

The Standing Committee on Public Accounts

Role of the Committee

The Standing Committee on Public Accounts (Committee) is empowered to review and report to the Legislative Assembly its observations, opinions and recommendations on reports from the Auditor General and on the Public Accounts. These reports are deemed to have been permanently referred to the Committee as they become available. The Committee examines, assesses and reports to the Legislative Assembly on a number of issues, including the economy and efficiency of government and broader-public-sector operations, and the effectiveness of government programs in achieving their objectives.

Under sections 16 and 17 of the *Auditor General Act*, the Committee may also request that the Auditor General examine any matter in respect of the Public Accounts or undertake a special assignment on its behalf.

The Committee typically holds a number of hearings throughout the year relating to matters raised in our Annual Report or in our special reports and presents its observations and recommendations to the Legislative Assembly.

Appointment and Composition of the Committee

Members of the Committee are typically appointed by a motion of the Legislature. The number of members from any given political party reflects that party's representation in the Legislative Assembly. All members except the Chair may vote on motions, while the Chair votes only to break a tie. The Committee is normally established for the duration of the Parliament, from the opening of its first session immediately following a general election to its dissolution.

In accordance with the Standing Orders of the Legislative Assembly and following the June 2014 election, Committee members were appointed on July 16, 2014. The Chair and Vice-chair were elected on October 22, 2014 at the Committee's first meeting. Membership is as follows:

Ernie Hardeman, Chair, Progressive Conservative

Lisa MacLeod, Vice-chair, Progressive
Conservative

Han Dong, Liberal

John Fraser, Liberal

Percy Hatfield, New Democrat

Harinder Malhi, Liberal

Julia Munro, Progressive Conservative

Arthur Potts, Liberal

Lou Rinaldi, Liberal

Auditor General's Advisory Role with the Committee

In accordance with section 16 of the *Auditor General Act*, at the request of the Committee the Auditor General, often accompanied by senior staff, attends Committee meetings to assist with its reviews and hearings relating to our Annual Report, Ontario's Public Accounts and any special reports issued by our Office.

Committee Procedures and Operations

The Committee may meet weekly when the Legislative Assembly is sitting, and, with the approval of the House, at any other time of its choosing. All meetings are open to the public except for those dealing with the Committee's agenda and the preparation of its reports. All public Committee proceedings are recorded in Hansard, the official verbatim report of debates, speeches and other Legislative Assembly proceedings.

The Committee identifies matters of interest from our Annual Report and our special reports and conducts hearings on them. It typically reviews reports from the value-for-money chapter of our Annual Report. Normally, each of the three political parties annually selects three audits or other sections from our Annual Report for Committee review.

At each hearing, the Auditor General, senior staff from her Office and a Research Officer from the Legislative Research Service brief the Committee on the applicable section from our Report. A briefing package is prepared by the Research Officer that includes the responses of the relevant ministry, Crown agency or broader-public-sector organization that was the subject of the audit or review. The Committee typically requests senior

officials from the auditee(s) to appear at the hearings and respond to the Committee's questions. Because our Annual Report deals with operational, administrative and financial rather than policy matters, ministers are rarely asked to attend. Once the Committee's hearings are completed, the Research Officer prepares a draft report pursuant to the Committee's instructions. The Committee reports on its conclusions and makes recommendations to the Legislative Assembly.

The Clerk of the Committee annually also requests those auditees that were not selected for hearings to provide the Committee with an update of the actions taken to address our recommendations and other concerns raised in our reports.

Meetings Held

The Committee met 26 times between October 22, 2014 and October 31, 2015. Topics addressed at these meetings included violence against women, human resources management at Ontario Power Generation Inc. and at the Ministry of Health and Long-Term Care, regulatory oversight of pension plans and financial services, alternative financing and procurement, university undergraduate teaching quality, the smart metering initiative, cancer screening and the Infrastructure Ontario Loans Program. Many of these meetings included hearings in which government and broader-public-sector witnesses were called to testify before the Committee and respond to questions regarding observations contained in our reports. Other meetings were spent dealing with Committee business, writing the Committee's reports, or hearing briefings from the Auditor General.

Reports of the Committee

The Committee issues reports and letters on its work for tabling in the Legislative Assembly. These reports and letters summarize the information gathered by the Committee during its meetings and include the Committee's comments and recommendations. Once tabled, all committee reports and letters are publicly available through the Clerk of the Committee or online at www.ontla.on.ca.

Committee reports typically include recommendations and a request that management of the ministry, agency or broader-public-sector organization provide the Committee Clerk with responses within a stipulated time frame.

The Committee has issued seven reports since our last report on its activities. The Committee had completed the *Ornge Air Ambulance and Related Services: Summary Report* in May 2014, but the report was not tabled before the dissolution of the House for the June 2014 election. On October 22, 2014, the new Committee that was appointed after the election passed a motion to table the report in the Legislative Assembly, and it was duly tabled on October 30, 2014. The Committee has to date also tabled six 2015 reports, as follows:

- March 26: Violence Against Women
- May 12: Ontario Power Generation Human Resources
- May 28: Health Human Resources
- June 2: Financial Services Commission of Ontario—Pension Plan and Financial Service Regulatory Oversight
- June 2: Infrastructure Ontario—Alternative Financing and Procurement
- June 3: University Undergraduate Teaching Quality

The first three of these reports covered value-for-money audits from our *2013 Annual Report*. Our own follow-ups on the recommendations we made

in 2013 appear in Chapter 4 of this Annual Report. In this chapter, in the following three subsections, we follow up on the recommendations the Committee made in their March 26, 2015, report on Violence Against Women, their May 12, 2015, report on Ontario Power Generation Human Resources, and their May 28 report on Health Human Resources. In each section, you will find:

- the recommendations contained in the Committee's report;
- the auditee's responses to the Committee's recommendations; and
- a table summarizing the status of each action from the Committee's recommendations (e.g., fully implemented, in the process of being implemented, etc.).

Follow-up on the Committee's Work on Violence Against Women

The Committee held a public hearing on our 2013 Violence Against Women audit in November 2014. The Committee tabled a report in the Legislature resulting from this hearing in March 2015. The full report can be found at http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/41_1_PA_ViolenceAgainstWomen_26032015_en.htm.

The Committee made nine recommendations and asked the Ontario Women's Directorate (Directorate) and the Ministry of Community and Social Services (Ministry) to report back by the end of July 2015. The Directorate and the Ministry formally responded to the Committee on July 23, 2015 and July 24, 2015, respectively. A number of issues raised by the Committee were similar to our audit observations in 2013. The status of the Committee's recommendations is shown in **Figure 1**.

Figure 2 shows the recommendations and the responses from the Ministry and the Directorate to each.

Figure 1: Status of Actions Recommended in Committee's Report on Violence Against Women

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended			
		Fully Implemented*	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented
Recommendation 1	2		2		
Recommendation 2	1		1		
Recommendation 3	2		2		
Recommendation 4	1		1		
Recommendation 5	3	1		2	
Recommendation 6	1		1		
Recommendation 7	2	1		1	
Recommendation 8	1			1	
Recommendation 9	1		1		
Total	14	2	8	4	0
%	100	14	57	29	0

* Some recommendations required the Ministry and the Directorate to provide information to the Committee. The cases in which the Ministry and the Directorate provided the information as requested we have counted as "fully implemented."

Figure 2: Committee Recommendations and Responses from the Ministry and the Directorate

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Ministry/Directorate Response
<p>Recommendation 1 The Directorate work with relevant ministries to ensure that</p> <ul style="list-style-type: none"> there are measurable goals or targets attached to the commitments made within the province's Domestic Violence Action Plan and Sexual Violence Action Plan; and that Status: In the process of being implemented by early 2016/17. progress on meeting these commitments is assessed and publicly reported every two years. Status: In the process of being implemented. The frequency of public reporting will be determined following the release of the March 2016 report. 	<p>The Directorate stated that since the Domestic Violence Action Plan concluded in 2008, it would not provide further progress reports. The government launched a new Sexual Violence and Harassment Action Plan in March 2015 that built on the efforts of the previous Sexual Violence Action Plan. The Directorate indicated that it was working on identifying short-term and long-term outcomes and was expecting to track progress and measure results on a quarterly basis.</p> <p>A public report on progress and results under the new Action Plan is to be released in March 2016. The Action Plan states that Ontarians will get a progress update on the plan's first year anniversary. The timing of further public reporting will be confirmed following the release of the March 2016 public report.</p>
<p>Recommendation 2 The Directorate evaluate the reach and impact of provincial violence against women public awareness and education programs in diverse populations including, but not limited to, aboriginal communities, newcomers, and immigrants; as well as programs addressing violence against women in the workplace and in postsecondary education. Status: In the process of being implemented. The Directorate did not set an implementation date.</p>	<p>The Directorate conducted a benchmark/baseline survey in March 2015 to measure Ontarian's experiences and opinions relating to sexual violence and harassment.</p> <p>It also collected performance measures used in public education campaigns as per grant recipients' legal agreements. The Directorate planned to use these metrics to evaluate "reach"—for example, the number of website views, the number of participants and the number of resources distributed.</p> <p>In terms of the impact of the programs, the Directorate planned to collect results from baseline surveys for all funded community-based public education campaigns and planned to work with the funded groups to conduct a program evaluation. It did not set due dates for program evaluations.</p>

Committee Recommendation	Ministry/Directorate Response
<p>Recommendation 3 The Ministry</p> <ul style="list-style-type: none"> conduct ongoing analysis of service costs and gaps in services, and Status: In the process of being implemented by March 2016. ensure that the appropriate data is collected to enable assessment of the level and quality of service provided by agencies, including any regional disparities. Status: In the process of being implemented by March 2016. 	<p>The Ministry completed an analysis of financial and service level data and developed a plan to conduct cost analyses on a recurring basis starting in 2015/16. The Ministry expected that these analyses would help it get an understanding of variability in costs associated with delivering violence-against-women services and gaps in service across the province.</p> <p>The Ministry was also developing a business intelligence dashboard (i.e., scorecard) that will allow for data analysis and comparisons within and across agencies, programs, and regions, in order to identify trends and monitor key program metrics. The implementation is to be a phased roll-out, with complete implementation expected by March 2016.</p> <p>In 2012/13, the Ministry made changes to the type of data that transfer-payment agencies were required to submit for monitoring purposes. In 2013/14, the Ministry implemented standardized expenditure categories. In 2014/15, the Ministry revised the definition of some types of data required to be submitted to improve clarity and interpretation. The Ministry expected these actions to allow for better comparison of costs and services.</p>
<p>Recommendation 4 The Ministry develop a process to ensure shelters' compliance with quality standards to initiate once the standards are implemented. Status: In the process of being implemented by 2016/17.</p>	<p>The Ministry developed shelter standards based on consultation and engagement with the sector, and inter-jurisdictional research in various areas, and launched them in September 2015. Full implementation is expected by June 2016. The Ministry will require a status update and operational plan from agencies to monitor implementation.</p> <p>The Ministry recognized the need to strengthen its monitoring of agencies' performance against standards and take appropriate action. The Ministry has started work on an outcome-based monitoring and oversight initiative to enhance system accountability and service delivery of VAW agencies. This work will continue through 2015/16 and into the next year.</p>
<p>Recommendation 5 The Ministry work with agencies to develop a process for tracking</p> <ul style="list-style-type: none"> the reasons that individual women are not admitted to emergency shelters; Status: Fully implemented. whether women experiencing violence who are referred elsewhere do receive the services and support to which they have been referred; and Status: Little or no progress. how long women who are referred elsewhere wait to receive appropriate services. Status: Little or no progress. 	<p>In the 2012/13 fiscal year, the Ministry began collecting information on the number of women who were referred elsewhere due to a shelter being at capacity, were referred elsewhere to receive more appropriate services, and were waitlisted for services.</p> <p>The Ministry found limitations with the data it was collecting. Specifically, the data did not provide the Ministry with a unique count of women waiting for services, the length of time women waited for service, and whether a woman referred elsewhere for services actually received services.</p> <p>The Ministry expected to conduct consultations with agencies by the end of December 2015 to assess the feasibility of a pilot to collect data on whether women referred elsewhere actually receive services. If it is determined that a pilot is feasible, the Ministry expects to implement a data collection plan early in the 2017/18 fiscal year.</p> <p>The Ministry's client satisfaction survey asks women who are receiving services from a particular agency to indicate how long they waited to receive services from that agency, by ticking off boxes ranging from less than one week to more than five months. The Ministry's survey does not adequately address the Committee's recommendation for women who were referred elsewhere for service.</p>
<p>Recommendation 6 The Ministry explore new approaches to examining whether programs have increased women's safety, well-being, and sense of empowerment, as well as assessing whether there have been improvements in the accessibility and responsiveness of violence against women services. Status: In the process of being implemented by 2016/17.</p>	<p>In April 2015, the Ministry requested agencies to submit evaluation reports conducted in 2013/14 and 2014/15 for six programs. It expected to have this information analyzed by December 2015. Based on the results, the Ministry expected to develop a standardized monitoring and reporting approach for collecting outcome data for the evaluation of programs. The Ministry is in the process of developing a performance measurement framework for programs, as well as targets for all performance measures, by the end of March 2016, which the Ministry expects will also inform the approach for how to collect data to assess program outcomes. Regional offices will be expected to act on the findings of the analysis beginning in early 2016/17.</p>

Committee Recommendation	Ministry/ Directorate Response
<p>Recommendation 7 The Ministry should</p> <ul style="list-style-type: none"> use audited financial statements submitted by agencies to review information on total revenue including revenue from donations and fundraising, in order to assess the impact of non-government revenue on the operation of shelters; and <p>Status: Fully implemented.</p> <ul style="list-style-type: none"> work collaboratively with agencies to help them share best practices in fundraising. <p>Status: Little or no progress.</p>	<p>The Ministry completed a review of a sample of 2012/13 audited financial statements, including the amount of fundraising and donation revenue. The review revealed that agencies receive fundraising and donation revenue to support service delivery to varying degrees, ranging from less than 1% to 25%. The Ministry stated that it encourages transfer-payment agencies to share best practices in fundraising amongst themselves, and will continue to work through its regional offices to engage with local planning tables and encourage collaboration within the sector.</p>
<p>Recommendation 8 The Ministry implement a plan for ensuring that safety and security deficiencies, as identified in the Ministry's 2009 Building Condition Assessment and its upcoming assessment update, are addressed in order of priority.</p> <p>Status: Little or no progress.</p>	<p>According to the Ministry, since transfer payment agencies are independently run organizations, they are responsible for maintaining their sites. The Ministry has signed a contract with a vendor to complete Building Condition Assessments of all transfer payment agency sites over the next five years, including VAW sites. Agencies can use this information to support their request for capital funding from the government.</p> <p>Once assessments are completed, the Ministry, in consultation with the sector, expects to analyze Building Condition Assessment data and program information to prioritize physical safety, fire code and security work, as part of broader VAW program needs.</p>
<p>Recommendation 9 The Ministry make progress on developing performance measures for the co-ordination of services, as well as targets for both new and existing performance measures, and establish timelines for regularly reporting results against all performance measures for violence against women programs and services.</p> <p>Status: In the process of being implemented by the 2016/17 fiscal year.</p>	<p>The Ministry identified an outcome for enhancing the co-ordination of services (that is, ensuring that women receive services that are accessible and responsive to their needs).</p> <p>The Ministry expected that the implementation of the new reporting standards in 2012/13, the results of the analysis of financial and service data for 2012/13 and 2013/14, and the results of the revised client satisfaction surveys would inform the development of targets for all performance measures by March 2016. The Ministry expected to implement a regular reporting cycle for all performance measures starting in the 2016/17 fiscal year.</p>

Follow-up on the Committee's Work on Ontario Power Generation Human Resources

The Committee held a public hearing on our 2013 Ontario Power Generation (OPG) Human Resources audit in November 2014. It tabled a report in the Legislature resulting from this hearing in May 2015. The full report can be found at http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/ONTARIO%20POWER%20GENERATION%20HUMAN%20RESOURCES%20-%20FINAL%20REPORT.htm.

The Committee made eight recommendations and asked the OPG to report back by the end of August 2015. The OPG formally responded to the Committee on August 6, 2015. A number of issues raised by the Committee were similar to our observations. The status of the Committee's recommendations is shown in **Figure 3**.

Figure 4 shows the recommendations and OPG's responses to each.

Figure 3: Actions Recommended and Their Status

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended			
		Fully Implemented*	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented
Recommendation 1	2	2			
Recommendation 2	3	3			
Recommendation 3	5	4	1		
Recommendation 4	1	1			
Recommendation 5	1		1		
Recommendation 6	1	1			
Recommendation 7	1	1			
Recommendation 8	3	3			
Total	17	15	2	0	0
%	100	88	11	0	0

* Some recommendations required the OPG to provide information to the Committee. The cases in which the OPG provided the information as requested we have counted as "fully implemented."

Figure 4: Committee Recommendations and OPG Responses

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	OPG Response
<p>Recommendation 1 Ontario Power Generation shall report back to the Standing Committee on Public Accounts on its most recent benchmarking results for staff at the OPG's nuclear facilities. These results must:</p> <ul style="list-style-type: none"> identify the areas that are either above, below, or equal to the benchmark according to the selected areas identified in Figure 5 of the Auditor's 2013 Annual Report (p. 160); and Status: Information has been provided. include the rationale for any deviation from the benchmark and, if applicable, an expected date of return to balance. Status: Information has been provided. 	<p>In 2014, OPG engaged a consultant to conduct a nuclear benchmarking study. The results of the study indicate that the percentage of overstaff has decreased from 8% in 2013 to 4% in 2014. According to OPG, the overall benchmark gap will be eliminated by 2017. OPG informed the Committee that any outstanding imbalances are to be addressed through attrition and/or future organizational changes and targets to minimize the staffing imbalance have been already incorporated in its Business Plan 2015 – 2017.</p> <p>The Committee was provided with the table identifying the areas that are either above, below, or equal to the benchmark according to the selected area identified in the 2013 Auditor General's Annual Report and the rationale for any deviation from the benchmark.</p>
<p>Recommendation 2 Ontario Power Generation shall report back to the Standing Committee on Public Accounts details of its revised Annual Incentive Plan. This response must:</p> <ul style="list-style-type: none"> include the criteria used to assess performance; Status: Information has been provided. highlight areas of the Plan that are either new or have been revised from the old Plan; and Status: Information has been provided. provide details concerning expected outcomes resulting from these revisions. Status: Information has been provided. 	<p>OPG has revised its incentive process to make it more effective. The new procedure requires management employees to enter their performance objectives annually in the Performance Planning and Review system so they can be used as criteria to assess staff performance. The performance objectives are required to be more specific, measurable, achievable, realistic and time-bound.</p> <p>Overall performance of the OPG as a company is measured using the criteria established in the Corporate Balanced Scorecard. A copy of the 2014 scorecard and the results have been provided to the Committee.</p> <p>As part of the change, OPG eliminated the use of fleet scorecard, which was used to measure each business segment in the past. Performance is now measured against the overall OPG Corporate Scorecard and individual performance objectives.</p> <p>In 2014, OPG implemented a calibration process for management employee ratings to ensure performance ratings are relative to job performance across the organization and that scores are broadly distributed.</p> <p>OPG noted that the new changes to the incentive process are expected to increase the link between performance and rewards.</p>

Committee Recommendation	OPG Response
<p>Recommendation 3</p> <p>Ontario Power Generation shall report back to the Standing Committee on Public Accounts an outline of its plan to reduce its pension deficit. This outline must:</p> <ul style="list-style-type: none"> include the most recent figures for its pension deficit; Status: Information has been provided. include details about the long-term impact that its Business Transformation plan has on its pension deficit; Status: Information has been provided. provide details on the feasibility of implementing reforms to its pension contribution caps of executives and senior management; Status: Information has been provided. Include the key assumptions used; and Status: Information has been provided. provide any actuarial assurances—once current collective bargaining processes are completed—that the OPG has obtained for its plan and assumptions. Status: In the process of being implemented by January 2017. 	<p>The Committee was provided with the most recent Funding Valuation Report, which has details on the financial position of OPG's pension plan and key assumptions used to calculate the financial position. According to the Valuation report, OPG's pension deficit is about \$1.1 billion as at January 1, 2014. However, the solvency ratio (a ratio used to measure the market value of pension asset to pension liability) has improved from 0.95 in 2011 to 0.99 in 2014. OPG noted that the Business Transformation (BT) initiative has helped to create a significantly more streamlined organization that utilizes resources more efficiently. The BT initiative has enabled OPG to reduce the number of employees from ongoing operations. The lower headcount reduces the current service cost of the pension plan, which reduces the total pension liabilities and funding requirements over the long run.</p> <p>In an effort to reduce OPG's pension cost, OPG reformed its management group's pension plan. According to the reformed plan, management staff has to contribute more and wait longer to retire. A 1% increase in pension contribution was phased-in for new management staff starting in 2014.</p> <p>The pension amendments regarding the management group have been filed with the Canada Revenue Agency (CRA) and Financial Services Commission of Ontario (FSCO). The CRA filing also included the waiver application to remove the cap on employee contributions. All documents relating to the amendments and waiver application have been filed with the regulators. OPG expects to receive approval before the end of 2015.</p> <p>With respect to unionized employees, OPG has negotiated with the Power Workers' Union (PWU), which represents a majority of OPG's workforce, to increase its pension contribution. Subject to a successful Initial Public Offering of Hydro One, PWU pension contributions will increase by 1% in 2015 and reach 2.75% by 2017. PWU staff will also move from Rule of 82 to Rule of 85, which means PWU employees will have to wait longer to retire.</p> <p>The negotiation process with the Society of Energy Professionals, one of the unions that represent OPG employees, is expected to commence in the fourth quarter of 2015.</p> <p>OPG is to provide the actuarial assurances to the PAC once the collective bargaining process is completed with both unions. The next Funding Valuation Report will be issued in January 2017.</p>
<p>Recommendation 4</p> <p>Ontario Power Generation shall report back to the Standing Committee on Public Accounts on its plan going forward for its policy on rehiring former employees as temporary or contract staff. This plan must include details on how its succession plans are affected by this policy. Status: Information has been provided.</p>	<p>OPG has revised its policy on rehiring former employees as temporary or contract staff. According to the new policy, senior management approval is required to rehire a former employee. Retired employees have to wait a minimum of one year before they can be rehired for work, with the maximum contract length of one year. OPG noted that exceptions may be made to support Darlington Refurbishment and to accommodate licensed employees working in the Learning and Development area because of the limited availability of highly skilled workers.</p> <p>To minimize the need to rehire retired employees and to further improve succession planning, OPG implemented a corporate-wide succession planning model for management. Management succession plans must be updated semi-annually and presented to the Board in May and November of each year.</p> <p>With respect to succession planning, the OPG-wide program called Accelerate was implemented to identify and develop high-potential employees. OPG informed the Committee that there were about 37 high potential employees in the program.</p> <p>In addition, Knowledge Management toolkits are available online to assist the managers.</p>

Committee Recommendation	OPG Response
<p>Recommendation 5 Ontario Power Generation shall report back to the Standing Committee on Public Accounts on the results of its IT outsourcing agreement put out to competitive bidding, once agreement is finalized. Status: In the process of being implemented by December 2015.</p>	<p>OPG put out a request for proposal in May 2014. Based on its evaluation, the incumbent vendor was selected to manage its IT services as of January 2016. The results of the agreement are to be provided to the Committee once the agreement is finalized.</p>
<p>Recommendation 6 Ontario Power Generation shall report back to the Standing Committee on Public Accounts on the results of its plan to reduce overtime costs and the financial impact of this plan. Status: Information has been provided.</p>	<p>OPG enhanced its internal controls to ensure overtime hours and costs are minimized and monitored. According to enhanced controls, line managers are accountable for retaining pre-approval records and for taking actions to limit excessive overtime. To help managers identify employees who exceed their approved limits, the Finance Department is required to prepare weekly overtime reports by employee. The senior management is also responsible for reviewing the variance against the approved overtime budget. As a result of these enhanced controls, OPG was able to reduce overtime costs by 14%, from \$148 million in 2012 to \$127.5 million in 2014.</p>
<p>Recommendation 7 Ontario Power Generation shall report back to the Standing Committee on Public Accounts on details of its sick leave plan applicable to staff that joined the OPG prior to 2001. Status: Information has been provided.</p>	<p>The Committee was provided with the details of OPG's sick leave plan applicable to staff that joined the OPG prior to 2001.</p>
<p>Recommendation 8 Ontario Power Generation shall report back to the Standing Committee on Public Accounts on the status of its "enhanced sick leave management" process. This response must:</p> <ul style="list-style-type: none"> • provide details on an expected implementation date; Status: Information has been provided. • include goals for the enhanced sick leave management process in terms of metrics and cost savings; Status: Information has been provided. • include a training plan for managers about the new system. Status: Information has been provided. 	<p>The OPG provided the Committee with the enhanced sick leave management plan. According to the plan, supervisors are responsible for speaking with the employees who do not meet attendance expectations and completing written documentation of the discussion. Quarterly emails will be sent out to supervisors identifying employees who exceed the minimum sick leave threshold. The new program is to be implemented in the fourth quarter of 2015. OPG anticipates a 20% reduction in the use of sick leave in the corporation as a result of the new program. The value of the recovered hours of productivity is estimated to be approximately \$8 million. With respect to training, OPG noted that a specific knowledge and skills training for supervisors is not required. However, a web-based presentation will be available to clarify expectations and communicate that support is available to supervisors to manage the new program.</p>

Follow-up on the Work of the Standing Committee on Public Accounts on Health Human Resources

The Standing Committee on Public Accounts (Committee) held a public hearing on our 2013 Health Human Resources audit in December 2014. It tabled a report in the Legislature resulting from this hearing in May 2015. The full report can be found at http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/HEALTH%20HUMAN%20RESOURCES%20

[S%203%2002%20AUDITOR%20GENERALS%20ANNUAL%20REPORT%20FINAL%20REPORT.htm](#).

The Committee made seven recommendations and asked the Ministry of Health and Long-Term Care (Ministry) to report back by the end of September 2015. The Ministry formally responded to the Committee on September 21, 2015. A number of issues raised by the Committee were similar to our observations. The status of the Committee's recommendations is shown in **Figure 5**.

Figure 6 shows the recommendations and the Ministry's responses to each.

Figure 5: Actions Recommended and Their Status

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended			
		Fully Implemented*	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented
Recommendation 1	3	2	1		
Recommendation 2	1		1		
Recommendation 3	1		1		
Recommendation 4	3		3		
Recommendation 5	4		4		
Recommendation 6	1		1		
Recommendation 7	1		1		
Total	14	2	12	0	0
%	100	14	86	0	0

* Some recommendations required the Ministry of Health and Long-Term Care to provide information to the Committee. The cases in which the Ministry provided the information as requested we have counted as "fully implemented."

Figure 6: Committee Recommendations and Ministry Responses

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Ministry Response
<p>Recommendation 1 The Ministry of Health and Long-Term Care</p> <p>a) identify, by region, which non-emergency procedures have waitlists; Status: Information has been provided.</p> <p>b) evaluate whether wait times for these procedures in Ontario are reasonable compared to other provinces; Status: Information has been provided.</p> <p>c) improve planning for, and implementation of, the optimal number, mix, and distribution of specialists. Status: In the process of being implemented by December 2016.</p>	<p>a) Wait times for over 190 different surgical and diagnostic procedures are reported on a website called www.ontariowaittimes.com. The information can be summarized by health-care facility and by community. The Ministry provided 2014/15 wait time data for five selected surgical non-emergency procedures (cataract surgery, knee replacement, breast cancer surgery, paediatric strabismus, and cornea transplant) by each of the 14 Local Health Integration Networks to the Committee.</p> <p>b) According to April to September 2014 wait times information for five "priority procedures" in Canada, published by the Canadian Institute for Health Information, Ontario was the second-highest performer (i.e., it had the lowest wait times) in one area (radiation therapy) among 10 provinces, the third-highest performer in three areas (hip replacement, knee replacement and hip fracture repairs), and ranked fifth in one area (cataract surgeries).</p> <p>c) To plan for and implement the optimal number, mix and distribution of specialists, the Ministry works with medical schools to plan the number, location and mix of specialty training positions according to evidence-based needs. It also works with provincial partners and Health Canada to align the postgraduate specialty training Canadians may pursue in the United States (with the intention of returning home to practice) with evidence-based needs. In 2014, the Ministry updated two of its three existing forecasting models to support improved planning in the province. Since 2013, the Ministry has also acted as Co-Chair on the Pan-Canadian Physician Resource Planning Task Force. This Task Force (comprised of representatives from federal, provincial and territorial governments, national stakeholders, medical educators and learner organizations) facilitates pan-Canadian physician human resources planning.</p>

Committee Recommendation	Ministry Response
<p>Recommendation 2 The results of the evaluations of initiatives intended to improve the supply and distribution of physicians in northern, remote, and rural communities be shared with the Public Accounts Committee as soon as they become available. Status: In the process of being implemented by June 2018.</p>	<p>The Ministry is currently conducting evaluations of two initiatives intended to improve the supply and distribution of physicians in northern, remote and rural communities. These include a five-year tracking study to evaluate the extent to which the Northern Ontario School of Medicine's undergraduate and postgraduate medical education programs improve the supply and distribution of physicians in Ontario's most northern and rural communities, and an evaluation to assess the effectiveness and impact of the Return of Services Program, which provides funding to support a physician's postgraduate medical training in exchange for a commitment to practise medicine in an eligible Ontario community for an agreed-upon period of time, usually five years. The Ministry expects the evaluations will be completed by March 2016, at which time the results will be provided to the Committee.</p> <p>The Ministry received the five-year tracking study report on the Northern Ontario School of Medicine in June 2015. The study focused mainly on undergraduate learners and residents in the family medicine program as no specialty programs had run an entire training cycle by the time this report was due to the Ministry. The results were positive—for example, of the family physicians who trained at the School as undergraduates or postgraduates (or both) and who completed training in 2013 or earlier, 16% had located their primary medical practice in rural Northern Ontario, 45% in urban Northern Ontario, and 21% in rural Ontario. To track the value of the School in its eight specialty residency programs, the Ministry has extended the tracking study for another three years.</p>
<p>Recommendation 3 The Ministry of Health and Long-Term Care implement measures to encourage and support recruitment of health care professionals to underserved communities where they are needed, while reducing use of the more expensive locum program. Status: In the process of being implemented by December 2016.</p>	<p>The Ministry and HealthForceOntario Marketing and Recruitment Agency (Agency) have implemented a range of recruitment and retention initiatives at the local, regional and provincial levels, and are exploring new initiatives to support improved access to health-care providers in underserved communities. Below are some examples of measures undertaken locally, regionally, and provincially:</p> <p>In the area of local measures, the Ministry and the Agency have engaged hospitals, primary care teams, municipalities and other local partners to support developing health human resources plans to quantify needs in the community and hospital setting and integrated recruitment plans to address physician staffing needs in both the community and hospital setting. As well, the Agency employs regional advisors to provide recruitment and retention advice and best practices to hospital and community recruitment, and a direct connection to graduating residents as part of the Agency's Practice Ontario Program.</p> <p>In the area of regional measures, the Ministry has engaged LHINs to support the development of regional service delivery plans to explore whether realignment of location of patient care delivery could optimize patient access and health human resources sustainability. In addition, the accountability of hospital and LHIN leadership around reliance on locum programs has been enhanced.</p> <p>In the area of provincial measures, medical schools are funded to develop programs to provide learners (clerks and residents) with practical experience outside of urban centres. As well, the Ministry and the Agency are exploring the feasibility of alternate arrangements in communities where locum activity cannot be displaced by recruitment to determine whether there are more cost-effective means of providing patient care. This could include regional networks of physicians, the creation of new Alternate Funding Agreements, increased use of telemedicine, and enhanced service from alternate care providers.</p>

Committee Recommendation	Ministry Response
<p>Recommendation 4 The Ministry of Health and Long-Term Care</p> <p>a) evaluate the extent to which health care professionals continue to work in underserved communities after fulfilling their return-of-service obligation; Status: In the process of being implemented by March 2016.</p> <p>b) seek to improve retention rates so that health care professionals stay in underserved communities for the long-term; Status: In the process of being implemented by March 2016.</p> <p>c) measure the success of return-of-service programs using long-term retention rates. Status: In the process of being implemented by March 2016.</p>	<p>An evaluation is underway to assess the Ministry's Return of Service program and the Northern and Rural Recruitment and Retention Initiative program. The primary focus will be the retention rate of physicians in underserved areas; the secondary focus will look at factors that may impact why physicians remain or leave underserved areas after fulfilling their return of service obligation. The evaluations involve three phases:</p> <ul style="list-style-type: none"> • Phase one (completed): outline the sequence of inputs, activities, and outputs that are expected to improve outcomes. • Phase two (in process): analyze retention rates in communities over time. This will include a review of those who remained in underserved communities for one year, three years, five years and seven years after completion of programs. The data will be used to establish a baseline for on-going assessment of retention rates. • Phase three (in process): survey physicians who have completed the programs and those in the programs to understand their experience and their expectations on staying in the underserved communities. <p>The Ministry expects to complete the evaluation by March 2016.</p>
<p>Recommendation 5 The Ministry of Health and Long-term Care</p> <p>a) evaluate the effectiveness of planned nursing employment initiatives in meeting program goals such as increasing full-time employment of nurses and meeting health care needs; Status: In the process of being implemented by December 2016.</p> <p>b) meet regularly with healthcare stakeholder organizations in the community and home-care sector to encourage their participation in the Nursing Graduate Guarantee program; Status: In the process of being implemented by December 2016.</p> <p>c) ensure the implementation of accountability and oversight mechanisms for nursing programs; Status: In the process of being implemented by March 2016.</p> <p>d) monitor the nurse practitioner-led clinics more closely to ensure that they are meeting program requirements, targets, and objectives. Status: In the process of being implemented by March 2016.</p>	<p>a) Since the Nursing Graduate Guarantee Program (Program) started in 2007/08, the Ministry has contracted with the Nursing Health Services Research Unit at McMaster University to conduct annual Program evaluations, focusing on process. In April 2013, an online management portal called the Nurses' Career Start Gateway was launched. This portal allows the Ministry to collect and analyze data on participation rates in the Program by nursing graduates and employers, as well as employment outcomes. With this information, the Ministry began assessing short-term employment outcomes for the 2013/14 program year in 2014/15. In addition, according to a five-year longitudinal study of the Program conducted by the Nursing Health Services Research Unit, "the [Program] policy initiative was effective in achieving full-time employment and retention of new graduate nurses in Ontario." Further, the Ministry noted that it will continue to refine its performance indicators, which will be used to inform decision-making.</p> <p>b) In 2014/15, the Ministry implemented a communications strategy to promote increased participation in the Program across health-care sectors, including the home and community care sector. The 2014/15 strategy targeted new graduate nurses, internationally-educated nurses and health-care employers, and included the following: webinars, employer information sessions, focused outreach to employers in home care, community, and long-term care, and targeted social media campaigns. The Ministry is conducting a review of the Program through stakeholder consultations to develop policy recommendations for the effective and efficient use of allocated resources across health sectors, including the home and community care sector.</p> <p>c) The Ministry is reviewing its nursing programs to determine if performance measures are outcome-based and consistent with the objectives of the respective programs. In 2014/15, the Ministry developed a financial reporting tool to improve the accountability of funds provided under the Nursing Graduate Guarantee program.</p> <p>d) The Ministry required Nurse Practitioner-led Clinics (Clinics) to submit year-end reports that collect standardized data on areas such as access, collaboration, funding agreement compliance, governance practices, and service integration in the community beginning in 2014/15. The Ministry noted that it is working in 2015/16 to better track the number of patients served by the Clinics as well as the patients who report these Clinics as their main source of primary care.</p>

Committee Recommendation	Ministry Response
<p>Recommendation 6 The Ministry of Health and Long-Term Care commit to ensuring annual reviews of relevant financial statements and the recovery of unspent funds from Ministry-funded transfer payment organizations. Status: In the process of being implemented by December 2015.</p>	<p>The Ministry's goal is to have one year of outstanding budget reconciliations at any given time. The Ministry expects to complete outstanding health human resource reconciliations for the fiscal years 2012/13 and 2013/14 by December 31, 2015.</p> <p>The Ministry implemented a system to support its oversight of funded organizations. With this system, the Ministry can review and analyze financial and program reports. This will support the budget settlement process which includes the recovery of unspent funds. In addition, the Ministry has implemented processes that will ensure that financial reports submitted by funded recipients are analyzed and reviewed during the year to support timely in-year recovery of unspent funds through payment adjustments.</p>
<p>Recommendation 7 The Ministry of Health and Long-Term Care improve both short-term and long-term forecasting to better plan to meet Ontario's health human resources needs for physicians, nurses, and other health professionals, with a view to providing equitable access for all Ontarians. Status: In the process of being implemented by December 2016.</p>	<p>In the area of physicians, the Ministry has updated two forecasting models (the Assessing Inventories and Netflows Physician Supply Model and the Physician Utilization Model) in 2014 to support evidence-based health human resource planning in Ontario. The former projects the province's future physician supply by specialty, age and sex; the latter uses OHIP claims data with the physician supply projections to estimate future physician gaps/reserves by specialty. As well, the Ministry is updating the Ontario Population Needs-Based Physician Simulation Model to compare the supply of physician services to the population's need for health services to quantify the physician requirement, if any. The Ministry has developed a schedule for updating all modelling tools on a regular basis and expects the next update to occur in May 2016.</p> <p>In the area of nursing, the Ministry developed a supply-side model for registered nurses and registered practical nurses. The model was vetted by internal stakeholders, technical experts and a limited number of external nursing stakeholders.</p> <p>However, the Ministry had not incorporated a demand and/or need component into this model. The Ministry is researching how demand/need components can be included into an expanded nursing model.</p> <p>Finally, the Ministry indicated that it is developing a dashboard that will include key health workforce indicators that can be used to monitor trends over time and support planning for all of Ontario's regulated health professions.</p>

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