



Bonnie Lysyk
Auditor General of Ontario

Reflections

This year's Annual Report, my seventh since becoming Auditor General, is tabled in four volumes. **Volume 1** includes 13 value-for-money audit reports, as well as chapters on our audit of the Public Accounts and on government advertising. **Volume 2** contains three chapters of our work in the area of the environment—the first report issued under our expanded responsibilities outlined in the *Environmental Bill of Rights, 1993*. **Volume 3** includes four audits we conducted on justice and corrections in Ontario. Our follow-up work on previously issued recommendations by our Office and by the Standing Committee on Public Accounts is presented in **Volume 4**. Each volume contains its own reflection preamble.

Many of our reports this year in **Volume 1** address specific programs and practices that impact public safety and the well-being of Ontarians. They include Acute-Care Hospital Patient Safety and Drug Administration, Addictions Treatment Programs, Chronic Kidney Disease Management, Commercial Vehicle Safety and Enforcement, Food Safety Inspection Programs, Food and Nutrition in Long-Term-Care Homes, Health and Safety in the Workplace, and the Ontario Disability Support Program. Even our audit on the Office of the Chief Coroner and Ontario Forensic Pathology Service relates to the safety and well-being of Ontario residents. Our reports in **Volume 2** and **Volume 3** also touch on elements of public health and safety.

Three other value-for-money reports in this volume—Ontario Financing Authority, Provincial Support to Sustain the Horse-Racing Industry and Oversight of Time-Limited Discretionary Grants—relate more directly to financial decision-making by the province. A final value-for-money report is more IT-focused: Technology Systems (IT) and Cybersecurity at the Ontario Lottery and Gaming Corporation.

The following sections provide a synopsis of some of our key observations and findings. A commonality of many of the audits this year is the need for better information and transparency to support decisions and choices. This applies to information needed by decision-makers who can impact the funding and delivery of programs and services. This also applies to Ontarians in general, who must make choices when they need and use public-sector and broader-public-sector programs and services.

Health and Medical Services

Acute-Care Hospital Patient Safety and Drug Administration—Data collected by the Canadian Institute for Health Information shows that between 2014/15 and 2017/18, nearly six of every 100 patients experienced some form of harm during treatment in an acute-care hospital in Ontario. While this indicates that most patients do not experience harm, we noted that this is the second-highest rate of hospital patient harm reported in

Canada, after Nova Scotia. Other incidences of harm include patient safety “never-events”—preventable incidents such as the occurrence of serious pressure ulcers. Such events occurred a total of 214 times over the last four years in six of the 13 hospitals that we audited; somewhat surprisingly, the other seven hospitals we visited did not even track this data. We also found that current laws and practices in Ontario make it difficult for hospitals to address concerns about physicians and nurses found to lack competence and cause harm to patients; it can be difficult, costly and time-consuming for hospitals to fire these individuals, and hospitals may be constrained from readily warning other institutions that consider hiring these individuals.

Addictions Treatment Programs—According to the Canadian Mental Health Association, it is estimated that approximately 10% of the population in Ontario uses substances problematically, and many may well be in need of mental health and addictions services. Currently, the Ministry of Health allocates funding for addictions treatment services without determining the need for each type of service across the province and without evaluating the effectiveness of addictions treatment service providers. Given that Ontario committed to spend about \$3.8 billion over the 10 years from 2017/18 to 2026/27 for these services, the allocation and use of those funds needs to be reviewed so that the monies can better meet the needs of Ontarians. Also in need of review are unusual or suspicious instances of opioid dispensing—such as opioids “prescribed by” physicians and dentists with inactive licences. From 2014/15 to 2018/19, about 88,000 instances of dispensed opioids were associated with about 3,500 prescribers with inactive licences dating back to 2012 or earlier, including prescribers who were deceased. Notwithstanding the launching of a provincial Opioid Strategy in 2017, between August 2017 and March 2019, opioid-related deaths rose 70%, opioid-related emergency department visits more than doubled and opioid-related hospitalizations grew over 10%. Emerging areas such as cannabis legalization and vaping require a formal

assessment to identify whether additional prevention and treatment services are needed.

Chronic Kidney Disease Management—The prevalence of chronic kidney disease is on the rise in Ontario, leading to a higher need for dialysis treatment and a greater demand for kidney transplants. Our audit noted a need for improvements to the referral process, the alignment of dialysis capacity to regional needs, and lengthy kidney transplant wait times. In 2017/18, about 8,700 patients whose lab test results indicated they would benefit from referral from their primary care provider to a kidney-care specialist did not get this referral and went straight to dialysis. The referral could lead to multidisciplinary care that not only prepares the patient for treatment but can forestall the need for treatment. With regard to alignment of capacity to need, we noted that the occupancy rate of the 94 dialysis locations across Ontario ranged from 26% to 128%. In the last five years, the average wait time for the approximately 1,200 patients waiting each year for a deceased-donor kidney transplant was about four years, too long for those who became too ill for a transplant or died while waiting.

Office of the Chief Coroner and Ontario Forensic Pathology Service (Office)—The Office, which operates within the Ministry of the Solicitor General, has a broad mission: where death is sudden or unexpected, it is to conduct high-quality death investigations that support the administration of justice and the prevention of premature death. The Office is not sufficiently meeting its mission by analyzing data and following up on the implementation of its recommendations. Also, coroners perform death investigations with little supervision, and we found many instances where coroners performed investigations on former patients and billed for more than 24 hours of coroner and physician services in one day. The Office also does not check to ensure coroners completed required training, does not test coroners for competence, and does not have a policy for suspending or removing coroners who are under practice restrictions by the College of

Physicians and Surgeons of Ontario. We found 16 coroners who had performed death investigations while under practice restrictions by the College.

Social Services

Ontario Disability Support Program (ODSP)—ODSP was last audited by our Office in 2008/09. At the same time as more taxpayer funds are allocated to support ODSP (the annual cost of the program has increased by about 75%, from \$3.1 billion in 2008/09 to approximately \$5.4 billion in 2018/19), more weaknesses in program administration have come to light, some of them obvious and significant. Given the administrative weaknesses, it now appears likely that support payments, intended only for people who are disabled, could be received by those who are either financially or medically ineligible. Two-and-a-half percent of Ontarians are on ODSP, which is the highest rate among all Canadian provinces' disability programs.

Food Safety and Nutrition

Food Safety Inspection Programs—We found that the risk of a mass foodborne-illness outbreak in Ontario is likely low, thanks to systems and procedures in place for keeping the Ontario food supply safe. As well, about 98% of meat samples tested from provincially inspected slaughterhouses did not contain harmful drug residues. However, just one diseased animal or one unclean restaurant can give rise to small-scale food incidences causing illness. Every year, foodborne illnesses in Ontario account for 70 deaths, 6,600 hospitalizations, 41,000 visits to hospital emergency rooms and 137,000 visits to physicians' offices. Areas where food safety could be further improved included more stringent or clearer requirements for agricultural pesticide use, licensing of fish processors and food labelling; consistently quicker inspection by public health units of food premises linked to foodborne-illness complaints; and more transparent and consistent public disclosure of the results of inspections of food premises.

Food and Nutrition in Long-Term-Care

Homes—While the number of residents living in long-term-care homes has increased by only 2% in the last 10 years, the residents' overall cognitive performance has declined, as demonstrated, for example, by an increase in people with dementia from 56% in 2009 to 64% in 2019. Residents with dementia need more assistance to eat and drink, and we found that the Ministry of Long-Term Care and the long-term-care homes did not have sufficient procedures to ensure they got this assistance. Home menus also were not providing optimal nutrition to residents: they contained up to 93% more sugar than recommended, up to 59% more sodium, and up to 34% less fibre. Procedures for preventing and controlling infections such as gastroenteritis were also in need of improvement; significantly, we observed that, on average, only 19% of residents had their hands washed before or after a meal.

Safety at Work and on the Road

Health and Safety in the Workplace—Ontario had the lowest lost-time workplace injury rate in Canada over the nine-year period from 2009 to 2017 (the most recent year for which data is available). It also had the second-lowest fatality rate in Canada for workplace fatalities and occupational diseases on average from 2013 to 2017. However, our audit cautioned against complacency. Notwithstanding these results, in 2018, 85 people died at work in Ontario, while another 62,000 were absent from work because of a job-related injury. Further, 143 people died from an occupational disease in 2018, the rate of people taking time off work as a result of a jobsite injury has increased since 2016, and the number of injuries in the industrial and health-care sectors increased over the last five years by 21% and 29%, respectively. Work-place related illness, injury and death can be better addressed with improvements in the province's enforcement of employer safe practices and comprehensive inspections. Efforts are not preventing many employers from continuing the same unsafe

practices. We found that many companies inspected at least three times during the past six fiscal years were issued orders for repeated violations and contraventions relating to the same type of unsafe work practises. As well, over the last four-and-a-half years, comprehensive inspections had been completed for only 23 of more than 550 mining operations, while only one of 39 underground mines had undergone an engineering review for the top three hazards.

Commercial Vehicle Safety and Enforcement—Collisions involving commercial vehicles have a higher risk of injury and death due to the size and weight of the vehicles (these vehicles include trucks and trailers with a gross weight over 4,500 kilograms and buses seating 10 or more passengers). In most of the years between 2008 and 2017, Ontario had higher fatality and injury rates for commercial vehicles than the rates in Canada and the United States. Given this, we were concerned that the number of roadside inspections the Ministry of Transportation conducted that identify driver violations and mechanical defects decreased between 2014 and 2018, from over 113,000 to fewer than 89,000. If the Ministry had continued to conduct as many inspections between 2015 and 2018 as it did in 2014, it could have removed as many as 10,000 additional unsafe commercial vehicles or drivers from Ontario's roads based on historical inspection results. The Ministry had not inspected any of the commercial vehicles of 56% of Ontario's 60,000 trucking carriers in the last two years, including many carriers with a poor collision history. The Ministry does not require Service Ontario to ask commercial vehicle owners for proof their commercial vehicle has passed inspection to get their licence plates renewed, so it does not know how many commercial vehicles are operating without an up-to-date inspection certificate. The Ministry also allows commercial drivers to be tested for their licences by their own carriers. Between 2014/15 and 2018/19, 25% of the 106 carriers that test their own drivers ranked among the worst 1% of all carriers for at-fault collisions.

Other Government Services

Technology Systems (IT) and Cybersecurity at Ontario Lottery and Gaming Corporation (OLG)—OLG's gaming customers and all Ontarians have an interest in the fairness and integrity of OLG's gaming operations, and the security of their personal information after it is collected by OLG. We found that OLG information security systems and management, including cybersecurity and encryption standards, needed to be strengthened. In November 2018, the OLG iGaming IT system was attacked by a hacker, making it unavailable for 16 hours and impacting customer experience.

Provincial Support to Sustain the Horse-Racing Industry—The horse-racing industry as a gaming operation has been in decline in Ontario since the legalization of lotteries in 1969, with wagers by Ontarians on Ontario races decreasing by 44% in the last 10 years. In 1996, the province began providing the industry with funding support; almost 25 years later, the industry is no closer to being self-sustaining. Ontario's 15 racetracks currently receive annual subsidies of close to \$120 million, and the 11 racetracks that host slot machines receive a further \$140 million annually from private casino operators selected by OLG to cover leasing and other costs. A 19-year contract that took effect April 1, 2019, will provide further guaranteed funding. For all the financial support racetracks have received and will continue to receive, they are remarkably lacking in transparency and public accountability. Only one racetrack posts its financial statements on its website, and there is no public reporting of key performance indicators by racetrack, including gross wagering, wagering commissions, purses paid, and the current number of people working in the industry.

Oversight of Time-Limited Discretionary Grants—We examined the \$3.9 billion the government provided to third parties as time-limited discretionary grants to fund activities intended to benefit the public and help achieve public-policy

objectives. We found that, although the entities that receive grants directly from ministries and the amounts received are identified in the province's Public Accounts, the amounts the entities then disburse to other parties are not identified there. In 2018/19, about \$400 million was disbursed to these other parties. Also, some organizations received grants under ministerial discretion even though they did not meet the program's evaluation criteria. In the last three years, this mode of providing grants was especially prevalent for the Ministry of Heritage, Sport, Tourism and Culture Industries' Celebrate Ontario grant program, which provided almost \$6 million in funding through ministerial discretion to 132 applicants that had not achieved the minimum required evaluation score set by the Ministry.

Ontario Financing Authority (OFA)—The OFA was created in 1993, following the 1990 recession, to manage the province's debt, borrowing, investing and cash management programs. The province's net debt rose from \$81 billion in 1993/94 to \$338 billion by 2018/19. We found that the OFA has been effective in its investing operations and assessing short-term risks. But it is not fully analyzing long-term debt sustainability—the province's future ability to repay debt. It has focused on the current year and the upcoming two fiscal years. This leaves the Ministry of Finance without the information needed to establish long-term targets to manage debt. The OFA could also save significant interest and operating expenses for the province by reducing its excess liquid reserve, expanding its use of debt auctions and directly handling the borrowing of public bodies.

Acknowledgements

I want to thank the members of the all-party Standing Committee on Public Accounts for their support and dedicated service to Ontarians.

I also want to thank my team of professionals for their excellent work during the year and their significant contributions to this Annual Report.

On behalf of our Office, I would also like to acknowledge and express my sincere thank you to someone from our Executive Team whom we will dearly miss—Rudolph (Rudy) Chiu, Assistant Auditor General. Rudy led our Health, Energy and Justice portfolio in planning, performing and reporting on many significant audits in this and past years. He will be retiring in December 2019 after dedicating over 37 years of public service to our Office and the Legislature.

I would like to welcome two new members to our Executive Team—Jerry DeMarco, who joined our Office in August 2019, assuming the role of Assistant Auditor General, Commissioner of the Environment; and Richard (Rick) Kennedy, who joined our Office in November 2019 as an Assistant Auditor General. Rick will be assuming responsibility for the Health, Energy and Justice portfolio.

I am also appreciative of how our outstanding Panel of Senior Advisors shares its extensive knowledge, insight, judgment and advice with us throughout the year.

Others to thank include the many people in the public and broader public sectors who were involved in our work for their assistance and cooperation in the completion of this year's audits, and the various experts who shared their knowledge and advice with us. As well, we thank the external accounting firms that provided us with assistance during the past year and whose relationships with us we value.

My team and I look forward to continuing to serve the Legislative Assembly and, through it, the citizens of Ontario.

Sincerely,



Bonnie Lysyk, MBA, FCPA, FCA
Auditor General of Ontario

Our Team

It takes a massive effort by many people to perform the research, audit, writing and administrative-support work required to produce an Annual Report of this scope and substance. The following is a list of the people with our Office who worked to produce this Report:

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