhibit 11.1](#)). In 2023, Statistics Canada indicated that there were 7.5 million people in Canada aged 65 and older and that for the first time, there were more people in that age bracket than under age 18. Statistics Canada's projections show that the population of seniors could almost double over the next 2 decades.

**Exhibit 11.1—Population of seniors (aged 65 and older) in Canada, actual and projected**



Source: Based on data from Statistics Canada

### **Exhibit 11.1—Population of seniors (aged 65 and older) in Canada, actual and projected— Text description**

This graph shows the actual and projected senior and non-senior populations in Canada from 2016 to 2066 and the percentage of the overall population that seniors make up. The graph shows a growth of Canada's senior population over the period as follows.

In 2016, Canada's actual population was 35,151,730. The actual non-senior population was 29,216,100 people. The actual senior population was 5,935,630 people, or 16.89% of the total population.

In 2021, Canada's actual population was 36,991,980. The actual non-senior population was 29,970,550 people. The actual senior population was 7,021,430 people, or 18.98% of the total population.

In 2026, Canada's projected total population will be 41,171,200. The projected total non-senior population will be 32,780,800 people. The projected senior population will be 8,390,400 people, or 20.38% of the total population.

In 2031, Canada's projected total population will be 42,725,800. The projected total non-senior population will be 33,073,000 people. The projected senior population will be 9,652,800 people, or 22.59% of the total population.

In 2036, Canada's projected total population will be 44,228,500. The projected total non-senior population will be 33,720,200 people. The projected senior population will be 10,508,300 people, or 23.76% of the total population.

In 2041, Canada's projected total population will be 45,454,000. The projected total non-senior population will be 34,327,800 people. The projected senior population will be 11,126,200 people, or 24.48% of the total population.

In 2046, Canada's projected total population will be 46,412,800. The projected total non-senior population will be 34,708,400 people. The projected senior population will be 11,704,400 people, or 25.22% of the total population.

In 2051, Canada's projected total population will be 47,143,900. The projected total non-senior population will be 34,797,600 people. The projected senior population will be 12,346,300 people, or 26.19% of the total population.

In 2056, Canada's projected total population will be 47,766,000. The projected total non-senior population will be 34,628,900 people. The projected senior population will be 13,137,100 people, or 27.50% of the total population.

In 2061, Canada's projected total population will be 48,323,100. The projected total non-senior population will be 34,228,200 people. The projected senior population will be 14,094,900 people, or 29.17% of the total population.

In 2066, Canada's projected total population will be 48,846,800. The projected total non-senior population will be 33,903,400 people. The projected senior population will be 14,943,400 people, or 30.59% of the total population.

Source: Based on data from Statistics Canada

11.2 As individuals age, their risks related to social isolation, health challenges, and financial insecurity increase. With the significant demographic shift underway, the number of seniors requiring economic, health, and social supports to help them continue living as independently and well as possible is expected to increase. It is important that public programs and services are in place and adapted to address this reality.

11.3 Statistics Canada's analysis showed that 6% of seniors were living in poverty in 2022. Single seniors were more than 4 times as likely to be living in poverty than their peers who were part of a couple. Even for those not living below the poverty line, a 2023 analysis of the latest census data showed that 39% of seniors renting their homes were living in unaffordable housing, defined as housing that costs more than 30% of pre-tax household income. Many seniors also face additional expenses related to an increased incidence of chronic medical conditions and a declining ability to manage day-to-day tasks while typically having reduced options to increase their income.

11.4 Canadian seniors are not a homogeneous group. They face different challenges depending on their gender, race, income, health, where they live, and how old they are. Seniors 65 and older are not evenly dispersed throughout the country and have varying life expectancies; seniors in the territories have significantly lower life expectancies than those in the provinces, and women tend to live longer than men, which could mean that they need financial and other supports for longer. Understanding how these types of factors intersect with each other is important in order to support seniors as they age.

---

#### Federal programs for seniors

11.5 There are upwards of 20 federal departments and agencies that provide programs or initiatives that support seniors. For example, the federal government provides seniors with financial support through public pensions, including Old Age Security, and various tax credits, such as the age credit. Federal strategies such as those on housing, poverty, and dementia also highlight seniors as a group that includes individuals more likely to need support. The federal government also transfers funding to other levels of government and organizations to address seniors' needs.

---

#### Roles and responsibilities

11.6 **Employment and Social Development Canada.** Under the [Department of Employment and Social Development Act](#), the department is responsible for the social development of Canada, with a view of promoting social well-being and income security. In 2018, Employment and Social Development Canada was tasked through an



**order-in-council**<sup>1</sup> to support the Minister of Seniors. The department provides retirement income to seniors through the Old Age Security program, which includes the Guaranteed Income Supplement. The department also provides grant and contribution funding to organizations to support programs that serve seniors.

11.7 **Statistics Canada.** As Canada’s central statistics office, Statistics Canada collects data and produces analysis on the population, economy, and society, among other things. The agency provides statistical information and analysis to inform the development and evaluation of public policies and programs, as well as to improve public decision making. Statistics Canada also compiles the Consumer Price Index, used quarterly by Employment and Social Development Canada to adjust Old Age Security payments. It also conducts work on priorities identified by other federal organizations on a cost-recovery basis.

11.8 **Other levels of government.** Many responsibilities for supporting seniors fall within provincial and territorial jurisdiction, requiring collaboration between federal departments and provincial and territorial governments.

## Focus of the audit

11.9 This audit focused on whether Employment and Social Development Canada effectively led the federal government in ensuring that programs were in place to address seniors’ needs, now and as the population continues to age.

11.10 The audit also focused on whether Statistics Canada provided information to support Employment and Social Development Canada’s efforts to lead federal programming to address seniors’ needs.

11.11 This audit is important because as they age, many seniors need support to overcome social, health, and economic challenges. It is important that the federal government understands the support that seniors need, today and in the future, to deliver responsive programs and services to Canada’s aging population.

11.12 More details about the audit objective, scope, approach, and criteria are in [About the Audit](#) at the end of this report.

---

1 **Order-in-council**—A legal instrument made by the **Governor in Council**<sup>2</sup> pursuant to a statutory authority or, less frequently, the royal prerogative.

Source: Orders in Council Glossary, Privy Council Office

2 **Governor in Council**—The Governor General, who acts on the advice of Cabinet and, as the formal executive body, gives legal effect to those decisions of Cabinet that are to have the force of law.

## Findings and Recommendations

### Employment and Social Development Canada did not take the required actions to support the federal government in meeting the needs of seniors

#### Why this finding matters

11.13 This finding matters because seniors are a diverse demographic with a broad range of circumstances and needs, with some seniors in very vulnerable situations. Aging is associated with changes in health, finances, and social circumstances. With these changes, many seniors develop new, often complex, needs and require support to help them continue living as independently and as well as possible.

11.14 Many federal organizations have a role to play in supporting seniors. Therefore, it is important that the department responsible for leading the federal government in providing this support has a comprehensive understanding of seniors' needs, how these needs can interact with each other, and how they are affected by evolving social and demographic factors. This understanding is critical to identifying whether the programs in place are addressing seniors' needs and potential gaps in programs to do so.

#### Context



End poverty in all its forms everywhere

Source: United Nations



Reduce inequality within and among countries

Source: United Nations

11.15 In 2018, the Prime Minister appointed a Minister of Seniors. The minister is expected to help the federal government better understand the needs of seniors and ensure that programs are in place to respond to the aging population. Employment and Social Development Canada is the department responsible for supporting the Minister of Seniors.

11.16 Under Canada's Federal Implementation Plan for the 2030 Agenda, Employment and Social Development Canada is the federal lead responsible for facilitating coordination with other federal departments and agencies on the United Nations' Sustainable Development Goal 1 (No Poverty) and Goal 10 (Reduced Inequalities). Additionally, in 2018, the department released Opportunity for All—Canada's First Poverty Reduction Strategy, which recognizes the poverty-related vulnerabilities of some seniors.

11.17 Both initiatives mentioned above are built around the principles of fairness, equity, and leaving no one behind. Employment and Social Development Canada identified a need to address gaps in disaggregated data (that is, separate data on affected groups) under each of the initiatives. Statistics Canada leads the data collection and

analysis to support the federal government's implementation of these initiatives. To do this work, Statistics Canada relies on collaboration with federal organizations.

## More work was needed to improve understanding of seniors' needs and programs in place to address them

---

### Findings

11.18 We found that Employment and Social Development Canada's work was not sufficient to enable it to help the government understand seniors' needs and ensure that programs were in place to address them. The department collected information and data about seniors, but it did not analyze it.

11.19 The department relied on the activities it was conducting, such as media monitoring and consulting with various government and non-government organizations, to build its knowledge of issues seniors were facing. Officials told us that they discussed seniors' needs and the programs in place to address them with other organizations through 4 main activities:

- National Seniors Council
- Federal/Provincial/Territorial Ministers Responsible for Seniors Forum
- Interdepartmental Committee on Seniors
- research on various topics related to seniors

11.20 The information from these activities, however, was not used to comprehensively analyze seniors' needs or identify whether there were gaps in the department's understanding of what those needs were. In addition, the department did little analysis of the information it gathered through these activities. Officials could not provide us with analyses, as they considered this work to be transitory.

11.21 We also found that, through its work on the poverty reduction strategy and the United Nations' Sustainable Development Goals, Employment and Social Development Canada worked with Statistics Canada to further disaggregate data collected about seniors. As a result, the department had more information that it could have used to better understand seniors' poverty, contributing to advancing work related to United Nations' Sustainable Development Goal 1 (No Poverty) and Goal 10 (Reduced Inequalities). However, we found that the department did not use this information to analyze the needs of seniors.

11.22 Overall, we found that the information the department gathered was used to brief senior department officials and for reporting requirements, including international commitments. The department did not use that information to help the Minister of Seniors or the federal government better understand seniors' needs or to determine gaps in programming.

11.23 We found that Employment and Social Development Canada did not have an overall picture of whether there were gaps in federal programming to support seniors or whether the government programs in place were addressing seniors' needs. In order to support the Minister of Seniors, it is important that the department understand how federal programs fit together to address seniors' needs. Without understanding how well current programs are working, it will be difficult for Employment and Social Development Canada to support the minister in leading federal efforts to ensure that programs meet the needs of Canada's aging population, now and in the future.

11.24 We found that the department had no method in place to track or follow up on the needs identified from its main activities to know whether action had been taken to address them. For example, although the department shared reports from the National Seniors Council with other federal government organizations, it did not follow up to know whether organizations used the information in their work related to seniors. Therefore, it is unclear how this information was used to benefit seniors.

11.25 The department was aware of programs delivered by other federal organizations, but we found that it did not stay informed over time about the results achieved through these programs or try to understand whether they were meeting seniors' needs. For example, in April 2023, the National Housing Council released a report indicating that the National Housing Strategy was not improving housing for seniors. Although department officials informed senior management of the issue raised in the report, we found no further actions taken.

11.26 Individual departments and agencies are ultimately responsible for measuring the outcomes achieved through their programs and services. But in its leadership role supporting the Minister of Seniors, we expected Employment and Social Development Canada to stay informed about whether federal programs were achieving the results intended for seniors. This would allow the department to know whether there were unaddressed seniors' needs.

---

## Recommendation

11.27 Employment and Social Development Canada should take action to fulfill its responsibility to support the Minister of Seniors. This should include determining

- the work that it needs to do to collect and analyze, in a comprehensive way, information on the needs of seniors
- in collaboration with other federal departments and agencies, what programs are in place to meet seniors' needs and identifying gaps in programs
- in collaboration with other federal departments and agencies, whether the suite of federal programs for seniors is working as intended

***Employment and Social Development Canada's response.* Agreed.**

See [Recommendations and Responses](#) at the end of this report for detailed responses.

## Employment and Social Development Canada did not know whether the programs it delivered were meeting seniors' needs

---

### Why this finding matters

11.28 This finding matters because Employment and Social Development Canada spends billions of dollars annually to provide supplemental income and other supports to seniors, including those with low incomes or with other vulnerabilities. Measuring the results of these programs is critical for the department to know whether results are improving as expected.

---

### Context

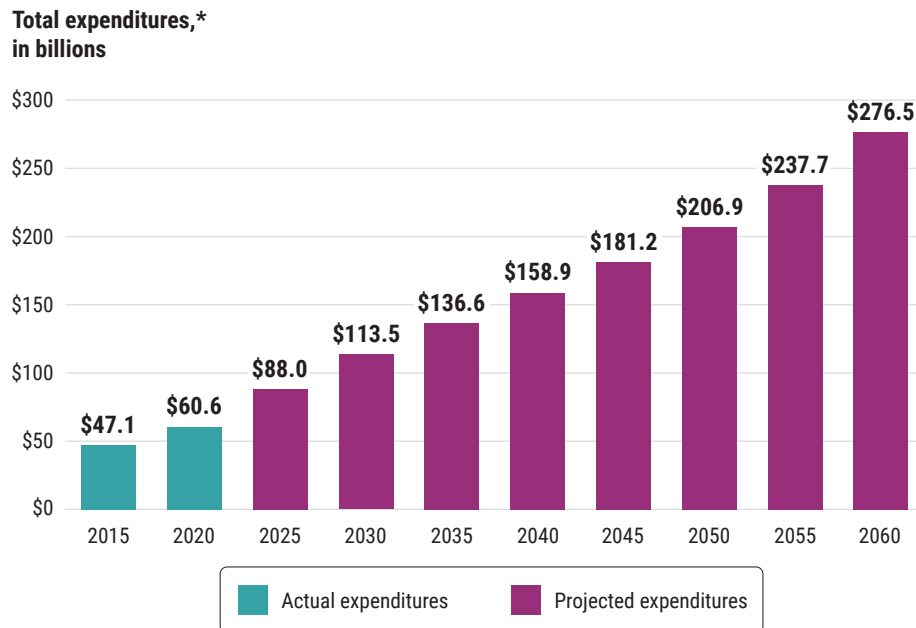
11.29 Employment and Social Development Canada provides income directly to seniors through Old Age Security, the federal government's largest program. The federal government first introduced Old Age Security in 1952, providing seniors with \$40 per month. This was prior to the introduction of the Canada Pension Plan and the development of other financial instruments to help Canadians save for retirement.

11.30 Old Age Security is a foundational part of Canada's retirement system. The program was designed to contribute to income security for retired seniors and guarantee them a minimum income. In summer 2024, seniors aged 65 to 74 years could receive up to \$718 per month in Old Age Security payments, while those aged 75 years or older could receive up to \$790. Low-income recipients also benefit from the Guaranteed Income Supplement, an additional monthly non-taxable benefit under the program. The supplement was introduced in 1967 to further improve

seniors’ income security, providing up to an additional \$30 per month at that time and up to an additional \$1,073 as of summer 2024. In addition, low-income individuals aged 60 to 64 whose spouse or common-law partner either receives the Guaranteed Income Supplement or has passed away can receive the Allowance, a monthly non-taxable benefit.

11.31 The cost of Old Age Security (benefit payments and administration) is forecasted by the Office of the Chief Actuary to rise significantly as the population of Canada ages ([Exhibit 11.2](#)).

**Exhibit 11.2—Projected increase in Old Age Security expenditures**



\* Expenditures include Old Age Security payments, the Guaranteed Income Supplement, the Allowance, and associated administrative costs. Payments to high-income beneficiaries are reduced each year, based on their actual income during the previous year. These reductions are not reflected in the projected expenditures shown. Total expenditures will be approximately 5% lower than depicted.

Source: Based on information from the Office of the Chief Actuary

**Exhibit 11.2—Projected increase in Old Age Security expenditures—Text description**

This graph shows the actual and projected Old Age Security expenditures from 2015 to 2060. Expenditures include Old Age Security payments, the Guaranteed Income Supplement, the Allowance, and associated administrative costs. Payments to high-income beneficiaries are reduced each year, based on their actual income during the previous year. These reductions are not reflected in the projected expenditures shown. Total expenditures will be approximately 5% lower than depicted.

The graph shows an increase in expenditures over the period as follows:

- In 2015, the actual expenditure for Old Age Security was \$47.1 billion.
- In 2020, the actual expenditure was \$60.6 billion.
- In 2025, the expenditure is projected to be \$88.0 billion.
- In 2030, it is projected to be \$113.5 billion.
- In 2035, it is projected to be \$136.6 billion.
- In 2040, it is projected to be \$158.9 billion.

**Exhibit 11.2—Text description continued**

- In 2045, it is projected to be \$181.2 billion.
- In 2050, it is projected to be \$206.9 billion.
- In 2055, it is projected to be \$237.7 billion.
- In 2060, it is projected to be \$276.5 billion.

Source: Based on information from the Office of the Chief Actuary

11.32 Since 1973, the department has indexed Old Age Security payments to quarterly inflation, based on the Consumer Price Index compiled by Statistics Canada. The index measures changes over time in the prices paid by consumers for a fixed basket of goods and services ([Exhibit 11.3](#)). There are 3 critical elements that go into building the index, which is constructed using representative samples of spending patterns, the retailers by geography where Canadians shop, and the products and services they purchase.

**Exhibit 11.3—The categories included in the fixed basket of goods and services in the Consumer Price Index**

The Consumer Price Index represents changes in prices experienced by Canadian consumers; in other words, it measures the rate of inflation. It does this by comparing over time the cost of a fixed basket of the same (or equivalent) goods and services typically purchased by households in Canada. The basket includes goods and services from 8 categories.



Source: Based on information from Statistics Canada

### Exhibit 11.3—The categories included in the fixed basket of goods and services in the Consumer Price Index—Text description

The Consumer Price Index represents changes in prices experienced by Canadian consumers; in other words, it measures the rate of inflation. It does this by comparing over time the cost of a fixed basket of the same (or equivalent) goods and services typically purchased by households in Canada. The basket includes goods and services from 8 categories.

These categories are as follows:

- food, depicted by an illustration of baking supplies: a muffin tin, a liquid measuring cup, and a cardboard jug of milk
- shelter, depicted by an illustration of a teal two-storey house with a pink door
- household operations, furnishings, and equipment, depicted by an illustration of a grey tufted loveseat
- clothes and footwear, depicted by an illustration of a teal cardigan
- transportation, depicted by an illustration of a teal vintage Volkswagen Beetle-type car
- health and personal care, depicted by an illustration of rolls of small towels in front of a pump bottle and a capped bottle
- recreation, education, and reading, depicted by an illustration of two hands writing in a notebook
- alcohol, tobacco, and cannabis, depicted by an illustration of a bottle of wine beside a partially filled wine glass

Source: Based on information from Statistics Canada

11.33 In 2005, Statistics Canada released an analysis indicating the possibility that seniors faced a higher level of inflation than the general population. In 2015 and 2016, the Prime Minister, in a mandate letter, instructed the Minister of Families, Children and Social Development, the minister responsible for seniors at the time, to index Old Age Security payments to a new consumer price index for seniors. This priority was reiterated in the 2018 mandate letter to the new Minister of Seniors.

11.34 In addition to administering Old Age Security, Employment and Social Development Canada delivers grant and contribution funding to organizations providing services to seniors. The New Horizons for Seniors Program was established to increase the social inclusion of seniors and help ensure that seniors can benefit from and contribute to the quality of life in their communities. The program provides funding through 2 streams:

- community-based stream: funds projects to support activities in which seniors are engaged, connected, and actively involved in their communities
- pan-Canadian stream: funds projects to test and share best practices across the country and replicate approaches that have worked well in addressing seniors' issues to increase their social inclusion



11.35 The department also administers another initiative for seniors that it introduced in 2022, called the Age Well at Home initiative, to help support low-income and otherwise vulnerable seniors to age at home, including by providing practical support to seniors. Under this initiative, the department approved an additional \$64 million in funding to seniors-serving organizations to support projects that will end by March 2026.

## Limited assessment of the sufficiency of Old Age Security payment amounts

---

### Findings

11.36 According to Employment and Social Development Canada, a key activity of the Old Age Security program is to conduct ongoing policy and legislation analysis to ensure that outcomes of the program are achieved and that the program meets the needs of seniors. We found that the department did not do this. The department could not demonstrate how it determined the basic payment levels under the program and whether the Old Age Security payment amount should be adjusted.

11.37 Department officials confirmed that the current basic Old Age Security benefit level was based on the historical legislated amount established in 1952. The department adjusted payments over time using the Consumer Price Index, as required under the [Old Age Security Act](#). It also made other ad hoc increases to payments in response to specific government announcements. For example, the department conducted analysis to exclude COVID-19 benefits from the definition of income when calculating the Guaranteed Income Supplement and to increase the income threshold for how much recipients could earn without their supplement being reduced. Although we found that the department did some analysis of Guaranteed Income Supplement payments, it did not analyze whether other adjustments to the basic Old Age Security payments were necessary in light of significant social and economic changes in Canada, such as longer life expectancy and the introduction of other options to help fund retirement, such as the Canada Pension Plan.

11.38 The department did not clearly define how it would measure program outcomes or how it would know whether the Old Age Security program was successfully supporting seniors' financial security. While payments made under the program contributed to income replacement for seniors and ensured a minimum level of income, the department did not know whether the basic Old Age Security payments substantively helped seniors.

11.39 We found that the department focused primarily on measuring aspects of service delivery and the percentages of eligible seniors who received the benefits they were entitled to, either the basic Old Age Security payment or the Guaranteed Income Supplement. In 2024, the department reported that more than 90% of seniors received the benefits they were entitled to. Although it is important to know whether eligible seniors were receiving the benefits they were entitled to, these indicators did not inform the department about how well the payments made under the program financially supported seniors.

11.40 The United Nations' Sustainable Development Goal 1 (No Poverty) targets reducing poverty to 50% of 2015 levels, which means that Canada committed to having fewer than 7.3% of all Canadians living below the poverty line. In 2024, Employment and Social Development Canada set its target for Old Age Security to match the Canadian target. However, according to Statistics Canada information, in 2022, 6% of seniors were living below the poverty line. In our view, setting the target above the current poverty rates for seniors would not assist the department in reducing the poverty rate.

11.41 In 2015, Employment and Social Development Canada asked Statistics Canada to develop a consumer price index for seniors, in line with the mandate priorities communicated to the Minister of Seniors. There are 3 critical elements included in constructing the traditional consumer price index. A consumer price index for seniors would also need to include these 3 elements in order to be comparable to the traditional consumer price index.

11.42 We found that Statistics Canada presented the department with 3 options for the work, clearly outlining the advantages, disadvantages, costs, and limitations of each option. Employment and Social Development Canada recommended to the minister to implement the quickest of the options presented. Statistics Canada had indicated to the department that this was the weakest quality option and provided the lowest level of assurance in measuring inflation faced specifically by seniors. This was because the work under the chosen option was missing 2 of the critical elements: It did not use products and services or shopping outlets that were representative of those used by seniors. This means that the rate of inflation for seniors calculated from this work was not comparable to the general rate of inflation, as measured by the traditional consumer price index.

11.43 Employment and Social Development Canada was aware that the option it recommended to the minister would not produce a robust index with a high-level of assurance about the level of inflation that seniors faced. In 2016 and 2017, departmental briefings to the minister responsible for seniors at the time conveyed these limitations. However, the minister changed before the work was completed, and we found that the department's written briefings in 2018 to the new Minister of Seniors never mentioned the limitations of the option chosen or of the results

obtained from it. The department's briefings also did not communicate that the work under this option had been intended as an interim step, as it had originally agreed to when the work was started. In 2018, the Minister of Seniors decided to stop work on the consumer price index for seniors. Therefore, the department did not proceed to assess whether Old Age Security payments were keeping up with the inflation faced by seniors.

11.44 In 2019, Employment and Social Development Canada took a positive step to increase its use of data by engaging Statistics Canada to create and maintain a predictive model that the department could use to inform policy decisions related to the retirement income system, starting with the Canada Pension Plan. In 2023, the department continued its work with Statistics Canada, which included adding components for Old Age Security and the Guaranteed Income Supplement to the model for analysis. The model is expected to enable Employment and Social Development Canada to explore how potential Old Age Security policy changes would affect the outcomes of seniors with different demographic and socio-economic circumstances. It is expected to be ready by March 2026.

---

## Recommendation

11.45 For the Old Age Security program, Employment and Social Development Canada should determine whether the level of financial support provided to seniors through the program meets their needs.

***Employment and Social Development Canada's response.*** *Agreed.*

See [Recommendations and Responses](#) at the end of this report for detailed responses.

## Incomplete measurement of whether program objectives were met and value for money was achieved

---

### Findings

11.46 The New Horizons for Seniors Program is a key federal program for supporting seniors. Cumulatively, since it was introduced in 2004, more than \$850 million has been spent to support more than 39,000 projects. More than 80% of the funds distributed through the program are directed to the community-based stream. At the project level, poor results may not raise significant value-for-money concerns, as community-based projects receive only a small amount of funding (up to \$25,000). However, considering the overall amount of funding invested in the program, it is important that the department maximizes the impact of this funding to improve the lives of seniors.

11.47 We found that the department had not set itself up to measure outcomes for seniors under the New Horizons for Seniors Program. We reviewed the way the department measures performance of the program and found that it did not adequately measure how the funded projects impacted seniors who participated in them. Most of the performance information related to outputs such as the number of seniors who participated or the number of projects funded under a specific objective of the program. In 2024, the department's evaluation unit determined that the department had never collected information directly from the seniors who participated in projects funded through the New Horizons for Seniors Program in its 2-decade history. At the time of our audit, the department was in the process of updating its performance measures for the program, under a department-wide initiative to improve performance measurement.

11.48 We found that Employment and Social Development Canada did not conduct a gender-based analysis plus assessment or analyze disaggregated data that it collects to inform funding priorities or to identify the specific populations of seniors to target under its New Horizons for Seniors Program. The department relied on the organizations applying for funding to identify the seniors' needs that they planned to address and how their project would do this. The program's terms and conditions are flexible to allow it to fund a broad spectrum of projects across the country.

11.49 We reviewed documentation related to a sample of projects that occurred in the 2022–23 and 2023–24 fiscal years under the community-based stream of the New Horizons for Seniors Program. From this review, we found that 94% of funding recipients submitted the required performance reports to the department. Documentation indicated that 10% of projects did not meet their objectives, 25% partially met their objectives, and 65% met all objectives they had identified in their funding application. Regardless of whether recipients reported that projects achieved their stated objectives, the department used information from applications to measure the impact of the program without ever knowing or validating whether the projects achieved their intended results.

11.50 In addition, our review of the sampled projects raised concerns about the department's ability to demonstrate the value for money that was achieved from 44% of the projects that were funded. This included documentation in the files that some projects were not completed as planned by the recipients. We also found very little evidence in the files of follow-up with funding recipients about the achievement of project objectives. Professional judgment is often needed to assess the success of projects; however, Employment and Social Development Canada often did not have the information it needed to assess value for money.

11.51 For example, 1 project valued at nearly \$23,000 was for the installation of an automatic door at a seniors' residence. The approved project was intended to involve seniors in the planning of the project and ultimately improve the ability of residents to age in place while also reducing the possibility of abuse and allowing access to community activities. The department's file noted that the door's installation had been delayed and had not yet been installed. However, the same file noted that the objective had been achieved, and the file was closed without any note that a follow-up was required. During the audit, the department confirmed that it should have contacted the recipient and kept the file open.

11.52 We also found that it was difficult to determine from departmental information how many seniors actually benefitted from the program or how these results compared with the planned results that had been outlined in the applications. It was not clear to us how the department compiled and reported on overall program results. This was because the data that it required funded organizations to provide was unverified, aggregated, and often incomplete. This also meant that Employment and Social Development Canada could not analyze the sociodemographic data it collected from funded organizations about project participants and the benefits to them from the funded projects.

11.53 We also reviewed a sample of project files under the Age Well at Home initiative and had similar concerns as we had for the New Horizons for Seniors Program about the data the department is collecting from funding recipients and how it will measure the results of the initiative overall. The required reporting from funded organizations requests only aggregated data, such as the total number of seniors of different ages or the number of seniors who benefitted from a specific category of services. Projects are ongoing until 2026, and the department plans to evaluate the results of the initiative once the projects have been completed.

11.54 Employment and Social Development Canada completed 6 internal evaluations of the New Horizons for Seniors Program since its inception in 2004. Consistent with our findings, those evaluations repeatedly raised concerns about data collection and analysis and made recommendations to improve reporting on results.

---

## Recommendation

- 11.55 Employment and Social Development Canada should
- improve the quality of the information it collects from projects funded under the New Horizons for Seniors Program
  - use the information it collects to assess results against the program's objectives, to assess the value for money of the program, and to inform future funding decisions

***Employment and Social Development Canada's response. Agreed.***

See [Recommendations and Responses](#) at the end of this report for detailed responses.

## Conclusion

11.56 We concluded that Employment and Social Development Canada did not effectively lead the federal government in ensuring that programs were in place to address seniors' needs, now and as the population continues to age.

11.57 We also concluded that Statistics Canada provided information to support Employment and Social Development Canada's efforts to lead federal programming to address seniors' needs.

## About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on programs to assist seniors. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs and to conclude on whether the actions taken by Employment and Social Development Canada and Statistics Canada related to seniors' programs complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

### Audit objective

The audit had 2 objectives:

- to determine whether Employment and Social Development Canada effectively led the federal government in ensuring that programs were in place to address seniors' needs, now and as the population continues to age
- to determine whether Statistics Canada provided information to support Employment and Social Development Canada's efforts to lead federal programming to address seniors' needs

## Scope and approach

The audit focused on whether Employment and Social Development Canada identified seniors' needs and led work to ensure that programs were in place to meet these needs, now and in the future as the population ages. We examined Employment and Social Development Canada's approach and activities used to work with the federal government, provincial and territorial governments, and non-governmental organizations (referred to as partners) to understand seniors' needs, as well as the department's efforts to fill programming gaps without duplicating efforts. We also looked at whether the department identified the impact an aging population could have on seniors' needs and programs in the future.

Our audit also examined whether Statistics Canada informed Employment and Social Development Canada of the quality, methodology, and fitness for use as intended of the consumer price index for seniors and examined Statistics Canada's efforts to improve the availability of disaggregated data on seniors.

We reviewed documents from Employment and Social Development Canada and Statistics Canada, held meetings with officials from the department and agency, and conducted detailed walk-throughs of the key activities used by Employment and Social Development Canada to understand whether the department understood the current and future needs of seniors, as well as the programs available to seniors, and whether it worked with partners to ensure that programs were in place to address those needs and fill gaps in programming.

We examined how Employment and Social Development Canada ensured that its grant and contribution programs for seniors (New Horizons for Seniors Program and the Age Well at Home initiative) addressed seniors' needs and how the department measured the outcomes for seniors achieved through these programs. We examined whether the department analyzed the sufficiency of the amounts provided to seniors through the Old Age Security program to see whether the program was supporting a basic level of financial security for seniors.

Using data obtained from Employment and Social Development Canada's project management system, we conducted an in-depth review of the department's grant and contribution program files to determine whether the department ensured that its programs targeted funding to projects needed by seniors and how it measured the outcomes achieved through the funding it allocated. We used representative sampling to review files from the following programs:

- New Horizons for Seniors Program community-based stream
- Age Well at Home initiative

The samples reviewed were sufficient in size to conclude on the sampled populations with a confidence level of no less than 90% and a margin of error of no greater than plus 10%. Specifically,

- for the New Horizons for Seniors Program community-based stream, we selected a sample of 52 projects out of 6,076 projects that received funding and were completed by the end of the audit period
- for the Age Well at Home initiative, we selected a sample of 33 projects out of 88 projects that received funding

We did not audit the Canada Pension Plan, workplace retirement plans, or other retirement planning vehicles. We also did not examine Employment and Social Development Canada's application processing or payment delivery under the Old Age Security program, the New Horizons for Seniors Program, the Age Well at Home initiative, or programs delivered by other federal departments.



## Criteria

We used the following criteria to conclude against our audit objective:

Criteria	Sources
<p>Employment and Social Development Canada identifies, and helps the federal government understand, seniors' current and future needs.</p>	<ul style="list-style-type: none"> <li>• <a href="#"><i>Department of Employment and Social Development Act</i></a></li> <li>• <a href="#"><i>Ministries and Ministers of State Act</i></a></li> <li>• <a href="#"><i>Canadian Gender Budgeting Act</i></a></li> <li>• Order-in-Council, PC Number 2018-1004</li> <li>• Policy on Results, Treasury Board</li> <li>• Policy on Service and Digital, Treasury Board</li> <li>• Minister of Seniors mandate letters, 2018, 2019, and 2021</li> <li>• Guidance for Deputy Ministers, Privy Council Office</li> <li>• <a href="#"><i>Transforming Our World: The 2030 Agenda for Sustainable Development</i></a>, United Nations</li> <li>• Canada's Federal Implementation Plan for the 2030 Agenda, Government of Canada</li> <li>• Opportunity for All—Canada's First Poverty Reduction Strategy, Employment and Social Development Canada</li> </ul>
<p>Employment and Social Development Canada understands what federal programs are available to seniors and works to ensure that programs were in place to address seniors' needs.</p>	<ul style="list-style-type: none"> <li>• <a href="#"><i>Department of Employment and Social Development Act</i></a></li> <li>• <a href="#"><i>Canadian Gender Budgeting Act</i></a></li> <li>• Minister of Seniors mandate letters, 2018, 2019, and 2021</li> <li>• Guidance for Deputy Ministers, Privy Council Office</li> <li>• <a href="#"><i>Transforming Our World: The 2030 Agenda for Sustainable Development</i></a>, United Nations</li> <li>• Canada's Federal Implementation Plan for the 2030 Agenda, Government of Canada</li> </ul>

Criteria	Sources
<p>Employment and Social Development Canada adjusts its programs (New Horizons for Seniors Program, Age Well at Home, and Old Age Security) to address current and future needs of seniors.</p>	<ul style="list-style-type: none"> <li>• <i>Department of Employment and Social Development Act</i></li> <li>• <i>Canadian Gender Budgeting Act</i></li> <li>• Minister of Seniors mandate letters, 2018, 2019, and 2021</li> <li>• Policy on Results, Treasury Board</li> <li>• Directive on Results, Treasury Board</li> <li>• Policy on Transfer Payments, Treasury Board</li> <li>• Directive on Transfer Payments, Treasury Board</li> <li>• Policy on Service and Digital, Treasury Board</li> <li>• New Horizons for Seniors Program Terms and Conditions for Grants and Contributions, Employment and Social Development Canada</li> <li>• Transforming Our World: The 2030 Agenda for Sustainable Development, United Nations</li> <li>• Canada’s Federal Implementation Plan for the 2030 Agenda, Government of Canada</li> </ul>
<p>Statistics Canada clearly communicates to Employment and Social Development Canada the fitness for use of its consumer price index for seniors work and associated limitations.</p>	<ul style="list-style-type: none"> <li>• <a href="#"><i>Statistics Act</i></a></li> <li>• Letters of agreement between Statistics Canada and Employment and Social Development Canada on a consumer price index for seniors, 2016 to 2019</li> <li>• Quality Assurance Framework, Statistics Canada, 2017</li> <li>• Policy on Informing Users of Data Quality and Methodology, Statistics Canada</li> </ul>
<p>Statistics Canada helps Employment and Social Development Canada address gaps in the disaggregated data available to understand the needs and outcomes of seniors.</p>	<ul style="list-style-type: none"> <li>• <i>Statistics Act</i></li> <li>• Transforming Our World: The 2030 Agenda for Sustainable Development, United Nations</li> <li>• Canada’s Federal Implementation Plan for the 2030 Agenda, Government of Canada</li> <li>• Opportunity for All—Canada’s First Poverty Reduction Strategy, Employment and Social Development Canada</li> </ul>

### Period covered by the audit

The audit covered the period from 1 April 2016 to 31 March 2024. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

### Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 19 November 2024, in Ottawa, Canada.

### Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Sami Hannoush, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

## Recommendations and Responses

Responses appear as they were received by the Office of the Auditor General of Canada.

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
<p><b>11.27</b> Employment and Social Development Canada should take action to fulfill its responsibility to support the Minister of Seniors. This should include determining</p> <ul style="list-style-type: none"> <li>• the work that it needs to do to collect and analyze, in a comprehensive way, information on the needs of seniors</li> <li>• in collaboration with other federal departments and agencies, what programs are in place to meet seniors' needs and identifying gaps in programs</li> <li>• in collaboration with other federal departments and agencies, whether the suite of federal programs for seniors is working as intended</li> </ul>	<p><b>Employment and Social Development Canada's response.</b> Agreed. Employment and Social Development Canada (ESDC) will take action to fulfill its responsibility to support the Minister of Seniors, by developing tools to ensure a more detailed and broader understanding of seniors' needs in Canada, within the scope of ESDC's mandate, while respecting the authority of federal programs in other government departments and agencies.</p> <p>While ESDC does not have the authority or the detailed information needed to assess the performance of programs under the authority of other ministers and departments, ESDC will put in place tool(s) for systematic information sharing and collaboration with partners. This will help ensure that seniors are considered as programs are developed across the Government of Canada. These tools will consolidate information about the performance of programs across the federal government for seniors, and support collaboration with other departments to better understand the needs of seniors.</p> <p>ESDC will also leverage governance tables at ESDC including deputy minister (DM) level tables to ensure broad understanding of seniors needs within the department.</p> <p>ESDC, with support from other federal departments and agencies, will continue to gather information, including data, to support the Minister of Seniors in making evidence based decisions with colleagues.</p>

Recommendation	Response
<p><b>11.45</b> For the Old Age Security program, Employment and Social Development Canada should determine whether the level of financial support provided to seniors through the program meets their needs.</p>	<p><b>Employment and Social Development Canada’s response.</b> Agreed. Employment and Social Development Canada (ESDC) agrees that regular analysis of the performance and impacts of the Old Age Security (OAS) program is important.</p> <p>The Old Age Security program is a fundamental pillar of financial support for Canada’s seniors and has been trusted by Canadians since its inception more than 70 years ago. It provides a solid base upon which seniors can supplement their income from other sources, including the Canada Pension Plan, employer-sponsored pension plans and other savings. While the program is not intended to meet all of seniors’ financial needs, it has played an important role in alleviating seniors’ poverty by providing a basic income for seniors who have lived in Canada for a minimum period. The poverty rate of Canadian seniors was 6.0% in 2022, compared to 9.9% for all Canadians. Seniors are also less likely to live in poverty than other groups. Further, seniors’ poverty in Canada is lower than the Organisation for Economic Co-operation and Development (OECD) average.</p> <p>ESDC provides advice to Ministers about the Old Age Security program, including the Guaranteed Income Supplement (GIS) that is based on detailed analysis, including policy papers, technical studies, program evaluations and micro-simulation modelling. This also includes delivery implications and interactions with other programs at all levels of government. This analysis directly informed recent program changes that included increasing the OAS pension for seniors aged 75 and over, increases to the GIS and the enhancement of the GIS earnings exemption.</p> <p>However, ESDC agrees it could do more to periodically assess the performance of the OAS program and how it interacts with the other pillars of the Canadian retirement income system, including the Canada Pension Plan and private retirement savings, to support the needs of seniors.</p>

Recommendation	Response
<p><b>11.55</b> Employment and Social Development Canada should</p> <ul style="list-style-type: none"> <li>• improve the quality of the information it collects from projects funded under the New Horizons for Seniors Program</li> <li>• use the information it collects to assess results against the program’s objectives, to assess the value for money of the program, and to inform future funding decisions</li> </ul>	<p><b>Employment and Social Development Canada’s response.</b> Agreed. The Department is working to improve the quality of information on the New Horizons for Seniors Program (NHSP).</p> <p>The Department is:</p> <ul style="list-style-type: none"> <li>• updating the Performance Information Profile;</li> <li>• reviewing the required reporting template for the Community-based Grants; and</li> <li>• will enhance outreach to recipients to increase the 94 percent submission rate for final reports and strengthen internal file management.</li> </ul> <p>In terms of demonstrating achievement of program objectives, outcomes and value for money, the Department is evaluating the NHSP, which includes conducting interviews with seniors who participate in the program and assessing the extent to which program objectives and expected results are being met. The NHSP includes both Pan-Canadian Contribution investments for up to five-year projects, and annual Community-Based Grants. Pan-Canadian Contributions have a framework for robust capacity building, impact measurement, and program reporting. Community-based Grants invest in annual projects up to \$25,000, with a reporting framework aligned to small, local, community investments. The Department exceeds performance reporting requirements for small Grants, under the Policy and Directive on Transfer Payments, given its established Grant reporting requirements and outreach activities. Also aligned to policy expectations for Grants, ESDC determines value for money when applications are being assessed, to inform decision-making and project selection.</p>

