

Follow-Up Reports on *2015 Annual Report* Value-for-Money Audits

Summary

It is our practice to make specific recommendations in our value-for-money audit reports and ask ministries, agencies of the Crown and organizations in the broader public sector to provide a written response to each recommendation, which we include in our Annual Reports. Two years after we publish the recommendations and related responses, we follow up on the status of actions taken. The ministries, agencies of the Crown and organizations in the broader public sector are responsible for implementing the recommendations made by our Office; our role is to independently express a conclusion on the progress that the audited entity made in implementing the actions contained in recommendations.

In each of the follow-up reports in this chapter, we provide background on the value-for-money audits reported on in Chapter 3 of our *2015 Annual Report*, and describe the status of actions that have been taken to address our recommendations since that time, as reported by management.

In conducting the follow-up work, our Office complies with the Canadian Standard on Quality Control 1 established by the Chartered Professional Accountants of Canada. The staff who conducted the follow-up work comply with the independence and other ethical requirements of the Rules of Professional Conduct issued by the Chartered Professional Accountants of Ontario.

We obtain a limited level of assurance in our follow-up work, which consists primarily of inquiries and discussions with the government, the relevant ministries or broader-public-sector entities; a review of their status reports; and a review of selected supporting documentation. In a few cases, the organization's internal auditors also assisted us with this work. The procedures performed in a limited assurance engagement vary in nature and timing from those of a reasonable assurance engagement, such as an audit, and do not extend as far. As this is not an audit, we cannot provide a high level of assurance that the corrective actions described have been implemented effectively. The actions taken or planned may be more fully examined and reported on in future audits. Status reports will factor into our decisions on whether future audits should be conducted in these same areas.

As noted in **Figure 1**, progress has been made toward implementing over 70% of our recommended actions, including 33% that have been fully implemented. The ministries that have made the most progress toward fully implementing our recommended actions from 2015 include the Ministry of Community and Social Services on our audit of SAMS—Social Assistance Management System; the Provincial Controller's Office on our audit of Management of Contaminated Sites; and the Ministry of Health and Long-Term Care on our audit of LHINs—Local Health Integration Networks.

However, little or no progress has been made on 15% of our recommended actions. The Ministry of Education and Ministry of Transportation had made little progress on close to 40% of the recommended actions from our Student Transportation audit. The Ministry of Northern Development and Mines had made little or no progress on 36% of our recommended actions from the Mines and Minerals Program audit. For instance, little progress had been made toward our recommendation to review and update, where necessary, the Province's mining fees, taxes and royalty payments to ensure that Ontarians receive a fair share of the province's mineral resources. We made a similar recommendation in our *2005 Annual Report*.

Twenty-seven (9%) of our recommended actions are no longer applicable. This is primarily due to the changes made under the *Building Ontario Up Act, 2015* (Act), which removed our ability to conduct value-for-money audits at Hydro One or to follow up on the implementation status of recommendations from our audit conducted prior to the tabling of the Act on December 4, 2015. Since Hydro One was not required to participate in our follow-up work, we categorized these recommendations as no longer applicable.

A further 17 action items (5%) will not be implemented. More specific details are presented in the sections that follow **Figure 1**.

Figure 1: Overall Status of Implementation of Recommendations from Our 2015 Annual Report

Prepared by the Office of the Auditor General of Ontario

Report Section	# of Recs	# of Actions Recommended	Status of Actions Recommended				
			Fully Implemented	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
1.01 CCACs—Community Care Access Centres—Home Care Program	14	31	12	17	2	0	0
1.02 Child Protection Services—Children's Aid Societies	6	11	1.6	7	1.4	1	0
1.03 Child Protection Services Program—Ministry	9	13	2	9	2	0	0
1.04 Economic Development and Employment Programs	9	15	5.5	6.5	1	2	0
1.05 Electricity Power System Planning	5	16	7	8	0	1	0
1.06 Hydro One—Management of Electricity Transmission and Distribution Assets	17	36	4	2	0	4	26
1.07 Infrastructure Planning	6	9	4	5	0	0	0
1.08 LHINs—Local Health Integration Networks	20	37	17	18	2	0	0
1.09 Long-Term-Care Home Quality Inspection Program	13	30	10	12	8	0	0
1.10 Management of Contaminated Sites	7	12	8	2	2	0	0
1.11 Mines and Minerals Program	13	28	9	9	10	0	0
1.12 SAMS—Social Assistance Management System	5	12	8	4	0	0	0
1.13 Student Transportation	15	31	7	7	12	5	0
1.14 University Intellectual Property	15	27	6.3	8.3	7.3	4	1
1.15 Toward Better Accountability	5	6	2	4	0	0	0
Total	159	314	103.4	118.8	47.8	17	27
%	100	100	33	38	15	5	9