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Reflections

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At the Office of the Auditor General, we audit a wide range of services and programs delivered by government, agencies of the Crown and organizations in the broader public sector, and identify areas that need improvement. We take great care to make practical recommendations from our audit findings that these entities can implement to improve the services they provide to Ontarians.

We believe that identifying problems and offering potential solutions is only the first step; the real work begins when those responsible take action to put our recommendations into practice. It is for this reason that a key part of our Office's work is to follow up on our past audits to assess the progress made on our recommended actions.

Our follow-up work consists mainly of discussions with, and review of supporting documents provided by, the government, relevant ministries and broader-public-sector entities we've audited. We appreciate their continued co-operation in providing us with comprehensive status updates.

This year, for the first time, our Office has produced a new volume (Volume 2) dedicated to the follow-ups we have completed, including follow-up reports on our 2014 value-for-money audits, on the previously issued special reports, and on the recommendations issued by the Standing Committee on Public Accounts in the last year.

Value-for-Money Audits

This year's report contains 12 follow-up reports from the value-for-money audits published in our *2014 Annual Report*. Consistent with previous years, we note that progress has been made toward implementing the majority (75%) of our recommended actions, including 40% of them that have been fully implemented. We are encouraged by the considerable improvements made to a number of programs, including:

- **Licensed child-care facilities**—The Ministry of Education has taken action on most of our recommendations, aimed at improving the health and safety of children in child-care centres. This includes establishing an Enforcement Unit and implementing risk-based licensing to improve the inspection process for child-care centres.
- **Ontario Immigrant Nominee Program**—The Ministry of Citizenship and Immigration has either fully implemented or is in the process of implementing about 86% of our recommended actions to the program, which selects and recommends to the federal government potential immigrants who will contribute to Ontario's economy. We believe the actions taken will help ensure that qualified nominees are selected for the program and will deter immigration fraud.

- **Source water protection**—The Ministry of the Environment and Climate Change has taken considerable steps to implement recommendations we made toward the protection of existing and future sources of drinking water in Ontario. This includes approving all 22 source-water-protection plans developed for the province's 19 source-water-protection regions. In the spring of 2016, it also signed funding agreements with all 19 Source Protection Committees to help them provide support to municipalities for plan implementation.
- **Infrastructure Ontario**—Infrastructure Ontario has implemented all of the recommendations from our *2014 Annual Report* that were aimed at ensuring sufficient monitoring and tracking of the loans made under its loan program. As well, Infrastructure Ontario either has fully implemented or is in the process of implementing 83% of our recommendations relating to its Alternative Financing and Procurement (AFP) approach. For example, it has increased the threshold for AFP project delivery to \$100 million. Some additional areas for improvement include gathering empirical data to support the valuation of risks in the value-for-money assessment used to justify the AFP approach, and ensuring that risks assumed to be transferred in the value-for-money assessments are reflected in the project agreements.

While we are encouraged by the progress made on many of the recommendations made in our *2014 Annual Report*, we have also noted a few areas where little or no action has been taken:

- **Immunization**—While the Ministry of Health and Long-Term Care has finalized a strategy to overhaul its immunization program, we feel that its targeted implementation date of 2020 is further away than we would expect, given the importance of the program to public health in Ontario. We also note that there has been little progress made toward implementing our recommendations relating to

publicly reporting immunization rates at day-cares, identifying schools with low immunization rates and providing vaccinations to all immigrants before they enter Ontario.

- **Smart meters**—About 20% of our recommendations on this initiative, which is intended to manage demand for electricity in Ontario, have been fully implemented. While the Ministry of Energy is in the process of implementing our recommendations for considering alternatives as part of the long-term energy planning process and ensuring ratepayer concerns are addressed properly and in a timely manner, little to no progress has been made to reduce the duplication of smart-meter processing costs, and ensure that Ontario's electricity supply and demand forecasts are critically re-evaluated periodically.
- **Palliative care**—The Ministry of Health and Long-Term Care has indicated that it is in the process of developing a co-ordinated system that will support more integrated delivery of palliative care (which focuses on the relief of pain and other symptoms for patients with advanced illnesses). However, since this system is still in the planning stages, none of the recommendations we made in our 2014 audit had been fully implemented at the time of our follow-up.

Special Reports

Our special reports are written at the request of the Standing Committee on Public Accounts (Committee) or by a Minister of the Crown, usually in response to topical issues of concern to the people of Ontario. **Chapter 2** of this report notes the progress made since we issued the special reports *Ontario Lottery and Gaming Corporation's Modernization Plan*, *Ornge Air Ambulance and Related Services* and *Winter Highway Maintenance*.

In our special report on the Ontario Lottery and Gaming Corporation's (OLG) Modernization Plan (tabled in April 2014), we noted that the project

timeline was ambitious and financial projections were overly optimistic. At the time of our report, OLG was expected to complete all modernization-related procurements by March 2015. It has since revised its approach and has extended its deadline for procurements to August 2018. We plan on providing another update at that time.

A follow-up to our 2012 special report on Ornge air ambulance and its related services was conducted at the request of the Committee as part of its own review of Ornge (also discussed in this report). We are encouraged that the majority of our recommendations have been either fully implemented or are in the process of being implemented. They include the Ministry of Health and Long-Term Care improving its oversight of Ornge's operations and performance, and efforts by Ornge to streamline its corporate structure and operations. We would like to see more progress made on our recommendations to assess the demand for critical-care land ambulance services and to determine the optimal number of these land ambulances needed.

The Minister of Transportation was proactive in formally requesting our Office to follow up on our 2015 special report on winter highway maintenance one year after the report. The Ministry of Transportation has fully implemented recommendations relating to improving contractor performance and public awareness of winter road conditions, and has made significant progress on making needed changes to how it manages contractors that perform winter maintenance. We recognize that, since performance-based contracts are in effect until 2026, it will take the Ministry until then to fully implement all of our recommendations.

Reports Issued by the Standing Committee on Public Accounts (Committee)

Members of the Committee, which is composed of MPPs from all parties of the Legislature and supported by its Committee Clerk and legislative researchers, are dedicated to improving govern-

ment programs and services delivered to—and funded by—the people of Ontario. In addition to holding hearings on chapters in our annual reports or our special reports, the Committee makes observations and issues recommendations in its own reports, which further promote positive change by the entities we audit.

Chapter 3 of this report includes follow-ups we have conducted on the Committee's recommendation covering a wide variety of programs and services. We continue to see a positive response from government and agencies in the broader public sector to the Committee's work. In particular, we note that all actions recommended for both cancer screening programs and educational programs for Indigenous students either have been fully implemented or are in the process of being implemented. We would like to see more improvement in the Financial Services Commission of Ontario's regulatory oversight of pension plans and financial services, since nearly half of the Committee's recommendations either have not yet been implemented or are not planned to be implemented.

Acknowledgements

The information contained in both this report and **Volume 1** of our *2016 Annual Report* is the result of the excellent work of the dedicated staff of my Office. On their behalf, I would like to thank the many people in the public and broader public sectors who have assisted us in the completion of this year's follow-up reports. We look forward to continuing to serve the Legislative Assembly and, through it, the citizens of Ontario.

Sincerely,



Bonnie Lysyk
Auditor General of Ontario