



News Release

For Immediate Release

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SPEND MONEY LIKE IT WAS YOUR OWN, SAYS AUDITOR GENERAL

(TORONTO) On the release of his seventh Annual Report, tabled today in the Legislative Assembly, Ontario Auditor General Jim McCarter notes that public funds are “often not being spent with enough due diligence and oversight” and calls on the Ontario government to “spend taxpayer money like it was their own.”

“Maximizing value for taxpayer dollars must be a priority at the top or it will certainly not be first and foremost in the minds of those responsible for actually delivering services to the public,” said McCarter. “Especially in these challenging fiscal times, adopting this mindset will be essential if the government is to successfully face the competing challenges of a rising deficit and the need to maintain services to the public.”

McCarter notes that his Office found a variety of issues with the way public money was spent, including ministries overpaying for goods or services and not ensuring that those receiving government benefits were always entitled to them. Among the findings in the Report:

- The Ministry of Health and Long-Term Care spent about \$347 million to buy assistive devices like scooters and home oxygen systems for 294,000 people, but because of inadequate oversight, it was paying excessively high prices for many of these devices.
- The province collects \$500 million a year in user fees that could be judged to be unlawful unless it takes the necessary legislative action.
- Overpayments to recipients under the Ontario Disability Support Program and the Ontario Works Program have both increased by over 35% since our last audit of these programs and now total more than \$1.2 billion, and not enough is being done to prevent these overpayments from occurring in the first place.
- The government’s claim that \$45 million of savings generated through the OntarioBuys group-purchasing program were poured back into front-line public services does not stand up to scrutiny. Instead, \$20 million of the savings was retained by one of the agencies doing the group purchasing for its own needs, and for the remaining \$25 million, OntarioBuys was unable to demonstrate that this money had, in fact, been put into front-line services.

McCarter also noted other instances where handling of public finances needs to be improved:

- The government lacks information about the state of the province’s \$40-billion portfolio of social housing and whether supply is sufficient to meet the need.
- The Ontario Research Fund has not made good on its public commitment and mandate to support commercially oriented research. Instead, it has concentrated on funding theoretical research that is not necessarily focused on commercial potential.

- Too many Ontarians don't know about the government's phone-in health and consumer assistance services, and the province hasn't done enough to inform people of these services.
- The Workplace Safety and Insurance Board (WSIB) has an unfunded liability—the difference between its assets and the benefits it will have to pay out at a given point in the future—that has been growing steadily since 2001 and now stands at more than \$11 billion. Unless this situation is addressed, the WSIB may be unable to fully meet its worker benefit obligations.

The Auditor's Annual Report includes observations on 14 value-for-money audits and reviews conducted over the past year. The report, as well as a brief news release for each audit and review and for the chapters on the province's Public Accounts (Chapter 2) and the Auditor's review of government advertising (Chapter 5) (listed below) are available at www.auditor.on.ca.

News Releases for Value-for-money Audits and Review:

- "Payments for Assistive Devices Poorly Controlled"
- "Ontario's Bridges Not Being Properly Inspected Nor Repaired As Needed"
- "Consumer-protection Services Flying Below Public's Radar"
- "Education Quality and Accountability Office Must Provide Stronger Oversight"
- "Some Government User Fees May Be in Jeopardy"
- "Infection-control Processes at Long-term-care Homes Need to Improve"
- "Literacy Secretariat Not Effectively Targeting Its Spending"
- "Ontario Buys Savings Didn't Go To Front-line Services"
- "Inadequate Checking of Eligibility for Disability Benefits"
- "Ontario-funded Research Not Marketplace Focused As Promised"
- "Ontario Works Payments Need More Scrutiny"
- "Province Has Little Data on Condition of Social Housing"
- "Telephone Health Services: Too Few Calls, Too Many Hang-ups"
- "WSIB's Unfunded Liability Could Threaten Future Benefits"

News Releases for Chapters 2 and 5:

- "WSIB's Unfunded Liability and Slow-starting Infrastructure Grants a Concern"
- "Ad Review Law Working Well But Auditor General Cites a Few Concerns"

The *2009 Annual Report* also includes a chapter on follow-up reviews of audits done two years ago.

The Office of the Auditor General of Ontario is independent of government and its administration. This independence is an essential safeguard that enables it to fulfill its auditing and reporting responsibilities objectively. The Office provides information and advice that assist the Legislative Assembly in holding the government accountable for its stewardship of public funds.

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