

# Reflections

## Introduction

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 resulting 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 an important 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 discussion 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.

Last year, for the first time, our Office produced a new volume (Volume 2) dedicated to the follow-ups we completed on our 2014 value-for-money audits, on previously issued special reports and on the recommendations issued by the Standing Committee on Public Accounts in 2015.

This year, Volume 2 contains the follow-up work we completed on our 2015 value-for-money audits, on the 2015 Special Report titled *Community Care*

*Access Centres—Financial Operations and Service Delivery*, and on the recommendations issued by the Standing Committee on Public Accounts in 2016/2017. In addition, this year, for the first time, we include **Chapter 4** in this volume, which contains the results from our additional follow-up work on all audit recommendations issued from 2012 to 2014.

During 2016/17, we established a database to electronically track our recommendations and their implementation status from 2012 forward, and the recommendations of the Standing Committee on Public Accounts from 2015 forward. We believe that following up on issued recommendations is more cost-effective than re-auditing the same operations where this could result in the same recommendations being issued as were issued in prior years.

## Chapter 1—Follow-Up Reports on 2015 Annual Report Value-for-Money Audits

This year's report contains 15 follow-up reports from the value-for-money audits published in our *2015 Annual Report*. Consistent with previous years, we note that progress has been made toward implementing the majority, 71%, of our recommended actions (75% in 2016). We note that only 33% have been fully implemented, a lower percentage when compared to the percentage in the prior year of 40%. However, we recognize that the nature of some of our 2015 recommendations may require a longer implementation timeline.

We are encouraged by the implementation of our recommendations and program improvements in a number of areas. For example:

- **Section 1.12 SAMS—Social Assistance Management System**—The Ministry of Community and Social Services has made significant progress in improving the operations of the system integral to providing accurate and timely social-assistance payments to those in need. It has either implemented or is working to implement 100% of our recommendations.
- **Section 1.10 Management of Contaminated Sites**—The Provincial Controller’s Office and other ministries have provided us with information supporting their implementation of 66% of our recommended actions, with work proceeding on a further 17% of recommended actions. Steps were taken to set up an oversight body with responsibility for managing contaminated sites, along with the development of a database inventory of all contaminated sites in Ontario. A risk prioritization model was finalized for use in assessing all remediation funding proposals.
- **Section 1.08 LHINs—Local Health Integration Networks**—The Ministry of Health and Long-Term Care and the LHINs have made considerable progress in implementing 46% of our recommended actions and are in progress to implement another 49%. Work has been focused on obtaining information to further understand the reasons for different performance levels among the LHINs, developing common approaches to delivering health-care services and defining what an integrated health system means for Ontarians.
- **Section 1.01 CCACs—Community Care Access Centres—Home Care Program**—The Ministry of Health and Long-Term Care has indicated that CCACs (now part of the LHINs) have fully implemented 39% of our recommended actions, including ensuring care coordinators address overdue assessments and conduct reassessments of people on a timely basis, track the amount and type of caregiver support provided and follow up with discharged clients within required time frames. They are in the process of implementing the majority of the remaining recommendations.
- **Section 1.15 Toward Better Accountability**—Treasury Board Secretariat has either implemented or is making considerable progress in implementing 100% of our recommended actions. These actions will improve the timely availability of the annual reports of entities in the public sector. These reports contain the financial results of these entities, for the benefit of Members of Provincial Parliament (MPPs) and the public.
- **Section 1.07 Infrastructure Planning**—Treasury Board Secretariat and the Ministry of Infrastructure have made progress in fully implementing 44% of our recommended actions and are in the process of implementing the remaining 56%. A cross-sector province-wide framework is still needed to prioritize infrastructure investments, along with more clarity around how a balance is determined between funding repair/rehabilitation projects and new projects.
- **Section 1.04 Economic Development and Employment Programs**—The Ministry of Economic Development and Growth has either fully implemented or is in the process of implementing 80% of our recommended actions.
- **Section 1.14 University Intellectual Property**—The Ministry of Research, Innovation and Science and the universities we visited during our audit have taken steps to implement our recommendations. Although more work is needed, we understand that progress may be slower given the nature of the recommendations. For example: little or no progress has been made in developing socio-economic performance indicators to better communicate outcomes of research and commercialization efforts.

While we are encouraged by the progress made on many of the recommended actions from our *2015 Annual Report*, we have also noted a few areas where little or no action has been taken.

- **Section 1.13 Student Transportation**—The Ministry of Education and the Ministry of Transportation have made little progress on close to 40% of our recommended actions. The Ministry of Education also indicated that it will not be implementing recommendations to, in connection with school boards and transportation consortia: develop consistent safety policies for the transport of students; set standards for optimal utilization of school vehicles; clarify the roles of each body in setting eligibility and employing efficiency measures; and develop standard criteria for selecting school bus operators. The Ministry indicated that it has no legal mandate to impose specific transportation policies on school boards. We obtained a legal opinion on this matter and were advised that school boards are subject to the legal authority of the Ministry of Education. The Minister of Education has specific power to legislate and regulate the transportation of students. This power enables the Minister to implement our recommendations by providing direction/guidance to school boards.
  - **Section 1.11 Mines and Minerals Program**—Many of our recommended actions in this audit report were recommended in prior audits issued by our Office. The Ministry of Northern Development and Mines has implemented 32% of our recommended actions, but more work is needed in a number of areas, such as inspecting all high-risk abandoned mines to determine whether these sites pose risks to public safety; and reviewing and updating, where necessary, the Province's mining fees, taxes and royalty payments to ensure that Ontarians receive a fair share of the Province's mineral resources revenue.
  - **Section 1.09 Long-Term-Care Home Quality Inspection Program**—Although the Ministry of Health and Long-Term Care has fully implemented 33% of our recommended actions and is in the process of implementing a further 40%, there has been little or no progress on the remaining 27%, which are important. Fluctuations in the number of complaints and critical incidents requiring inspections continue to be an issue. As of April 2017, the backlog of complaints and critical incidents requiring inspections increased to about 3,370, which is an increase from 2,800 in March 2015 during the period of our audit.
  - **Section 1.05 Electricity Power System Planning**—The Ministry of Energy has taken steps to implement 44% of our recommended actions and is in the process of implementing another 50%. There is one important recommendation that is not planned to be implemented. In our *2015 Annual Report*, we recommended that the Long-Term Energy Plan (including technical plans), as required under law in 2015, be submitted for review and approval by the Ontario Energy Board, to enable public scrutiny and protect the interests of electricity consumers. Legislation was changed, and the vetting of this plan by the Ontario Energy Board is no longer required under law.
- Regarding the follow-up reports in **Sections 1.02 (Child Protection Services—Children's Aid Societies)** and **1.03 (Child Protection Services Program—Ministry)**, the majority of our recommended actions were in the process of being implemented. Given the importance of the care of children and the fact that many of the recommended actions in these reports were also recommended in reports issued by our Office over the last decade, we encourage both the Ministry of Children and Youth Services and Children's Aid Societies to proceed with their implementation on a more timely basis.

Since Hydro One ceased to be an agency of the Crown following passage of the *Building Ontario Up Act* in June 2015, our Office no longer has the authority to do audit or follow-up work on Hydro One. As a result, we were only able to obtain minimal information to assess whether our recommendations in **Section 1.06—Hydro One—Management of Electricity Transmission and Distribution Assets** were implemented. Hydro One co-operated in providing some information, but unfortunately we were unable to obtain enough information to assess the implementation status of about 72% of our recommendations. We were able to confirm that about 11% of our recommended actions were fully implemented, 6% were in the process of being implemented, and another 11% would not be implemented.

## Chapter 2—Follow-Up Reports on Special Reports

The Ministry of Health and Long-Term Care, Health Shared Services Ontario and the Community Care Access Centres (now part of the LHINs) provided us with information indicating that 46% of the recommended actions in our Special Report titled *Community Care Access Centres—Financial Operations and Service Delivery* had been implemented, and progress was being made to implement a further 52% of the recommended actions. Fully implemented recommendations include: finalizing of annual funding, following a common CEO compensation framework, changing rapid-response nurses' staffing schedules to provide coverage over the weekend, developing staff caseload benchmarks for direct-nursing services and developing performance indicators for these services.

## Chapter 3—Follow-Up on Reports Issued by the Standing Committee on Public Accounts

Members of the Standing Committee on Public Accounts (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 government 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 volume includes the follow-ups we have conducted on the Committee's recommendations covering seven reports it issued in 2016. We continue to see a positive response from government and agencies in the broader public sector to the Committee's work. One of the reports the Committee tabled in 2016 was *Hydro One—Management of Electricity Transmission and Distribution Assets*. Because we no longer have jurisdiction over Hydro One, we were unable to follow up on the Committee's 24 recommended actions. Excluding the impact of Hydro One, 89% of the Committee's recommended actions have either been fully implemented or are in the process of being implemented.

## Chapter 4—Follow-Up on Audit Recommendations from 2012 to 2016

### Follow-Up on Recommendations Issued by the Office of the Auditor General in 2012, 2013 and 2014

This chapter marks the first year that our Office has followed up on value-for-money audits beyond our initial two-year follow-up work for audit reports issued in 2012, 2013 and 2014. For those years, recommended actions were fully implemented for 20% of actions in 2012, 29% in 2013 and 40% in 2014. There has been steady improvement in the timeliness of implementing our recommended actions.

A key observation from our work this year when we revisited the recommended actions for 2012, 2013 and 2014 was that these actions are continuing to be fully implemented with the average implementation rate for each of those years now at about

50%. Although the average implementation rate for each year has improved since the two-year follow-ups were conducted, we would have expected to see a higher average implementation rate for the older recommended actions of 2012 and 2013.

This average implementation rate reflects some ministries and organizations that have implemented most recommendations, and some that have implemented considerably less. Community Care Access Centres, Ontario Power Generation, the Independent Electricity System Operator, the Ministry of Finance, the Financial Services Commission of Ontario, and the Ministry of Citizenship and Immigration have implemented 70% or more of our recommended actions. Less than 30% of recommended actions from 2012, 2013 and 2014 have been implemented by the Ministry of the Status of Women, the Ministry of Infrastructure, the Ministry of Advanced Education and Skills Development, the Ministry of Natural Resources and Forestry, the Ministry of Energy, and the Ministry of Children and Youth.

A significant number of the recommended actions that are still identified as being in the process of being implemented relate to recommendations to improve the public's access to care/services, the cost-effectiveness of services, the allocation of funding based on need, the quality of care of patients and monitoring/oversight in a number of service areas.

During this year's follow-up work, we noted that nearly 40% of the total recommended actions from 2012, 2013 and 2014 were in the process of being implemented. We will continue to follow up on their status of implementation next year.

## Follow-Up on Recommendations Issued by the Standing Committee on Public Accounts in 2015 and Early 2016

As of March 31, 2017, 65% of recommended actions issued by the Standing Committee on Public Accounts in its reports tabled between March 2015 and April 2016 have been fully implemented. While the Ministry of Infrastructure and Ontario Power Generation implemented all of the Committee's recommended actions, the Ministry of Community and Social Services and the Ministry of the Status of Women implemented fewer than 20% of its recommended actions.

## Acknowledgements

The information contained in this volume of our *2017 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 sector who have assisted us in the completion of this year's follow-up reports. A special thank you goes to Richard Kennedy, Chief Internal Auditor and Assistant Deputy Minister, Ontario Internal Audit Division, for the contribution provided by staff from Internal Audit to **Chapter 4** of this volume.

We look forward to continuing to serve the Members of Provincial Parliament and through them, the citizens of Ontario.

Sincerely,



Bonnie Lysk  
Auditor General of Ontario