



News Release

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Annual Report Focuses on Consumer Protection, Oversight and Operational Effectiveness

(TORONTO) Value-for-money audits in the Auditor General's *2020 Annual Report* show provincial programs and services would serve Ontarians more effectively with strengthened consumer protection, oversight, more attention to unaddressed risks, and better information for decision-making, Auditor General Bonnie Lysyk said today after the Report was tabled in the Legislative Assembly.

Auditor General Bonnie Lysyk's Report was tabled in the Legislative Assembly today.

Organizations and programs audited this year cover a wide range of areas, such as the oversight of retirement homes and condominiums, and co-ordination of Indigenous affairs, as well as the delivery of virtual health care, which has increased in use significantly since the onset of the COVID-19 pandemic.

Lysyk's Report this year includes a review of some of the internal workings of ministry business planning. Ministries are required to develop "business cases" when requesting a change to their activities and related spending. The review found that ministries should more clearly explain how they will address risks and monitor performance, as well as the results of any consultation undertaken or that might be required, and that a deeper analysis of the feasibility of ministry requests and estimated costs is needed from the Treasury Board Secretariat.

The Report also includes follow-up reports on recommendations from previous Annual Reports and the Standing Committee on Public Accounts, a report on government advertising, and a review of the Public Accounts of the province; the Auditor provided an unqualified opinion on the Public Accounts for the third year in a row.

The 13 value-for-money audits in the *2020 Annual Report* include:

- **Blood Management and Safety:** The audit found that neither the Ministry of Health nor Canadian Blood Services (CBS) gathers important information about the supply and demand for blood components and products used by hospitals. Hospitals are not required to report what they use to CBS, and CBS does not collect information about how physicians use them. Information about supply and demand is important, as short-term shortages have occurred twice in the past five years.
- **Curriculum Development, Implementation and Delivery:** The Report concludes the Ministry of Education does not have formal processes in place to assess when curricula may require updating. Processes used to evaluate curriculum teaching are inconsistent and many teachers find that outdated materials and inadequate training affect their work, and neither the Ministry nor school boards know whether curricula are being taught consistently or to a high standard across the province.
- **Indigenous Affairs:** The Ministry of Indigenous Affairs does not lead or co-ordinate Indigenous programs across government and was not aware of all the provincial programs designed to support Indigenous Peoples and communities at the time of the audit. The lack of broadband Internet in many Indigenous communities hinders access to economic development opportunities, as well as government programs and services, such as e-health and online education.

- **Information Technology (IT) Systems and Cybersecurity at Metrolinx:** Information technology glitches cause train delays more often than necessary—delays that result in lost revenue. The lack of enterprise-level IT co-ordination at Metrolinx has resulted in redundant system purchases, project delays and cost overruns. Metrolinx needs to do more testing to ensure the security of corporate information, and relies too heavily on higher-cost contract staff, instead of full-time staff.
- **Metrolinx Governance and Operations:** Metrolinx was aware that the Hamilton Light Rail Transit project would cost more than the \$1 billion that it publicly reported. Metrolinx’s on-time performance of its train and bus services is comparable to other similar public transportation systems.
- **Museums and Galleries:** The Art Gallery of Ontario, the Royal Ontario Museum and the McMichael Canadian Art Collection do not clearly show how art and object acquisitions, which could provide significant tax exemptions for donors, meet objectives for their collections, and don’t always exhibit their inventory of acquisitions. While storage of works is handled according to best practices, inventory management and valuation practices need improvement.
- **Supportive Services for Adults with Developmental Disabilities:** The audit found that adults with developmental disabilities face increasing wait lists for the full range of services, even though funding levels have increased significantly. A lack of oversight and measurement of service agency performance means the Ministry of Children, Community and Social Services is not aware if the funding and services provided for adults with developmental disabilities is effective in meeting their needs.
- **Virtual Care: Use of Communication Technologies for Patient Care:** While there is a growing need for virtual patient care, especially due to the COVID-19 pandemic, Ontario does not yet have targets or goals for this service. The province should ensure better integration and co-ordination of the Ontario Telemedicine Network and Telehealth Ontario while developing more effective oversight processes for physician billings for virtual care.
- **Alcohol and Gaming Commission of Ontario (AGCO):** The AGCO, which regulates the alcohol, gaming, horse-racing and private cannabis retail sectors in Ontario, does not focus on compliance and has followed up on only two-thirds of complaints about cannabis stores in the past two years. The AGCO has not filled gaps in processes needed to address the risk of money laundering in casinos. The audit raised the concern that the AGCO does not produce audited financial statements, required of all government organizations to demonstrate transparency and accountability.
- **Bereavement Authority of Ontario (BAO):** The audit concluded the BAO does not effectively protect people who are purchasing funeral services and products after a loved one has passed. The BAO does not require key purchasing information, such as price lists of funeral services and products, to be transparent and easily accessible by the public, who are often subject to high-pressure sales tactics. The audit also found there are no industry standards on packages, fees, deposits and cancellation policies, making price comparisons and informed decisions difficult.
- **Condominium Oversight in Ontario:** Many condominium purchasers may not fully understand the financial implications, such as maintenance fees and reserve funds needed for repairs, of buying this type of home. The audit found that condo owners had difficulty accessing condo corporation information and records, and complaints were closed too soon.
- **Electrical Safety Authority (ESA):** The audit found that the ESA needs to do better in preventing illegal electrical work. Currently, only ESA-licensed contractors are legally allowed to perform electrical installations. It also found that the ESA conducts many unnecessary inspections that do not improve public safety. At the same time, in the past five years it issued 133,000 certificates of inspections, for which it collected \$17 million in fees, for inspections that were not conducted.

- **Retirement Homes Regulatory Authority (RHRA):** This audit found that an increasing number of people living in retirement homes require a higher level of care suitable to that provided by long-term-care homes. The RHRA, however, does not collect the data needed to assess the impacts of the increasing level of care needed by residents. Also, the RHRA does not oversee all beds in retirement homes, and some potentially vulnerable residents may not receive the care and protection of the RHRA.

Review of Government Advertising

In addition to value-for-money audits, the Report contains a report on the Auditor General's **Review of Government Advertising**, carried out under the authority of the *Government Advertising Act, 2004*. The Auditor General notes that the provincial government spent \$37.59 million on advertising in the 2019/2020 fiscal year. The report says there were ads totalling approximately \$9.47 million that would not have passed the previous version of the *Government Advertising Act, 2004* for being partisan, but changes to the Act in 2015 made it possible for these ads to pass our review.

Follow-Up Report on Audit Recommendations

The Auditor General's value-for-money audit reports include recommendations designed to improve performance. Recommendations are a critical part of audit reports, and their implementation is important to drive positive improvements in the cost-effective delivery of programs and services for Ontarians.

This year, the Annual Report includes follow-up reports from 17 value-for-money audits completed in 2018. The report also found that 42% of 2018 recommendations had been fully implemented (32% in 2019) and 30% were in the process of being implemented (37% in 2019). Overall, the average five-year full implementation rate of all the agreed-upon recommendations published in the 2013 to 2018 Annual Reports was 62%.

Authority to Release Reports

The Auditor General's Annual Report is released each year before December 31 in accordance with the *Auditor General Act*. The Auditor General's *2020 Report of Environmental Value-for-Money Audits and the Operation of the Environmental Bill of Rights* was released on November 18, 2020, in accordance with the requirements of the *Environmental Bill of Rights, 1993*. On November 25, 2020, we released a Special Report on *COVID-19 Preparedness and Management*, Chapters 1 to 3, under section 12(1) of the *Auditor General Act*.

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Read the report at www.auditor.on.ca

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