



Bonnie Lysyk
Auditor General of Ontario

Reflections

On March 17, 2020, the government declared a state of emergency due to the COVID-19 pandemic. Immediate actions had to be taken to reduce the spread of the virus. To tackle this pandemic head-on required effective systems and processes to be in place. However, many challenges were encountered, and the weaknesses in the systems that needed to be relied upon were amplified—weaknesses that our Office has commented on in many prior audit reports where recommendations were made for improvements and changes. Some of these recommendations highlighted the need to:

- improve the province’s preparedness to respond to future pandemics;
- update emergency management plans of the province and ministries (including that of the Ministry of Health);
- replenish the province’s expired inventory of personal protective equipment;
- strengthen inspections and address other issues in long-term-care homes, including the handwashing practices for residents and those who feed residents;
- improve the IT systems for capturing public health information;
- address public health governance issues and varied practices;
- expand the lab testing capabilities at Public Health Ontario; and
- address weaknesses in the province’s immunization system.

However, many of our recommendations in these areas, which the ministries, Crown agencies

and the organizations in the broader public sector that we audited agreed to implement, were either not implemented or implemented only temporarily, with the improved practices not maintained.

We make recommendations each year in our value-for-money audits after spending considerable time with these organizations reviewing how they deliver their programs and services. We look at improvements that can be made in areas such as accountability and transparency, operational efficiency and cost-effectiveness, and compliance with applicable legislation. A central focus of our work with the organizations we audit is whether the resources they use are achieving the desired outcomes, and how these organizations can better serve Ontarians.

Once we conclude our audit work, we issue value-for-money reports that contain considerable information about the subjects we audit, and a series of recommended actions addressed to senior decision-makers in ministries and the broader public sector. These recommendations are a critical part of our audit reports; we believe that implementing them is important to drive positive improvements in the delivery of programs and services for Ontarians.

The audit process seeks input and agreement on these recommendations from senior management in the organizations we audit before we finalize our reports. After we table our reports, therefore, we operate with the shared understanding that those responsible will take the necessary actions to make the improvements they committed to within a

reasonable period of time. Yet just as we expect the timely implementation of our recommendations to have positive results, we are also aware of the potential negative impacts on Ontarians when implementation of our recommendations lags or when they are not implemented at all. Some of the weaknesses in provincial systems and processes that revealed themselves and were amplified during the last eight months are an unfortunate testament to this.

For many years, our Office has issued follow-up reports two years after publication of the original report to assess the progress made in implementing the actions we recommended. This year we followed up on 17 audits completed in 2018 and found that 42% of the actions had been fully implemented (compared to 32% in our *2019 Annual Report*); 30% (2019—37%) were in the process of being implemented; for 25% (2019—27%) little or no progress had been made; and 3% (2019—4%) were either no longer applicable or no longer planned to be implemented (see **Chapter 1, Figure 1**). This year we saw improvement in the two-year implementation rate of recommendations stemming mainly from these audits: Metrolinx—GO Station Selection; Use of Consultants and Senior Advisors in Government; Assistive Devices Program; Waterfront Toronto; Technical Standards and Safety Authority; Interprovincial and International Health Services; and Niagara Peninsula Conservation Authority. Our 2018 recommendations for MRI and CT Scanning Services, Ontario Works and Health Quality Ontario have had the lowest implementation progress by the responsible ministries.

Our aim in following up this way is to see that these actions are fully implemented or, if we are told this has not been possible, to understand why and to report on the reasons to Ontarians. For instance, sometimes, a recommendation may no longer be applicable—for example, if there have been policy and program changes since our report was issued. This is reasonable and expected. At other times, some alternative actions meet the intent of our recommendation and we conclude that our recommendation has been implemented. Other recommendations may still be in the process

of being implemented when we follow up after two years. This too may be reasonable if the recommended actions are complex and may take longer to put into effect.

In cases like these, our Office takes its responsibility to follow up several steps further—we ask what becomes of these recommendations that we found to be only partly implemented when we were preparing our two-year follow-up reports. Is progress still being made toward fully implementing them? The answer comes through further investigation and inquiry to verify whether the organizations we have audited are still committed to completing the work they undertook to do years earlier.

This is why four years ago we set up a team with the responsibility to follow up on our recommendations older than two years, beginning with recommendations from our *2012 Annual Report*. The team's expanded follow-ups have let us see patterns in how organizations address our recommendations. In particular, we have found the following:

- As time passes, more recommended actions are implemented, but at a slow rate. The average full implementation rate for recommended actions issued between 2013 and 2015 is 35% after two years and 62% after five years. This indicates an average increase in full implementation of 27% between two and five years. However, our experience to date indicates that there is only minimal progress on recommended actions after the five-year mark.
- While full implementation rates slow down as time passes, work continues to be done on getting to full implementation. In 2020, organizations told us that they were in the process of implementing approximately 25% more of the recommended actions from 2013 to 2015, five to seven years later.
- For recommended actions issued in 2016, 2017 and 2018, we have seen an average two-year full implementation rate of 35%, a rate consistent with that experienced for 2013 to 2015. In 2020, organizations told us that approximately 37% more of the recommended

actions from those years were in the process of being implemented and that another 17% where there had still been little or no progress would nonetheless still be implemented.

- When we conduct our follow-up work, we find that some organizations misrepresent their progress in fully implementing recommended actions. This year, we confirmed that only 24% of the 186 actions that organizations self-reported as being fully implemented were in fact actually fully implemented.
- There are 41 recommended actions from 2013 to 2017 that we were told will not be implemented (see **Appendix 3**). We continue to recommend their implementation.
- **Figure 7** highlights the organizations and their full and in-process implementation rates for recommended actions issued between 2013 and 2017. Some organizations—such as hospitals; psychiatric hospitals; the Ministry of Energy, Northern Development and Mines; Metrolinx; Ontario Power Generation; the Financial Services Regulatory Authority; the Ontario Energy Board; and the Independent Electricity System Operator—have a high full implementation rate. Others—such as the Ministry of the Solicitor General; the Ministry of Health; the Ministry of the Environment, Conservation and Parks; and Children’s Aid Societies—have much lower full implementation rates.
- **Figure 8** highlights the full implementation rates between 2013 and 2017 by type of recommendations issued. Recommendations related to internal controls, information technology, human resources and compliance are implemented more frequently than recommendations addressing public reporting, access to care/services, funding allocations and effectiveness, and efficiency and economy.

We also follow up on the implementation of the recommendations from the Standing Committee on Public Accounts. This year, we followed up on eight of their reports (five in 2019). These reports were

issued between February 2019 and February 2020. This year, we found that 62.4% of recommendations were either implemented or in the process of being implemented (83% in 2019). This year’s implementation rate was negatively impacted by the low implementation rate for the recommendations in the report on Ontario Works, which was tabled in December 2019.

Our Office is committed to preparing high-quality audit reports containing well-thought-out recommendations that, when implemented, serve to improve the efficiency and cost-effectiveness of systems and processes within the public sector. The Standing Committee on Public Accounts is supportive of our recommendations and in turn makes its own recommendations to be implemented by the organizations and ministries brought before it at hearings. I encourage those whose responsibility it is to oversee that Ontarians receive the best possible services from their government to implement the agreed-upon recommended actions in a more thorough and expedient manner.

Acknowledgements

I would like to thank the many people in the public and broader public sectors who have assisted us with completing this year’s follow-up work. The information contained in this volume of our *2020 Annual Report* is the result of the excellent work of the dedicated staff of my Office.

We look forward to continuing to serve the Members of Provincial Parliament, and through them, the citizens of Ontario by recommending program and service delivery improvements for the benefit of Ontarians.

Sincerely,



Bonnie Lysyk, MBA, FCPA, FCA
Auditor General of Ontario