

Overview and Summaries of Value-for-money Audits and Reviews

Overview

MAKING TOUGH FISCAL CHOICES

Ontario is not alone in facing some tough challenges to get its fiscal house in order. One of the impacts of the recent global recession is that Ontario, like many other jurisdictions, has been spending far more than it has been collecting in revenues. And just like a household that spends significantly more than it earns by borrowing the extra money, this practice can only be continued for so long. The Ontario government recognizes this, and, as the Minister of Finance said in the 2011 Budget, “To overcome this challenge, the government must renew its focus on deficit reduction.”

Given the challenging fiscal times, making significant inroads in reducing the deficit will be no easy matter. Consequently, in many of this year’s value-for-money audits, we paid particular attention to looking for efficiencies and cost savings. Our observations in this regard are summarized in the following subsections.

Criminal Prosecutions

Crown attorneys in the Criminal Law Division of the Ministry of the Attorney General prosecute criminal charges laid by police forces across Ontario. The number of Crown attorneys employed has more

than doubled over the last two decades, even though the number of criminal charges disposed of each year has remained relatively constant. Factoring in the increasing complexity of today’s legal environment, the Division needs to determine how many Crown attorneys there should be at each local office and should make much better use of the information it has on the relative workloads, efficiency and effectiveness of its Crown attorneys.

Diabetes Management Strategy

The number of people with diabetes in Ontario has more than doubled from 546,000 in 2000 to 1.2 million in 2010 and is projected to grow to 1.9 million by 2020. Type 1 diabetes, which accounts for 10% of diabetes cases, is not preventable; however, Type 2 diabetes, which accounts for the other 90%, is largely preventable with lifestyle changes that include healthier eating and exercise. In 2008, the Ministry of Health and Long-Term Care implemented a four-year, \$741-million diabetes strategy. We found that, to date, the results have been mixed, in that while the availability of care for people with diabetes has definitely improved, many services were underused and, in some cases, duplicated. As well, we noted that 97% of the funding was earmarked for treating people who already had diabetes, with only 3% being allocated for prevention initiatives.

Independent Health Facilities

Ontario has about 800 health facilities that are independently owned and operated, with about 50% being owned or controlled by physicians. These facilities provide primarily diagnostic services, such as x-rays, ultrasounds and CT scans. We suggested the Ministry review facility billings for unusual billing patterns and review whether the facility fees being paid are appropriate in relation to the actual costs of providing the services. We also noted that in 2009, the Canadian Association of Radiologists observed that as many as 30% of CT scans and other imaging procedures across Canada contribute no useful information or are inappropriate. The Ministry of Health and Long-Term Care's own estimate was that about 20% of independent health facility fee billings are likely inappropriate.

Long-Term-Care Home Placement Process

Many people are in hospital longer than medically necessary waiting for a long-term-care bed, even though this is detrimental to their health, is more expensive than community-based alternatives such as home care or placement in a long-term-care home, and limits the availability of hospital beds for other patients with more complex health-care needs. However, 19% of people waiting in hospital for a long-term-care bed had applied to only one long-term-care home, even though their selected home may have a long wait list.

Metrolinx—Regional Transportation Planning

Metrolinx is an agency of the Ontario government that is responsible for implementing an integrated transportation system in the greater Toronto and Hamilton area over the next 25 years at an estimated cost of \$50 billion. Our review of several significant projects costing hundreds of millions of dollars indicated that Metrolinx must strengthen its processes relating to infrastructure investment, procurement and cost control.

Ontario Provincial Police

Over the last two decades, crime rates across Canada have declined by more than 40%, and Ontario has been part of this trend. As well, the number of serious motor vehicle accidents has been trending down in recent years and calls for service to the Ontario Provincial Police (OPP) have remained stable since our last audit in 2005. However, OPP expenditures (excluding recoveries for police services provided to municipalities) have increased 27% over the last five years because more officers have been hired, compensation increases have exceeded inflation and cost-savings opportunities we previously identified had not been adequately acted upon. We noted that the OPP could reduce its operating costs by improving its staff deployment practices and better controlling overtime.

Tax Collection

Most taxes owing to the province are remitted voluntarily, but some are not, and the Ministry of Finance's Collections Branch is responsible for collecting most of these taxes. The Branch estimates that, as of March 31, 2012, it may need to write off about \$1.4 billion of the \$2.46 billion in outstanding taxes that it is responsible for collecting. While there have been some improvements to the Branch's collections processes in the last few years, we found that the Branch was often not taking appropriate action on a timely basis and was not using all the strategies at its disposal to maximize the amount of unpaid taxes it collects.

Youth Justice Services Program

The Youth Justice Services program of the Ministry of Children and Youth Services provides community and custodial programs and services primarily to young people aged 12 to 17 who are either awaiting trial or have been found guilty by a court of a criminal charge. From the 2005/06 to the 2010/11 fiscal years, total program expenditures

increased by 25%–30%, even though the number of youths served increased by only 4%. And in the last five years, even though the number of youths in Ministry-operated secure facilities decreased by 37%, the number of ministry youth services officers at these facilities increased by 50%.

ENHANCING SERVICES TO THE PUBLIC

Providing public services as cost-effectively as possible is critical to managing Ontario's current fiscal situation. However, ensuring that the public is getting the best level of service possible for the funding being provided is equally important. We therefore also made service delivery—the level of service provided and the processes followed in offering those services—a key focus of some of our audits. Our observations in this regard are summarized in the following subsections.

Cancer Screening Programs

Screening that detects certain types of cancer at an early stage can have a major impact on mortality rates. Cancer Care Ontario (CCO) is the provincial agency responsible for co-ordinating and overseeing the provision of such screening services. Our audit assessed whether CCO used established clinical evidence to decide what types of cancer warranted formal screening programs and how effective CCO was in achieving high screening participation rates. Overall, we found that CCO had implemented a number of good processes but was having difficulty meeting its participation-rate targets, especially for those segments of the population deemed to be at a high risk for certain types of cancer.

Drive Clean Program

The mandatory Drive Clean vehicle-emissions-testing program has been in place since 1999. Vehicle emissions have declined significantly since then and are no longer among the major domestic contributors to smog in Ontario. While this is due

partly to the Drive Clean program, newer vehicles with improved vehicle-emission-control systems and cleaner fuel requirements have had a larger impact on reducing overall vehicle emissions. We encouraged the Ministry to ensure that future policymakers are provided with current information on the program's cost-effectiveness and its impact on reducing smog, especially outside of Ontario's larger cities and in relation to other provincial and federal government initiatives, to ensure the program continues to provide value for the fees charged to drivers.

Education of Aboriginal Students

Many aboriginal students face challenges—such as poverty, substandard housing, poor nutrition and minimal employment prospects in their community—that affect their academic achievement. There is a significant gap between the percentage of the general Ontario population that has graduated from high school and the percentage of aboriginal adults that has done so. Six years ago, the Ministry of Education identified closing this gap as a ministry priority and developed a good framework to guide the development of support programs and to track its progress in reducing the gap. However, we found that the Ministry has not adequately overseen local school boards' implementation of the framework and has not formally assessed whether any progress has been made in closing the academic achievement gap. Information we examined suggests that little substantive progress has been made to date.

University Undergraduate Teaching Quality

From the perspective of the Ministry of Training, Colleges and Universities, a university's most important role is to do a good job teaching its students and preparing them for the future workforce. We believe that students, their parents and the public would agree. Accordingly, we reviewed the processes that three universities had in place to periodically assess and report on the performance

of those teaching undergraduate students. We also surveyed Ontario's other 17 universities on some of their practices in this area. As part of these practices, all Ontario universities, including the three visited, reported that they had formal processes in place to enable undergraduate students to evaluate each course they took. However, at least at the universities we visited, little aggregate analysis of these student evaluations was being done, and only about one-quarter of the universities responding to our survey indicated they make any summarized results of these evaluations available to students to help them select their courses.

FINANCIAL OVERSIGHT AND ACCOUNTABILITY

Annual Reporting of Financial Results

While our value-for-money audit work usually draws the most attention from the Legislature, the public and the media, financial audit work is also a crucial responsibility of our Office. Annual reporting of financial results, whether those of the province or those of the province's many Crown agencies and corporations, has long been considered an essential component of the government's financial accountability to Ontarians. But the accountability loop is not closed until the Legislature and the public are assured that the reported results are, in fact, fairly stated.

Accordingly, our Office audits the financial statements of the province and many of its Crown agencies, such as the LCBO, the Ontario Securities Commission, Ontario Place and many others. In some cases, such as with the financial statements of Cancer Care Ontario and the Public Guardian and Trustee, we engage private-sector auditors to do this work on our behalf.

I am pleased to report that for the 19th straight year, the Office was able to provide the Legislature and the public with the assurance that the consolidated financial statements of the province—the largest audited entity in Ontario—were fairly

presented in accordance with generally accepted accounting principles as established by the Canadian Institute of Chartered Accountants. I can also report that we concluded that the financial statements of the many Crown agencies that we audited this year were also fairly presented.

Legislative Estimates Review Process

Given that the government spends over \$120 billion a year on public services and that we last reviewed the estimates review process more than 15 years ago, we decided to revisit this area in 2012.

We researched the estimates review practices of other jurisdictions with similar parliamentary systems, such as the United Kingdom and Australia, and interviewed nine currently serving MPPs—three from each of the major political parties—who have sat on the Standing Committee on Estimates. We also met with three retired long-serving MPPs—one from each of the parties—who together had served a combined total of 80 years as elected MPPs in Ontario's Legislature.

The consensus of both the current and former MPPs was that the process was still not that effective as a means of scrutinizing proposed government expenditure plans. However, almost everyone we spoke to said that it was still a good accountability mechanism in that it was the only real opportunity outside of question period for questioning a Minister on the policies and expenditures of his or her ministry.

OTHER WORK

Advertising Review and Approval

The *Government Advertising Act, 2004*, requires that our Office review most proposed government advertising to ensure that it is not partisan in nature. We reviewed 565 individual advertising items this year. The results of our work in this area can be found in Chapter 5. This year, for the first time, the spending on Internet advertising exceeded spending

on television advertising (excluding ad production costs)—yet Internet advertising is not covered by the Act.

Special Audits

Under the *Auditor General Act*, we perform assignments as may be required by the Legislature, by a resolution of the Standing Committee on Public Accounts, or by a minister of the Crown. We normally table these audit reports on completion rather than including them in our Annual Report. This year we completed one special audit report, Ornge Air Ambulance and Related Services. We began this audit in 2011 and were asked to table it on completion. We did this in March 2012. To date, this audit report has been the subject of 17 hearings before the Standing Committee on Public Accounts.

Looking Back Over a Decade of Annual Reports

This is the 10th Annual Report I have had the honour of tabling with the Legislative Assembly. In looking back, I think the most fitting adage to describe these 10 years is “how time flies.” Much has happened over the past decade from the perspective of my Office and the work we do on behalf of the Legislature and the people of Ontario.

I thought that it would be useful to provide an overview of some of the more significant events that have had an impact on the work of the Office as the independent watchdog that provides elected members and the public with objective information on how well the government is taking care of our tax dollars. As well, I offer a few forward-looking thoughts and some good news.

VALUE-FOR-MONEY AUDITING IN THE BROADER PUBLIC SECTOR

Undoubtedly, the most significant event for the Office in the past decade has been the Legislature’s decision to expand our mandate in late 2004 to allow us to conduct value-for-money audits of organizations in the broader public sector. These organizations include hospitals, school boards, colleges and universities, long-term-care homes, social service agencies such as Children’s Aid Societies and hundreds of other organizations that provide services to the public. In total, about 40% of Ontario government expenditures, or about \$47 billion, goes to these broader-public-sector entities.

We have been diligent in pursuing this expanded mandate by conducting audits across virtually the whole spectrum of organizations in the broader public sector. This has included everything from assessing the detection and prevention of infectious diseases in hospitals and long-term-care homes to reviewing the teaching of undergraduate students at universities; and from reviewing the purchasing of goods and services at school boards, colleges and the hydro corporations to probing the interrelationship between patient care at hospital emergency departments, discharge of patients from hospitals, and the provision of home care and long-term care. The focus of this work has always been to provide useful information on how well these services are being delivered and to point out where we believe improvements can be made.

GOVERNMENT ADVERTISING AND THE PRE-ELECTION FISCAL REVIEW

The Legislature also gave us two more responsibilities in 2004. The *Government Advertising Act, 2004*, requires the Office to review proposed government advertising to ensure that partisan ads are not paid for with taxpayer dollars. The *Fiscal Transparency and Accountability Act, 2004*, requires that the government produce a fiscal outlook report six months before a provincial election, and our Office

is required to promptly review this forecast and give an opinion on its reasonableness.

Although few other jurisdictions have implemented legislation of this nature, I believe these initiatives have enhanced government accountability to the people of Ontario. Admittedly, reviewing proposed advertisements and giving an opinion on forecasts of future events are somewhat unusual pursuits for an auditor. However, I fully support the continuing role of the Office in these two areas and believe that the objective scrutiny that we bring to the process enhances the value of our Office to the Legislature and the public it serves.

SPECIAL AUDITS

Our special assignments have become more frequent in recent years, and I like to think this is because we have established a reputation for doing good work and being objective and independent in how we approach our work.

Some of these special audits have garnered a great deal of attention in the Legislature, from the media and the public, and from the Standing Committee on Public Accounts. A few reports that come to mind over the years are the Ornge Air Ambulance and Related Services audit tabled last March, our 2009 audit of eHealth, our 2007 examination of the cost to refurbish nuclear reactors at Bruce Power and our 2007 audit of the Ministry of Citizenship and Immigration's year-end grants.

OUR VALUE-FOR-MONEY TRACK RECORD

Given our focus on value-for-money auditing, a reasonable question to ask is whether our own Office operates cost-effectively and with due regard for value for money. As discussed earlier, our Office's responsibilities have expanded significantly since 2004. However, this in itself does not necessarily prove that taxpayers are getting value for money for the work done by the Office. An equally important consideration is the cost of doing this work. For instance, has there been a significant increase in

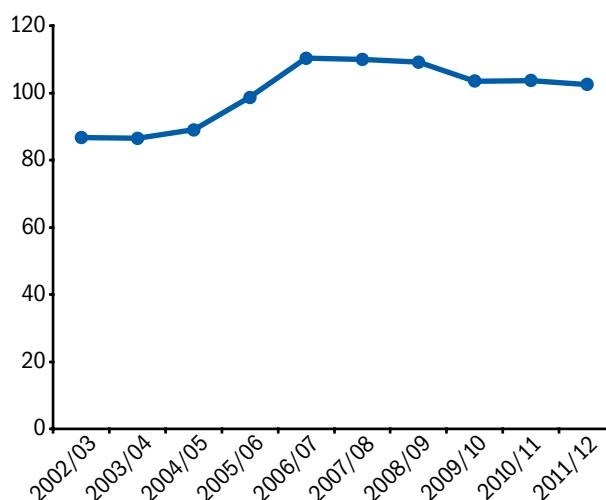
staff or in the amount of money the Office is spending due to the expansion of its mandate?

In the 2011/12 fiscal year, our Office cost taxpayers \$15.2 million, with the bulk of that amount going to salaries. As Figure 1 shows, our staffing has increased only slightly over the past decade, with the only noticeable bump being a small increase shortly after 2004 when our mandate was expanded in the three different areas discussed earlier. We have tried to run a tight fiscal ship so that we could undertake the work required by the expansion in our mandate without requesting significantly more funding.

When people ask about our budget, they often want to know how the size of our Office compares to that of other Auditor General offices in Canada's larger provinces. As of March 31, 2012, with a staff count of 102 people, we operated with fewer staff than the Quebec, British Columbia and Alberta audit offices. As different offices have different mandates and responsibilities, comparing the number of staff in one office to another is not a strictly apples-to-apples comparison. However, it does indicate that our staffing levels are certainly reasonable compared to those of the audit offices of the other larger Canadian provinces.

Figure 1: Number of Staff at the Office of the Auditor General, 2002/03–2011/12

Source of data: Office of the Auditor General of Ontario



LOOKING FORWARD

If one were to flip through the 10 Annual Reports that I have tabled over the past decade, one would see a myriad of recommendations that are directed to improving the operations of government. Often, each year's Annual Report contains a theme. These have ranged from "spend taxpayer money like it was your own" to the "need for better oversight" to "déjà vu," where I quoted a statement from the 1970s by Ontario's Committee on Government Productivity "that the challenges of the next decade will be very different, more complex, and more demanding than those which face us today." But if I had to pick one theme above all others that I believe the public sector must keep in mind going forward, it would be that "good decisions require good information."

Time and time again, the work of the Office has highlighted instances where decision-makers would have benefited from more relevant, reliable and timely information. Our concerns in this area sometimes resulted from management information systems that were not designed to give decision-makers the information they needed. In other cases, however, the information was there but just not being properly used to support the decisions being made. Some of the more significant examples that come to mind relate to our audits of the costs of renewable energy initiatives, new funding mechanisms for physicians, the process for assessing property taxes, the operation of the Family Responsibility Office, funding for social-service agencies, and the land and air ambulance programs.

As I have said in the past, a lack of good information significantly increases the risk that the decisions made will not be the best ones—and may even be the wrong ones. In the private sector, wrong decisions usually just cost more money; in the public sector, they not only cost more but they also affect the day-to-day lives of all Ontarians.

THE GOVERNMENT'S FINANCIAL STATEMENTS

Auditors deal with numbers, and therefore this look back to 2003 would not be complete without at least some reference to accounting. As I mentioned earlier in this chapter, the role we play in providing assurance and adding credibility by auditing the annual financial statements of the province and its Crown agencies should not be overlooked, even though it is our value-for-money work that tends to capture the attention of the Legislature, the public and the media.

For the past 19 years, my predecessor Erik Peters and I have been able to give the government's consolidated financial statements a clean bill of health. All three major political parties, at one time or another during these years, have formed the government, and all deserve credit for accomplishing this.

However, in the last few years, the government has chosen to legislate how certain transactions are to be accounted for. This has not so far resulted in any significant departure from generally accepted accounting principles, but I do have concerns about it. I hope that, in future years, this will not put the Auditor in the position of concluding that, although the accounting complies with legislation, the financial statements are not fairly presented under generally accepted accounting principles.

PLAIN-LANGUAGE ACCOUNTING

I must confess to some discomfort with what I see as a trend toward growing complexity in accounting principles and the accompanying financial statement disclosures. It is reaching the point where the statements are becoming so long and complicated that the average reader may not be able to quickly and easily understand what is being reported with respect to an entity's financial position and results for the year.

The recent recommendation of the Canadian Institute of Chartered Accountants (CICA) that government business enterprises adopt International

Financial Reporting Standards (IFRS) has not, in my opinion, made this situation any better. While I can understand the rationale behind the CICA's decision to pattern Canadian standards after international standards, I suspect that it has resulted in the lay reader of financial statements prepared under IFRS having more difficulty in understanding them.

For instance, we have been the auditor of the LCBO for many years. From a business and accounting perspective, the LCBO is a fairly straightforward business. It buys a finished product and sells it in retail stores throughout the province. But the adoption of IFRS has resulted in the LCBO's financial statements increasing from 14 pages to 45 pages. As well, there can now be two income statements, making it more difficult for the reader to figure out what the LCBO's bottom-line profit or loss—the key piece of information most readers look for—actually is.

From the perspective of the typical reader of the LCBO's financial statements, I have a hard time concluding that this is progress.

But I do have some empathy for the CICA given the globalization of the world economy. And insofar as the CICA is regarded as a respected contributor to the development of future IFRS accounting pronouncements, I hope it keeps in mind the views of a former Chairman of the U.S. Securities and Exchange Commission, who said: “The legalese and jargon of the past must give way to everyday words that communicate complex information clearly.” Closer to home, I have always remembered the words of a long-serving member of Ontario's Standing Committee on Public Accounts who made the following comment when the Committee was discussing how to word a particular report item: “Sometimes, just plain English is OK.”

SOME GOOD NEWS

In my opening remarks at the press conference that is held each year on the release of our Annual Report, I have always included a “good news” com-

ponent where I outline some examples of things that have gone well or where we saw some good initiatives undertaken. If I were to pick three overriding positive things that come to mind in looking back over the past 10 Annual Reports, they would be the following.

Implementation of Our Recommendations

In my first Annual Report to the Legislative Assembly in 2003, I expressed the concern that, all too often, little action had been taken to address our recommendations. Since that time, however, there has been a definite improvement in this area. In 2007, I reported a favourable trend in implementing our recommendations, and, as can be seen in Chapter 4 of our more recent Annual Reports (where we report the results of our follow-ups), progress continues to be made in implementing our recommendations.

Two factors have been instrumental in this. First, I sense that there is more pressure from the “centre” or Cabinet Office to ensure that action is being taken on the Auditor's recommendations. My discussions with the various secretaries of Cabinet Office since 2003 have indicated that implementing our recommendations is considered an important responsibility of the deputy ministers.

Second, the Standing Committee on Public Accounts has consistently brought pressure to bear on ministries, Crown agencies and organizations in the broader public sector to implement our recommendations. Before any hearing, the Committee Clerk formally requests a written response from the entity at the hearing outlining what actions it has taken to address the Auditor's recommendations.

Admittedly, the fact that we do a formal follow-up two years after each audit and report the results in every Annual Report has in itself had an encouraging impact. However, the roles played by the two parties discussed above have undoubtedly been a factor in the improvement we have seen in this area since 2003.

Public-sector Senior Management

Over the years, I have dealt with dozens of deputy ministers, assistant deputy ministers, and Crown agency CEOs and CFOs, as well as a cross-section of senior management in broader-public-sector organizations such as hospitals, universities, social-service agencies, long-term-care homes and many others. The times when I have come across someone who didn't seem committed to delivering the best possible service for the people he or she serves have been rare.

This doesn't mean that senior management always makes the best decisions or ensures that every decision is made putting taxpayers' interests first and foremost. However, my sense has almost always been that, as the saying goes, "their hearts are in the right place." And while there have certainly been exceptions, the senior management I have dealt with over the years has generally been reasonable and open-minded with respect to our observations and recommendations. As well, while no one likes a visit from the auditors, we have almost always received good co-operation. In this regard, I do want to recognize the excellent co-operation of organizations in the broader public sector that we have audited, most of which we were visiting for the first time.

Standing Committee on Public Accounts

Ontario has a very diligent and active Public Accounts Committee. I have worked closely with the Committee since 2003, and its support for the Office and the work we do cannot be overestimated. From a pragmatic perspective, its support gives us clout, especially when it comes to getting our recommendations implemented, as just discussed. For example, over the years, it has not hesitated to re-call a particular ministry or agency and hold another hearing to, as the former long-serving Committee Chair liked to put it, "hold their feet to

the fire" if it believed the ministry or agency had not done enough to make improvements.

For the most part, the Committee has also operated in a relatively non-partisan manner and has worked collegially to encourage improvements in operational cost-effectiveness and improve the level of service provided to the public. Last fall, just before the House adjourned for the October 2011 election, the Speaker of the Legislature put it best: "It has been a pleasure to see how the Public Accounts Committee has worked. If only every committee in the Legislature could operate in the same manner, things might be much different."

THANKS TO A HARD-WORKING GROUP

In looking back over the past 10 Annual Reports that I have tabled, I have indeed been most fortunate to have such a cohesive and dedicated team in the Office. Year after year, my staff has continued to produce top-notch work, both on the value-for-money side and in getting our financial audits done well and on time. The work we do is not easy, and we frequently face obstacles, challenges and tight timelines. However, the staff of the Office perseveres and ultimately gets the job done—and done right. They deserve our thanks.

Summaries of Value-for-money Audits and Reviews

About two-thirds of the Office's resources are devoted to conducting value-for-money audits. These audits focus on the delivery of services to the public, going beyond "just the numbers." The following are the summaries of the 12 value-for-money audits and the one review we conducted, all of which are presented in Chapter 3.

3.01 CANCER SCREENING PROGRAMS

Cancer Care Ontario (CCO) is a provincial agency responsible for coordinating and overseeing cancer services in Ontario. CCO directs health-care funding to hospitals and other care providers, with the aim of delivering quality and timely cancer services throughout the province. It is also responsible for implementing cancer prevention and screening programs.

CCO has 13 regional cancer programs. Regional Cancer Centres are responsible for cancer screening and treatment services. In the 2011/12 fiscal year, CCO had total expenditures of \$887 million, \$92 million of which was spent on cancer screening programs.

CCO has implemented screening programs for breast, colorectal and cervical cancers. We noted that CCO used recognized clinical evidence to decide what types of cancer warranted formal screening programs.

Each of the three screening programs has as its key objective reducing the number of deaths from cancer through early detection and treatment. The mortality rates from these three types of cancer have fallen in Ontario over the past two decades. In this regard, Ontario's mortality rates are similar to the Canadian averages for these types of cancer.

Our observations with respect to the three screening programs include the following:

- Both the Ministry of Health and Long-Term Care (Ministry), through a \$45-million funding commitment in 2010, and CCO, through recent initiatives, have recognized the need to increase screening participation rates, especially for people considered to be at increased risk for cancer. As of fiscal 2009/10, participation in breast cancer and cervical cancer screening achieved Ministry targets but fell short of CCO's own targets. Colorectal cancer screening fell short of both the Ministry's and CCO's targets, and almost half the targeted population remained unscreened. In total, from 2008 to 2010, only 27% of

eligible women completed all three cancer-screening tests recommended for their age group. As well, participation in the screening programs appears to have reached a plateau, and the CCO is actively looking at ways to address this.

- Though older women were at greater risk of dying of cervical cancer, they were screened at a much lower rate than younger women.
- The level of quality assurance measures for each of the screening programs varied considerably. CCO has a comprehensive quality assurance program for the breast cancer screening program. However, 20% of screenings took place outside CCO's program and were not subject to the requirements. CCO had some quality assurance processes in place for the colorectal cancer screening program, but none for the cervical cancer program.

With respect to the wait times at various stages of the screening processes for all three types of cancer, we noted the following:

- Mammography screening wait times for women with average risk for breast cancer ranged from just over two weeks to 10½ months. CCO found that, in its program that targets women considered at high risk for breast cancer, the wait time for genetic assessments for screening eligibility averaged 84 days.
- For colorectal screening, almost 30% of cases did not have the recommended follow-up colonoscopies within the benchmark time established by CCO. Our review of hospital records found instances where wait times were as long as 72 weeks for people with family histories and 17 weeks for those with positive Fecal Occult Blood Test results.
- For cervical cancer screening, a recent CCO preliminary review showed that the median wait time for a colposcopy (a follow-up on an abnormal cervical Pap test result) for high-grade abnormalities was about three months.

3.02 CRIMINAL PROSECUTIONS

The Criminal Law Division (Division) of the Ministry of the Attorney General (Ministry) prosecutes criminal charges on behalf of the Crown before provincial courts. The Division receives about 600,000 new criminal charges each year from more than 60 police forces in Ontario. A Crown attorney is to prosecute a criminal charge only if it is in the public interest to do so and there is a reasonable prospect of conviction.

The Division operates from its head office in Toronto, six regional offices and 54 Crown attorney offices across the province. The Division's operating expenses totalled \$256 million in the 2011/12 fiscal year, 84% of which was spent on staffing. The Division employs about 1,500 staff, including about 950 Crown attorneys.

The number of Crown attorneys and the overall staffing costs for the Division have more than doubled since our last audit in 1993. Yet the number of criminal charges that Crown attorneys dispose of per year has not substantially changed—572,000 in 1992, compared to 576,000 in 2011.

Partly as a result of the Charter of Rights and Freedoms, many cases are more complex than they used to be, so more time is needed to prosecute them. Also, more Crown attorneys have been assigned to cases involving guns and gangs and other dangerous and high-risk offenders.

However, it is difficult to gauge the actual impact of this on prosecutors' workloads because the Division makes little use of data to analyze the relative workload, efficiency and effectiveness of its Crown attorneys. Instead, it relies more on informal oversight by senior staff at each of the 54 Crown attorney offices. We noted the same issue in 1993.

We continue to believe the Division would benefit from having information systems that provide it with reliable data on prosecutors' workloads, the outcomes of prosecutions, the average time it takes to resolve charges, and other key performance indicators, at the level of both local offices and individ-

ual Crown attorneys. The Division could also make better use of information on court activities that is already available, until it completes the development of its own information systems.

Our other major observations include the following:

- The Division does not formally assess its prosecutorial performance. It does not gather information on how efficiently charges are screened by Crown attorneys before a case is prosecuted; how long it takes Crown attorneys and staff to prepare cases; whether court diversion programs for resolving minor criminal charges are used appropriately; the number of bail release applications and their results; and the outcomes of cases. For example, the rates at which some Crown attorney offices went to trial were up to 20 times higher than the rates of other offices.
- No staffing model has been established to determine how many Crown attorneys should be at each local office, and there is no benchmark for what a reasonable workload for each Crown attorney should be. Workloads varied significantly among local offices and between regions—572 charges per Crown attorney at one office and 1,726 at another, for example.
- Of the Division's six regions, the Toronto Region disposed of the most charges in total in fiscal 2011/12, but it did so at the highest cost per charge—\$437, compared to the average of \$268 for the other regions. The Toronto Region also disposed of an average of 40% fewer charges per Crown attorney than the average of other regions.
- An electronic case-management system, originally projected to cost \$7.9 million and be completed by March 2010, has been significantly delayed because of weak project management oversight, and the fact that insufficient resources have been dedicated to the project.

3.03 DIABETES MANAGEMENT STRATEGY

Diabetes, which results from the body's partial or complete inability to produce and/or properly use insulin, is one of the most common chronic diseases in Ontario. It can lead to kidney failure, heart attack, stroke, amputation and blindness if poorly managed or left untreated. Type 1 diabetes, which accounts for 10% of cases, is not preventable and its cause remains unknown. However, Type 2 diabetes, which accounts for the other 90% of cases, is most often preventable with lifestyle changes that include healthier eating and exercise.

The number of people with diabetes in Ontario has more than doubled from 546,000 in 2000 to 1.2 million in 2010, and that number is expected to grow to 1.9 million by 2020. People with diabetes use the health-care system at about twice the rate of the general population, and the cost to Ontario's health-care system is expected to grow from \$4.9 billion in 2010 to \$7 billion in 2020.

In 2008, the Ministry of Health and Long-Term Care (Ministry) established a four-year \$741 million Ontario Diabetes Strategy (Strategy). The Strategy's short-term results have been mixed. The availability of diabetes care has definitely improved. However, most diabetes service providers set up with Strategy funding are underused, and many told us more of their funding should go toward preventive services. We noted that 97% of the funding was earmarked to treat people who already had diabetes, with only 3% for prevention initiatives.

Some of our other observations were as follows:

- eHealth Ontario's efforts to produce an electronic Diabetes Registry to allow physicians and the Ministry to monitor patient data have been problematic. eHealth had been working with a private-sector vendor on the Registry, but the original completion deadline of April 2009 was not met, and the proposed release date was extended many times. Subsequent to our audit fieldwork, the contract with the vendor was terminated in September 2012.
- eHealth and the vendor signed a \$46 million contract in 2010 that stipulated the vendor would be paid only after the Diabetes Registry was launched. eHealth has acknowledged that this contract traded away much of the province's control over the project's design, progress and delivery time in exchange for price certainty. Although no payment had been made to the vendor and the Registry was cancelled in September 2012, the Ministry and eHealth have incurred about \$24.4 million in internal costs related to the Registry since 2008/09.
- There has been considerable duplication and overlap in education programs on diabetes. The provincial Strategy runs 152 Diabetes Education Programs (DEPs), each with one or more Diabetes Education Teams consisting of a registered nurse, a registered dietician and other professionals. However, many hospitals and physicians' clinics have set up education programs of their own, with funding from other sources, leading to service overlaps and under-utilization of 90% of the DEPs.
- The Ministry needs to significantly enhance its monitoring of funds used by a not-for-profit organization to which it gives \$20 million a year to manage and fund 47 DEPs in northern Ontario and a number of diabetes service providers. The organization has paid a consulting firm \$105,000 since 2009/10 for such services as "advice on election strategizing" and "developing relationships with relevant political decision-makers." We also found instances where staff meal expense claims were not in line with government policy.
- The Ministry has significantly increased the number of in-province bariatric surgeries—from 245 in 2007/08 to 2,500 in 2011/12—to combat Type 2 diabetes in obese people. However, this still does not meet the current demand and is actually lower than the 2,900 surgeries done in 2009/10.

3.04 DRIVE CLEAN PROGRAM

The Ministry of the Environment (Ministry) introduced the mandatory Drive Clean vehicle emissions program in 1999 as part of its strategy to reduce smog in Ontario. The program identifies vehicles whose emission controls are malfunctioning and it requires that the owners of such vehicles have them repaired.

The program currently tests vehicles once they are seven years old, or those older than one year if ownership is to be transferred. Light-duty vehicles that were built before 1988 are exempt from the program, but, otherwise, all vehicles must pass an emissions test for the owner to renew the registration or transfer ownership.

Overall, we found that the Drive Clean program has effective procedures in place to ensure that vehicles are getting tested and that vehicles whose emissions exceed the province's limits are being identified for repair.

On-road vehicle emissions declined significantly from 1998 to 2010, and they are no longer among the major domestic contributors to smog in Ontario. (Half of Ontario's smog comes from pollutants that originate in the United States.) As well, Ministry emissions estimates show that more than 75% of the reduction in vehicle emissions since the Drive Clean program's inception is actually due to factors other than the program, including tighter manufacturing standards on emission-control technologies, federal requirements for cleaner fuel and the fact that older vehicles are being retired.

Some of the other significant issues we noted during our audit were as follows:

- Beginning January 1, 2013, the program is to begin using an on-board diagnostic (OBD) testing method, which can only test vehicles built from 1998 on. As a result, vehicles built from 1988 to 1997, which experienced a failure rate of 11% to 31% in 2010 when tested with a dynamometer, will be tested using only the two-speed idle method, which uses

less stringent emissions limits than either the dynamometer or the OBD testing methods.

- Because vehicle owners are not required to incur any repair costs if the repair estimate exceeds \$450, about 18,000 vehicles were not fully repaired in 2011. The average repair bill paid by owners of vehicles that received a conditional pass was only \$255. The most commonly diagnosed cause of excessive emissions in 2010—a faulty catalytic converter—was repaired in only one-third of cases. For vehicles that had only partial repairs in 2011, the emission readings after the repair were actually worse for all pollutants in 25% of the vehicles, and worse for at least one of the pollutants in half of the vehicles.
- The Ministry outsources six program services, including the monitoring of Drive Clean facilities for non-compliant or fraudulent activities, to the private sector. It recently consolidated the six separate private-sector service delivery contracts into one contract and expects a 40% reduction in annual costs. Until recently, the Ministry has been diligent in requiring its service provider to conduct upwards of 1,400 covert audits a year. In recent years, these and other audit efforts have identified about 3,000 non-compliance issues annually. However, prior to the planned introduction of a new compliance program in 2013, the Ministry reduced the number of covert audits in 2012 to a fraction of what it previously required the service provider to conduct.
- Although one of the program's stated goals is to maintain a high level of public acceptance, the Ministry has not established performance targets or attempted to measure whether or not this goal has been achieved in more than a decade. The only survey to measure public support for the Drive Clean program was done 12 years ago.

3.05 EDUCATION OF ABORIGINAL STUDENTS

There are about 242,000 Aboriginal people living in Ontario, including 158,000 First Nations people, 74,000 Métis and 2,000 Inuit. Data from the 2006 census indicates that only 62% of Aboriginal adults in Ontario had graduated from high school, compared to 78% of the general population—a gap of 16%. The academic achievement gap is up to 50% for young adults aged 20 to 24. In this age group, only 39% of the First Nations people living on reserves had graduated from high school.

Many Aboriginal students face challenges that affect their academic achievement, including poverty, substandard housing and poor nutrition. Many live in areas with little prospect of employment, something that can affect how seriously they take getting an education.

In 2006, the Ministry of Education (Ministry) identified Aboriginal education as a priority, with a focus on closing the gap in academic achievement between Aboriginal and non-Aboriginal students by 2016. It created the Aboriginal Education Office (AEO), which collaborates with Aboriginal communities and organizations, school boards, other ministries and the federal government, to coordinate Aboriginal education initiatives. Since 2006, the Ministry has provided \$170 million in funding to support programs for Aboriginal students.

In 2007, the Ministry designed a policy framework to identify Aboriginal students, help develop support programs and periodically assess their academic progress. However, the Ministry needs to more actively oversee the implementation of this framework to demonstrate what, if any, progress has been made since 2006 in improving achievement among Aboriginal students.

Among our significant observations are the following:

- Five years after the release of the *Ontario First Nation, Métis and Inuit Education Policy Framework*, the Ministry had not assessed its progress against any of the 10 performance

measures included in the framework because it had not required school boards to evaluate and report on the measures. None of the three boards we visited had done so.

- The Ministry has a guide to help school boards develop policies for students to formally identify themselves as Aboriginal. However, at the time of our audit, fewer than half of the estimated number of Aboriginal students in Ontario had been identified. The Ministry and boards need to identify Aboriginal students to better target funding and support, and determine their academic progress.
- The Ministry had not established a baseline from which to measure the gap in achievement between Aboriginal and non-Aboriginal students. Accumulation of credits toward graduation is a primary indicator of student success. We asked the Ministry for the most recent data for Grade 10 credit accumulation for students who identified themselves as Aboriginal. Only 45% of these students were on track to graduate from high school, compared to 74% of the general Grade 10 population. This raises the question of the Ministry's ability to meet its goal of closing the achievement gap by 2016.
- Although education on reserves is the financial responsibility of the federal government, many of these students eventually transition into the provincial system. Partly because of limited per-student funding, on-reserve schools have generally not been able to provide the quality of education found in provincial schools, and studies suggest these students may be several grade levels behind when they transfer into the public system. Our analysis of Education Quality and Accountability Office data found that only half of on-reserve students attending provincial schools passed the Grade 10 Ontario Secondary School Literacy Test in the 2010/11 school year.

3.06 INDEPENDENT HEALTH FACILITIES

In Ontario, about 800 independent health facilities provide primarily diagnostic services—such as x-rays, ultrasounds and sleep studies—and about 25 provide surgery—such as cataract and plastic surgery—or dialysis. Patients generally need a requisition signed by their physician to receive the services, and test results are sent to this physician.

The facilities are independently owned and operated, and more than 97% of them are for-profit corporations. The Ministry of Health and Long-Term Care (Ministry), which is responsible for licensing, funding and coordinating quality assurance assessments of these facilities, estimates that about half of them are owned or controlled by physicians, many of whom are radiologists who interpret, for example, x-rays.

The Ministry pays facility owners a “facility fee” for overhead costs such as rent, staffing, supplies and equipment. In the 2010/11 fiscal year, the Ministry paid \$408 million in facility fees. Total facility payments increased by about 4% per year from 2006/07 to 2010/11, primarily because the volume of services increased. As well, the Ministry pays physicians a standard “professional fee” for each service provided in the facilities. The Ministry does not track the total of these specific professional fees.

Since our 2004 audit, the Ministry has improved the oversight of facilities. However, several areas of concern still remain. For example, the Ministry generally does not allow facilities to relocate to underserved areas, even though Ministry data indicates that patients in about half of Ontario municipalities continue to be underserved for certain diagnostic services, including radiology and ultrasound. As well, the Ministry has not researched the current overhead costs associated with providing the services. These costs may have changed significantly because new technology that allows certain tests to be done much faster often results in lower overhead and staffing expenses.

Our other significant observations include the following:

- Each facility is paid the same amount for each type of service provided, regardless of the number of services it performs. Consequently, larger facilities in urban areas often benefit from economies of scale, since costs like rent and reception staff salaries do not increase proportionately with the number of services performed. Paying slightly higher fees in locations with smaller populations and lower fees in high-density locations might encourage services in underserved areas without additional cost to the Ministry.
- Although the Ministry estimates that about 50% of facilities are owned or controlled by physicians, it has not analyzed the patterns of physicians referring patients to their own or related persons’ facilities. Further, many patients assume they must go to the facility on their physician’s referral form.
- In 2009, the Canadian Association of Radiologists noted that as many as 30% of CT scans and other imaging procedures across Canada contribute no useful information or are inappropriate. The Ministry’s own estimate was that about 20% of facility-fee tests are likely inappropriate.
- Unlike hospitals, facilities are assessed by the College of Physicians and Surgeons of Ontario to help ensure that, among other things, diagnostic images are being correctly read by the facilities’ physicians. However, as of March 2012, about 12% of facilities had not been assessed within the previous five years. Even for assessed facilities, the College assessors did not review the work of all physicians working at those facilities.
- As of March 2012, the Ministry’s X-Ray Inspection/Services Unit had not inspected almost 60% of facilities as frequently as required to ensure that radiation-producing equipment, including x-ray equipment, was appropriately shielded to prevent excessive radiation exposure.

3.07 LEGISLATIVE ESTIMATES REVIEW PROCESS

The Ontario government spends about \$120 billion a year on public services. The government sets spending priorities and manages service delivery, but it must seek the approval of the Legislature each year for its spending plans.

In recent years, the Ontario budget has been presented to the Legislative Assembly in early spring. However, the budgetary process starts several months earlier. The government provides ministries with broad spending guidelines that reflect its priorities and fiscal outlook. The ministries then put forward their proposed spending plans for the public services they manage. Ministry plans, once reviewed and approved by the Treasury Board and Management Board of Cabinet, form the basis for the budget, which also reflects the expected revenues to support the proposed expenditures.

Ministry spending plans are sub-divided by program area and spending activity, and these are then summarized in a document titled Estimates. This document, which must be tabled by the government no later than 12 sessional days after the budget's release, represents the government's formal request to the Legislature for spending approval.

In Ontario, the Standing Committee on Estimates (Committee) reviews the estimates of at least six, but not more than 12, ministries or government offices each year. The Committee currently comprises members of the provincial Parliament (MPPs) from the three political parties that have elected members. During the review process, ministers and senior staff of the ministries appear before the Committee to explain their estimates and answer questions. When the Committee completes its review, it reports back to the Legislature.

MPPs may also debate the Estimates in the Legislature. After the Legislature approves them, they constitute the legal spending authority for the government.

We last reviewed the legislative estimates review process in 1995. As we did in 1995, we again interviewed three MPPs from each party who had served on the Estimates Committee. We supplemented our interviews with current MPPs by meeting with three former, long-serving MPPs, who, in total, had more than 80 years of experience as elected members, to get their historical perspective on the legislative estimates review process. The consensus of almost all of the MPPs we interviewed echoed the comments members made in 1995—that is, that the process is still not very effective in providing meaningful scrutiny of government spending plans. However, members made it clear that the hearings of the Committee are worthwhile because they provide the only real opportunity to directly question ministers outside of the Legislature's question period.

Our research did not identify any Westminster-style parliaments that had truly effective estimates review processes. Many are wrestling with the same concerns expressed by Ontario MPPs. Indeed, a 2005 International Monetary Fund study noted that Westminster-style legislatures in general have very limited budgetary oversight, and ranked the parliaments of Canada, Australia, the United Kingdom and New Zealand as having the weakest budgetary oversight processes of any Western countries.

We offered these ideas for making more effective use of the limited time committee members have available:

- Consider a short in camera estimates briefing for members in advance of the formal hearings for each ministry.
- Consider requesting that ministry briefing books combine information on spending plans with past and current performance reporting to provide a better basis for legislators to assess what results are being achieved and planned for proposed expenditures.
- Consider selecting a few specific ministry programs for a more in-depth review by the Committee, perhaps with only senior ministry officials in attendance.

3.08 LONG-TERM-CARE HOME PLACEMENT PROCESS

Long-term-care homes (LTC homes) provide care, services and accommodation to people who need to have 24-hour nursing care available, supervision in a secure setting or frequent assistance with activities of daily living.

The *Long-Term Care Homes Act* (Act) authorizes the province's 14 Community Care Access Centres (CCACs) to determine eligibility for LTC home admission, prioritize eligible people on wait lists and arrange placement when a bed becomes available. In fiscal 2011/12, CCACs placed more than 25,000 people, 85% of whom were 75 or older, in Ontario's 640 LTC homes. The 76,000 long-term-care beds in these homes are 97% occupied. Each CCAC reports to one of the province's 14 Local Health Integration Networks (LHINs). The Ministry of Health and Long-Term Care (Ministry), to which the LHINs are accountable, is responsible for ensuring that CCACs comply with the Act's LTC home placement provisions.

Since 2005, the number of Ontarians aged 75 and over has increased by more than 20%, which is undoubtedly one reason why the median amount of time people wait for an LTC home bed has almost tripled—from 36 days in the 2004/05 fiscal year to 98 days in 2011/12. Although wait times have decreased somewhat since July 2010, when tighter eligibility criteria in the Act took effect, Ontario's population of those aged 75 and up is expected to grow by almost 30% from 2012 to 2021 and to further increase beginning in 2021 when the baby boomers start to turn 75, likely creating additional demand for long-term care.

Many factors that affect wait times for placement are out of the control of CCACs. For instance, the Ministry is responsible for how many LTC home beds are available. As well, people are allowed to select the LTC homes they are willing to be placed in, and LTC homes may reject applications.

The Ministry has recognized that, given Ontario's aging population, it is critical that alternatives be developed to long-term care. CCACs

use a standardized process to determine client eligibility, including considering alternatives to long-term care. However, more needs to be done to ensure that crisis cases are prioritized consistently.

Overall, the three CCACs we visited were managing various areas of their LTC home placement process well, but all had areas that needed improvement. Our observations included the following:

- 19% of people waiting in hospital for an LTC home bed had applied to only one LTC home, even though the selected home may have a long waiting list. It has been shown that remaining in hospital longer than is medically necessary is detrimental to a person's health, is more costly than community-based care alternatives and takes up beds that are needed by other patients.
- March 2012 LTC home wait-list data indicated that crisis clients had waited a median of 94 days up to that point; moderate-needs clients had waited 10 to 14 months; and most other eligible clients had waited years. During the 2011/12 fiscal year, 15% of clients died before receiving LTC home accommodation.
- While 36% of clients were placed in their first choice of homes, others accepted an alternative LTC home but stayed on their preferred home's wait list. In March 2012, 40% of people on wait lists for a particular home resided in another home. Because crisis clients get priority, non-crisis clients may find it difficult to access the more popular homes.
- Applicants in some areas of the province get into LTC homes more quickly than others. At one CCAC, 90% of clients were placed within 317 days, whereas at another, it took 1,100 days.
- Clients able to pay for private or semi-private rooms are generally placed more quickly because homes can have up to 60% of their beds in such rooms, but only 40% of people apply for them.
- The CCACs we visited did not periodically review whether the highest priority clients were offered the first available beds.

3.09 METROLINX—REGIONAL TRANSPORTATION PLANNING

Metrolinx, an agency of the Ontario government, was established to provide leadership in the coordination, planning, financing and development of an integrated transportation network in the Greater Toronto and Hamilton Area (GTHA).

In November 2008, Metrolinx formally adopted its Regional Transportation Plan (RTP), which sets out the priorities, policies and programs for implementing a GTHA transportation system over 25 years at an estimated cost of \$50 billion.

The GTHA suffers from congested roads and highways, and public transit systems are increasingly unable to meet the needs of a growing population. The creation of a Crown agency such as Metrolinx is a reasonable strategy toward implementing an integrated transportation network in the GTHA. Other jurisdictions that have faced this problem have used similar stand-alone agencies to coordinate regional transportation planning.

To deliver on its goals, Metrolinx must, among other things, consult with stakeholders and make sure that individual projects contribute to a seamless and efficient transportation network; that each project has a sound cost-benefit analysis; and that risks are managed and projects are delivered cost-effectively and on time.

However, our review of several significant projects in the early stages of the RTP identified a number of issues that must be addressed by Metrolinx if it is to meet these best practices, including the following:

- We believe that Metrolinx's initial assumptions about projected annual ridership on the Air Rail Link (ARL) between Union Station and Pearson Airport may be optimistic. Although a final decision has not been made on whether the ARL must recover its annual operating costs and any of its capital construction costs, operating it on a break-even basis, if that is indeed the objective, may not be feasible. Metrolinx itself conducted a market assessment that suggested ARL ridership may

not meet its initial assumptions given the estimated fare level.

- The two major projects related to the revitalization of Union Station have experienced significant cost increases over their initial estimates. The cost of restoring the train shed could reach \$270 million—25% more than Metrolinx's initial estimate. The cost of replacing the switches in the Union Station Rail Corridor could be more than twice the \$38 million on the original purchase order.

As well, we found a number of issues with the Presto fare-card system that Metrolinx has deemed key to implementing a region-wide integrated transit fare system. Specifically:

- Because fares for GTHA transit systems are not themselves integrated, the Presto card has not yet facilitated fare integration.
- Along with Ottawa's transit body, the Toronto Transit Commission has only now conditionally approved the adoption of Presto. However, to meet the requirements of Toronto and Ottawa, Presto Next Generation (PNG) is being developed at an anticipated cost of \$498 million. The total cost of developing the original Presto system and PNG may well be more than \$700 million, placing it among the more expensive fare-card systems in the world. Instead of competitively tendering the development of PNG, Metrolinx decided to develop it through open-ended change orders under the existing vendor's contract. We believe tendering would have informed Metrolinx of potential new developers and, possibly, of more cost-effective technology solutions.
- Presto has been in service for about two years, but its overall usage among participating GTHA transit systems was only about 18% as of March 31, 2012. In the 905 region, seven of eight municipal transit agencies use Presto, but its overall usage on those systems is only 6%. These transit agencies cannot eliminate their old fare systems in favour of Presto because of the card's limitations.

3.10 ONTARIO PROVINCIAL POLICE

The Ontario Provincial Police (OPP) provides front-line police services in areas that do not have their own police forces, patrols provincial highways, and conducts investigations into complex criminal cases and organized crime. It also offers policing services, under contract, to municipalities that request them and provides emergency and other support services to all communities in the province.

The OPP employs about 6,300 police officers and 2,300 civilian employees. It operates 78 detachments and 87 satellite police stations.

OPP operating expenditures totalled \$979 million in the 2011/12 fiscal year, with staffing costs making up 87% of that amount. The OPP provides municipal policing services to 322 municipalities on a cost-recovery basis, as well as to 19 First Nations communities, and was reimbursed \$362 million.

Over the last two decades, crime rates across Canada have declined by more than 40%, and Ontario has been part of this trend. Since our last audit of the OPP in 2004/05, crime rates reported by the OPP have decreased 10%, and serious motor vehicle accidents have also been trending down, with both fatalities and injuries decreasing. Over the last five years, the number of calls for service the OPP has responded to or initiated has remained relatively stable.

However, OPP expenditures net of recoveries from municipalities have increased by 27% over the last five years. Most of the increase has occurred because more officers have been hired and staff have received higher compensation. We found that many other large police forces in Canada have had similar expenditure increases, notwithstanding the declining rates of crime and serious motor vehicle accidents.

We found in our current audit that many of the issues we reported on in 2005 continue to exist. Our major observations include the following:

- We found that officers face significantly different workloads depending on where they are assigned, with some officers handling 54% to 137% more calls than officers in other detachments. The reason for this may be a staffing model that is almost 30 years old and that is used to deploy only about 45% of the 2,800 front-line officers.
- In 2005, the OPP told us it was working with the RCMP on a new officer-deployment computer model. The OPP has since claimed it uses this new model, but it does not. In March 2012, the OPP's existing model calculated that the force needed 500 more front-line officers, whereas the new model calculated it needed 50 fewer officers.
- OPP management had little control over shift scheduling at detachments, and almost all officers choose to work 12-hour shifts. This results in overstaffing during slow early-morning hours; addressing this could result in savings in the range of \$5 million to \$10 million.
- OPP officers are among the highest compensated officers in Canada. Officers and civilians receive certain benefits to which other members of the Ontario public service are not entitled, including significantly better pension benefits and other allowances.
- Although the OPP had lowered its overtime costs for 2004/05 by 10% to \$33 million, overtime costs have increased by 60% to \$53 million since then.
- The overall cost of OPP services for municipalities from 2007 to 2011 increased an average of 29% for those with contracts and 19% for those without—up to three times the annual inflation rate. While municipal officials told us that they were very satisfied with the OPP services they received, they expressed concern about these cost increases.

3.11 TAX COLLECTION

The Ministry of Finance (Ministry), through its Collections Branch (Branch), is responsible for the collection of a significant portion of the unpaid taxes owed to the province. To collect unpaid taxes, the Branch sends notices by mail, contacts taxpayers by phone and sometimes visits in person. If taxes remain unpaid, collectors can use garnishments, register liens, or obtain warrants for the seizure and sale of taxpayers' property.

As of March 31, 2012, about 90% of the tax the Branch was responsible for collecting related to Corporations Tax and Retail Sales Tax. The Canada Revenue Agency (CRA), which is responsible for collecting personal income tax on behalf of the province, also began administering Corporations Tax on behalf of the province in January 2009. Similarly, the CRA administers the Harmonized Sales Tax, which replaced the provincial Retail Sales Tax in July 2010. As a result, about 75% of the Branch's 400 staff members were transferred to the CRA in March 2012. However, the Ministry is still responsible for collecting Corporations Tax and Retail Sales Tax amounts owing prior to their transfer to the CRA. The Ministry expects that by 2014 it will have wound down most of its work on collecting these amounts.

In the 2011 Ontario Budget, the government proposed centralizing the collection of all government non-tax revenue within the Ministry of Finance. Under this proposal, the Collections Branch would also collect non-tax revenue on behalf of other provincial ministries.

Over the last five years, the Branch collected about \$6 billion of the approximately \$330 billion in taxation revenue generated by the province, while the remaining amount was generally remitted voluntarily. As of March 31, 2012, the Branch expected it may need to write off up to \$1.4 billion of the \$2.46 billion in taxes owing that it was responsible for collecting. The write-off would be mostly from older accounts that have accumulated for years and that have been expensed in the accounts of the province.

The Branch has strengthened its collections process in recent years by improving how it prioritizes accounts and by developing guidelines to help collectors carry out and document their work. However, in a number of cases we reviewed, we found that collection actions were often not taken soon enough, and that enforcement tools available to collectors were not used to their full extent. Some of our significant observations are as follows:

- Research has shown that the probability of full collection on a delinquent account drops dramatically as time passes. We found that once an account entered collections, it took an average of seven months for collectors to attempt to reach the taxpayer by phone. We also noted that in more than two-thirds of the cases in our sample, there was at least one instance where no collection action was taken for six months or more.
- Visiting a taxpayer's premises increases the likelihood of collecting what is owed. Field visits were not made in a number of accounts we reviewed, although we felt they were warranted. For example, the Branch tried unsuccessfully for nearly two years to reach by phone a taxpayer who owed \$100,000 in sales tax and had broken a payment arrangement, but it made no field visit.
- The Branch appropriately registered liens and warrants on properties, but, in a number of cases that we reviewed, it then failed to enforce the liens and warrants for the seizure and sale of those properties.
- With the Branch losing 75% of its workforce because of the transfer of responsibilities to the CRA, many collectors' caseloads doubled or even tripled. This could result in even more write-offs than are expected. The Branch received approval in fiscal 2009/10 to hire temporary employees to compensate for the eventual loss of personnel, but at the time of our audit, the Branch had not fully evaluated its post-transfer needs and, as a result, no additional staff had been hired.

3.12 UNIVERSITY UNDERGRADUATE TEACHING QUALITY

In 2010/11, Ontario's 20 publicly assisted universities had the equivalent of about 390,000 full-time students eligible for provincial funding. These universities employed about 15,000 full-time faculty, including tenure-stream staff with teaching and research responsibilities, teaching staff with no research responsibilities and part-time sessional instructors under contract.

The Ministry of Training, Colleges and Universities (Ministry) expects that 70% of all new jobs will require education and training beyond the high school level, and its goal is to have 70% of Ontarians attain post-secondary credentials by 2020.

From the Ministry's perspective, a university's most important mandate is that it does a good job of teaching its students and preparing them for the future workforce. We believe students, their parents and the public would agree.

The deans and faculty or department heads we spoke to at the three universities we visited told us that it is not easy to quantify and assess undergraduate teaching quality. Nevertheless, most felt that measures could be developed to offer insight into teaching quality.

Although neither the Ministry nor the universities we visited were formally assessing or reporting on teaching performance on a regular basis, we found information was available that could be used to do so. For instance, all Ontario universities encourage students to complete formal evaluations of each course they take. However, we found that little aggregate analysis of the student evaluations was done at the universities we visited. Only about a quarter of Ontario's universities indicated that they make the summarized results of these evaluations available to students to help them choose their courses.

All three of the universities we visited had put some processes in place to improve teaching quality, including establishing teaching centres and giving consideration to teaching performance

when making decisions on promotions and tenure. However, we feel universities need to better ensure that teaching quality is valued, encouraged and rewarded. Our key observations are as follows:

- A number of faculty told us their annual performance appraisals did not provide them with appropriate feedback on teaching performance. We noted examples where student evaluations had been critical of teaching performance, but there was no evidence that specific guidance was provided or that faculty members had sought assistance to improve their teaching skills. None of the universities we visited required that written performance appraisals be provided to sessional instructors, even though these people accounted for 10% to 24% of full-time-equivalent staff.
- Ontario universities in general do not require faculty members to have formal training in teaching. Records at the teaching and learning centres of two of the universities we visited showed that faculty attendance at teaching workshops averaged less than one hour per instructor per year. At one university, student course evaluation results showed the education faculty consistently outperformed other faculties in overall teacher effectiveness ratings. Interestingly, we were told that virtually all members of this faculty had formal training in teaching methods.
- The Ministry is making progress toward achieving its goal of having 70% of Ontario's population hold post-secondary credentials by 2020. However, two years after graduation, only 65% of graduates surveyed by the Ministry were employed full-time in a job that was related to the skills acquired in their studies. The Ontario Undergraduate Student Alliance indicated to us that students would find information on graduate employment outcomes beneficial in choosing their university and program of study.

3.13 YOUTH JUSTICE SERVICES PROGRAM

The Ministry of Children and Youth Services (Ministry) provides community and custodial programs and services to Ontario youths aged 12 to 17 who are primarily awaiting trial after being charged with a crime, or who have been found guilty by a court. The Youth Justice Services program aims to reduce the incidence of reoffending and to contribute to community safety, largely through rehabilitative programming.

During fiscal 2011/12, the average daily population in Ontario's youth justice system was about 9,200—8,600 under community supervision and 600 in youth custody/detention facilities (200 in open facilities and 400 in secure facilities).

In 2011/12, the Ministry spent \$370 million on the Youth Justice Services program, including \$168 million in transfer payments to approximately 200 community-based agencies. The federal government contributed \$67 million toward these costs under various cost-sharing agreements.

Like many other jurisdictions, the program has undergone a shift in philosophy over the last decade, from an incarceration-based approach to a community-based rehabilitation approach.

From the 2005/06 to the 2010/11 fiscal years, total program expenditures in the Youth Justice Services program increased by 25%–30%, while the number of youths served increased by only 5%. As well, ministry operating costs grew at a much faster rate than funding to transfer-payment agencies, even though the agencies have had to increase the number of programs and services they provide because of the shift to community-based rehabilitation.

Our other observations included the following:

- The growth in direct operating costs is primarily due to an increase in employee costs. Over the five-year period ending 2010/11, the number of full-time employees in all youth justice program areas increased substantially, with the exception of probation offices. More than 60% of all full-time ministry staff in the Youth

Justice Services program were working in Ministry-operated secure facilities. Although the average daily youth population in these facilities decreased by 37% from 2006/07 to 2010/11, the number of full-time youth services officers increased by 50%.

- In fiscal 2010/11, on average, about 50% of the beds in custody facilities were occupied. Over the years, the Ministry has tried to improve the utilization rate by reducing the number of beds available in the system, either by closing facilities or by funding fewer beds in existing facilities. However, the Ministry projects that the overall utilization rate will still be just 58% in 2012/13.
- The average daily cost per youth varies significantly among custody/detention facilities. For example, in 2011, the average daily cost per youth ranged from \$331 to \$3,012 for agency-operated open facilities, from \$475 to \$1,642 for agency-operated secure facilities, and from \$1,001 to \$1,483 for Ministry-operated secure facilities.
- The Ministry's "single-case management" model has been a positive initiative. The aim is to have a youth's case assigned the same probation officer any time the youth is in the system. As well, in our review of case files, we noted many times where the knowledge and experience of probation officers was put to good use to manage youths' needs. However, many of the required risk assessments and identified rehabilitation needs were not being documented. Also, many court-ordered conditions were not being complied with, or we could not determine compliance because there was not enough documentation or the conditions were unverifiable.
- Ministry recidivism (reoffending) rates were 35% for youths with community sentences and 59% for youths who had served custody sentences. However, these recidivism statistics exclude more than 80% of youths who have come into contact with the program.