

# Reports on Value-for-Money Audits

Our value-for-money (VFM) audits examine how well government ministries, organizations in the broader public sector, agencies of the Crown and Crown-controlled corporations manage their programs and activities. These audits are conducted under subsection 12(2) of the *Auditor General Act*, which requires that the Auditor General, an independent officer of the Legislative Assembly of Ontario, report on any cases where we have found money spent without due regard for economy and efficiency, or where appropriate procedures were not in place to measure and report on the effectiveness of service delivery. Where relevant, such audits also include compliance issues. In essence, VFM audits delve into the underlying operations of the ministry program or organization being audited to assess both their cost-effectiveness and the level of service they deliver to the public. This chapter contains the conclusions, observations and recommendations for the VFM audits conducted in the past audit year.

The ministry programs and activities and the organizations in the broader public sector audited this year were selected by the Office's senior management on the basis of selection criteria including the financial impact of a program or organization, its significance to the Legislative Assembly, related issues of public sensitivity and safety, and the results of past audits and related follow-up work.

We conducted our work and reported on the results of our examination in accordance with the Canadian Standard on Assurance Engagements—

Direct Engagements issued by the Auditing and Assurance Standards Board of the Chartered Professional Accountants of Canada. These standards involve conducting the tests and other procedures that we consider necessary, including obtaining advice from external experts when appropriate to obtain a reasonable level of assurance.

Our Office applies Canadian Standards on Quality Control and, as a result, maintains a comprehensive quality control system that includes documented policies and procedures with respect to compliance with the code of professional conduct, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Before beginning an audit, our staff conduct in-depth research into the area to be audited and meet with representatives of the auditee to discuss the focus of the audit, including our audit objectives and criteria. During the audit, staff maintain an ongoing dialogue with the auditee to review the progress of the audit and ensure open communications. At the conclusion of the audit fieldwork, significant issues are discussed with the auditee and a draft audit report is prepared. Senior audit staff then meet with senior management from the auditee to discuss the draft report and the management responses to our

recommendations. In the case of organizations in the broader public sector, discussions are also held with senior management of the funding ministry.

Once the content and responses for each VFM audit report are finalized, the VFM audit reports are incorporated as sections of this chapter of the Annual Report.