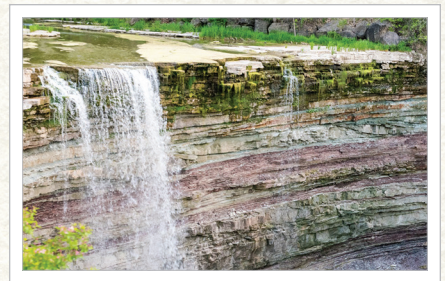




Office of the Auditor General of Ontario

Annual Follow-Up on Value-for-Money Audits



December 2020



Office of the Auditor General of Ontario

To the Honourable Speaker
of the Legislative Assembly

In my capacity as the Auditor General, I am pleased to submit to you my Annual Follow-Up on Value-for-Money Audits volume of the *2020 Annual Report* of the Office of the Auditor General of Ontario to lay before the Assembly in accordance with the provisions of section 12 of the *Auditor General Act*.

A handwritten signature in black ink, reading "Bonnie Lysyk". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bonnie Lysyk, MBA, FCPA, FCA
Auditor General

Fall 2020
Toronto, Ontario

Table of Contents

	Reflections	5
	Summary	8
Chapter 1	Follow-Up Reports on <i>2018 Annual Report</i> Value-for-Money Audits	16
	Section 1.01 Assistive Devices Program	19
	Section 1.02 Darlington Nuclear Generating Station Refurbishment Project	32
	Section 1.03 Health Quality Ontario	45
	Section 1.04 Interprovincial and International Health Services	60
	Section 1.05 Legal Aid Ontario	72
	Section 1.06 Metrolinx—GO Station Selection	86
	Section 1.07 Metrolinx—LRT Construction and Infrastructure Planning	93
	Section 1.08 MRI and CT Scanning Services	113
	Section 1.09 Office of the Public Guardian and Trustee	128
	Section 1.10 Ontario Student Assistance Program	143
	Section 1.11 Ontario Works	158
	Section 1.12 School Boards—IT Systems and Technology in the Classroom	180
	Section 1.13 Technical Standards and Safety Authority	197
	Section 1.14 Use of Consultants and Senior Advisors in Government	214
	Section 1.15 Waterfront Toronto	225
	Section 1.16 Public Accounts of the Province	238
Chapter 2	Follow-Up Reports on Special Reports	
	Section 2.01 Niagara Peninsula Conservation Authority	243
Chapter 3	Follow-Up on Reports Issued by the Standing Committee on Public Accounts	269
	Section 3.01 Cancer Treatment Services	273
	Section 3.02 Darlington Nuclear Generating Station Refurbishment Project	295
	Section 3.03 Ontario Works	300
	Section 3.04 Public Accounts of the Province	309
	Section 3.05 Public Health: Chronic Disease Prevention	313
	Section 3.06 Real Estate Services	324
	Section 3.07 Review of Government Advertising	333
	Section 3.08 Settlement and Integration Services for Newcomers	335
Chapter 4	Follow-Up on Audit Recommendations from 2013 to 2019	345



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

Summary

At the Office of the Auditor General, we audit a wide range of services and programs delivered by ministries, agencies, government organizations and organizations in the broader public sector. We identify areas that need improvement, and we take great care to make practical recommendations based on our audit findings that these entities can implement to improve their programs and services to Ontarians. We believe that identifying issues and providing recommendations is only the first step; the real work begins when those responsible “take action” to put our recommendations into practice. It is for this reason that a key part of our Office’s work is to follow up on our past audits to assess the progress made on our previous recommended actions. Our follow-up work consists mainly of discussions with the entities we have audited and a review of supporting documents they provide.

Chapter 1 and Chapter 2— Follow-Up Reports on Value-for-Money Audits, Public Accounts, and the Special Audit on the Niagara Conservation Authority in our 2018 Annual Report

The combined chapters contain 17 follow-up reports on 15 value-for-money audits, Chapter 2 Public Accounts of the Province of Ontario published in our *2018 Annual Report*, and our 2018 Special Audit of the NPCA. We note that progress has been made in the last two years: 74% of our rec-

ommended actions were being implemented (compared to 69% reported in our *2019 Annual Report*). We note that 42% of our recommended actions had been fully implemented (32% in our *2019 Annual Report*). We are encouraged by the increased rate of implementation of our recommendations and program improvements in a number of areas from specific chapters in our *2018 Annual Report*.

1.01 Assistive Devices Program

During our follow-up to our *2019 Annual Report*, we found that the Ministry of Health fully implemented 72% of the recommendations relating to its oversight of the Assistive Devices Program (Program). It established a consistent pricing review model and is now regularly monitoring the prices and fees charged by vendors. As well, it has increased the work it does to monitor vendors’ and authorizers’ compliance with Program policies and procedures, and has provided mandatory risk-management and fraud-related training to all Program staff. It is in the process of implementing recommended actions such as conducting follow-up reviews of vendors with a history of non-compliance with the policies; documenting and tracking oversight activities and their results; and monitoring patterns and trends of claims to identify misconduct. As a result, the risk of overpaying vendors for ineligible claims remains high. Without following up and taking timely action on vendors suspected of abusing the Program, it is more difficult to collect overpayments from

vendors. Our 2018 audit found that the Ministry not only consistently continued to overpay vendors for ineligible claims, but also conducted no regular follow-up reviews of vendors known to have submitted ineligible claims in the past. For example, one such vendor repaid about \$250,000 in 2015/16, but there had been no follow-up since on this vendor, who continued to submit claims and received a total of about \$5.8 million in 2016/17 and 2017/18.

1.02 Darlington Nuclear Generating Station Refurbishment Project

During our follow-up to our *2018 Annual Report*, Ontario Power Generation (OPG) informed us that while the impact of COVID-19 has caused it to move the completion date of the Darlington Nuclear Generating Station Project (Project) from February 2026 to October 2026, the Project is still expected to be completed on budget. At the time of our follow-up, 11% of our recommended actions were fully implemented and 89% in the process of being implemented. Our follow-up found that OPG has regularly assessed lessons learned from completed Project work and applied those to the remaining work on the Project. For example, OPG and its contractors collaborated in over 50 meetings in 2019 to identify and document lessons learned from previous Project work, and incorporate actions to address these lessons into the planning work for subsequent units. This process has generated over 3,900 individual lessons learned, resulting in over 1,160 actions to be taken. As of June 2020, almost 850 of these actions had been completed. However, OPG has not fully explored the opportunity for further cost reductions on the Project. For example, our audit found that OPG estimated spending almost \$50 million more on Project oversight and support than it initially estimated (including costs associated with providing additional support to contractors), but it did not consider these additional incurred costs when paying profit to the contractors. In our follow-up, we found that while OPG has tracked the cost associated with the sup-

port it provided to the contractors, it still has not reduced the amount of profit it pays to contractors for Project work.

1.03 Health Quality Ontario

In our 2018 audit, we noted that Health Quality Ontario had difficulty assessing and demonstrating its impact on the quality of health care in Ontario. This was largely because its recommendations and advice were not required to be implemented by the Ministry or Local Health Integration Networks, the two parties that provided funding to and have accountability agreements with health-care providers. Our 2020 follow-up found that HQO has fully implemented 14% of our recommended actions. Specifically, we found that HQO had made little progress on measuring and publicly reporting on the rate of implementation/adoption of its clinical care standards and on the impact its activities are having on the quality of health care in the province. In addition, HQO had done little to establish ideal ranges for performance targets to be set by health-care providers in their quality improvement plans and to assess the potential benefits of enforcing the use of clinical care standards through the Local Health Integration Networks. The Ministry also had made little progress in clarifying the respective roles and responsibilities of the key parties in the health-care system with respect to requiring the adoption of recommendations made by Health Quality Ontario and the use of quality improvement tools made available by Health Quality Ontario to health-care providers. The Ministry of Health and Health Quality Ontario both informed us that the merger of multiple entities with Ontario Health, including the move of Health Quality Ontario and Local Health Integrated Networks into Ontario Health, has had an impact on the timing and implementation of some of our recommendations.

1.04 Interprovincial and International Health Services

During our follow-up to our 2018 audit of Interprovincial and International Health Services, the Ministry of Health (Ministry) informed us that it had worked with other provinces and territories to update the categories and rates for out-patient services for 2020/21. We found that the Ministry has fully implemented 52% of our recommended actions. Our 2018 audit found that Ontario hospitals did not always fully recover the costs of providing out-patient services to patients from the rest of Canada. Hospital out-patient reimbursement rates were common across Canada regardless of the actual costs incurred by each hospital. The 13 categories of out-patient services had undergone minimal changes since they were developed in the 1980s, and multiple services were grouped in more general categories. For example, hospitals were reimbursed \$359 per visit for services provided under a single category called “standard out-patient visits” but the category incorporates services with a wide range of costs, from relatively low-cost services like fixing a dislocated limb at an average cost of \$154 per visit, to a high-cost service such as peritoneal dialysis for patients with kidney disorders at an average cost of \$3,276 per visit. The Ministry acted on our recommendation and indicated that work was under way to introduce new categories and rates for out-patient services starting in 2021/22, so that Ontario hospitals can be more fairly reimbursed for the health services they provide to out-of-province patients.

One of our recommendations focused on the need for the Ministry to obtain complete information on international patients’ use of the Ontario hospital system. The Ministry indicated that the related actions would not be implemented. The Ministry decided that it would continue to obtain limited information about those hospitals that provide health services to international patients for charitable and humanitarian care.

1.05 Legal Aid Ontario

One of our key recommendations for Legal Aid Ontario was that it should, together with the Ministry of the Attorney General (Ministry), work with the federal government and the Minister of Justice Canada to obtain a more predictable and sufficient proportion of federal funding to address the significant increase in refugee and immigration cases, and associated costs. These costs contributed to the \$40 million in deficits incurred by Legal Aid Ontario from 2015/16 to 2016/17. Although the implementation of this recommendation was under way for March 2022, we have already seen significant change since our 2018 audit. Since our audit, immigration and refugee legal aid in Ontario is solely funded by the federal government. For 2019/20, the Ministry and Legal Aid Ontario were able to obtain an additional \$25.7 million funding from the federal government for immigration and refugee cases in Ontario. This additional funding brought total federal funding for immigration and refugee legal aid in Ontario to \$40.9 million—almost double the amount in 2016/17 of \$23.6 million. For 2020/21, Legal Aid Ontario had again requested additional funding from the federal government for immigration and refugee cases. In August 2020, the federal government confirmed that it intends to provide an additional contribution up to \$26.8 million for six provinces that have immigration and refugee programs, subject to Parliamentary and Treasury Board of Canada approval. This additional funding, if approved, will bring the total federal contribution for immigration and refugee legal aid for Ontario up to \$36 million in 2020/21. Overall, we found the Ministry and Legal Aid fully implemented 32% of our recommended actions.

1.06 Metrolinx—Go Station Selection

During our follow-up to our *2018 Annual Report*, we found that Metrolinx and the Ministry of Transportation (Ministry) had committed to greater transparency and clear accountability when decisions

are made for political reasons through ministerial direction letters, and had fully implemented 100% of our recommendations. For example, based on our recommendation, Metrolinx implemented a policy that requires its staff to obtain written direction from the Ministry when the province's objectives are not in alignment with Metrolinx's business cases, plans and decisions. Also, Metrolinx established a clearer framework for how criteria used in business cases are established, changed and approved, which provides for more transparency and accountability for transit decisions in the Greater Toronto and Hamilton Area.

1.07 Metrolinx—LRT Construction and Infrastructure Planning

During our follow-up to our *2018 Annual Report*, we found that Metrolinx had fully implemented 44% of our recommended actions. For example, Metrolinx had improved its new business case process, which is used to evaluate transit projects, and now requires progressively detailed business cases be prepared and approved for each project prior to it proceeding to the next stage of project development and receiving related investment. We also noted that, although we recommended that Metrolinx evaluate all future claims and pay for costs that have been found to be its responsibility, Metrolinx was again engaged in negotiating a second significant financial settlement agreement, with few changes in its process to document the validity of allegations and evidence to demonstrate the value of the claims made by the consortium and to inform Metrolinx in its negotiations. No settlement had been finalized at the time of our follow-up.

1.08 MRI and CT Scanning Services

Our follow-up to our *2018 Annual Report* found that the Ministry of Health (Ministry) had not taken the actions needed to improve wait times for MRI and CT scanning services in Ontario. It has not yet analyzed and identified the reasons why wait times

vary significantly among Local Health Integration Networks (LHINs) in order to take necessary action, based on this work, to reduce the wait-time inequities across the province for MRI and CT scanning services. We found that only 4% of recommended actions were fully implemented. Our follow-up also found that the disparity for non-urgent scans continued to be significant in 2019/20. The 90th percentile wait time in 2019/20 for a non-urgent MRI ranged from 78 days in the Central East LHIN to 169 days in the Central West LHIN. The 90th percentile wait time for a non-urgent CT scan for the same year ranged from 27 days in the Central East LHIN to 135 days in the North East LHIN. We also found that, overall, wait times for both MRI and CT scans in 2019/20 had not improved since 2017/18. In 2019/20, 67% (slightly worse than 65% in 2017/18) of MRI patients and 43% (worse than 33% in 2017/18) of CT patients had long waits for their scans. These wait times were longer than the Ministry's targets for semi-urgent and non-urgent priority patients. As a result, Ontario patients continue to experience inequitable wait times depending on where they live. Most importantly, the long wait times for patients' MRI and CT scans delayed the diagnosis and treatment of these patients, and could have resulted in deterioration of the conditions of some of the patients.

1.09 Office of the Public Guardian and Trustee

The Office of the Public Guardian and Trustee (Public Guardian) was well on the way to implementing 100% of our recommendations, with 43% fully implemented and 57% in the process of being implemented. During our follow-up on our 2018 audit, the Public Guardian informed us that it was in the process of implementing our recommendation to develop criteria to determine when a community capacity assessor should be referred to a relevant regulatory college and/or removed from the roster of assessors. Capacity assessors are professionals, such as social workers and occupational

therapists, who work in the community and evaluate whether an individual is mentally incapable of making personal and financial decisions to qualify as a client of the Public Guardian. They are trained and qualified by the Capacity Assessment Office (Office), which reports to the Public Guardian and Trustee. We found that external reviews identified significant quality concerns with these assessors' work. However, the Office had never removed a non-performing capacity assessor from the roster it maintained. Further, the Office had never filed a complaint with any assessor's regulatory college. If this recommendation is fully implemented, there will be greater assurance that the Public Guardian takes control of the assets of only those individuals who ultimately require its property guardianship services. In turn, the Public Guardian will be in a better position to improve its services to the public and achieve its mandate.

1.10 Ontario Student Assistance Program

The Ministry introduced major program changes to the Ontario Student Assistance Program (OSAP) in the 2017/18 academic year, which started August 1, 2017. In our 2018 audit, we reported that the Ministry did not track whether the changes to OSAP led to improved access to post-secondary education for underrepresented groups. The Ministry did not know the income levels and other demographic factors of students who had not applied for OSAP. As a result, it did not know if the composition of students enrolled in school had changed and, in turn, if more underrepresented people were enrolled in post-secondary education than in the past. At the time of our follow-up, we found that the Ministry had made little progress on our recommended action to determine whether there has been an increase in the enrolment of students in post-secondary institutions from underrepresented groups. Our follow-up found the Ministry had made little progress in analyzing complaints data on the program and in performing timely follow-up inspections with public institutions. The

Ministry had also not put formal agreements in place with Financial Aid Offices at public institutions requiring compliance with Ministry policies and guidelines. The Ministry had also made little progress in working with the federal government to have the National Student Loans Service Centre initiate collection of defaulted student loans sooner or in revising the cost-sharing program with private institutions for defaulted loans. Our follow-up found that that 41% of our recommended actions had been fully implemented, and 18% were in the process of being implemented. Little progress had been made to date in implementing about 37% of our recommended actions.

1.11 Ontario Works

During our follow-up to our *2018 Annual Report*, we found that the Ministry of Children, Community and Social Services (Ministry) and the four service managers we visited during our audit had made some progress toward implementing our recommendations. For example, all four service managers were in the process of addressing our recommendation to ensure that they waive the requirement for Ontario Works recipients to participate in employment support activities in eligible circumstances only when supported by the necessary documentation. In addition, all four service managers had made progress or fully implemented our recommendation to complete eligibility verification reviews assigned by the Ministry on a timely basis. However, we found that the Ministry and service managers had made little progress in addressing the majority (71%) of our recommendations, including those aimed at ensuring that only eligible recipients receive Ontario Works financial assistance and that recipients progress toward obtaining employment.

1.12 School Boards—IT Systems and Technology in the Classroom

During our follow-up to our *2018 Annual Report*, we noted that the Ministry of Education and school

boards had fully implemented our recommendations at a rate of 39%, and were in the process of implementing our recommendations at a rate of 44%. Thus, they were acting on a majority of our recommendations. For example, school boards have provided devices to households in need to ensure their students could continue to learn during the COVID-19 school closures, and the Ministry launched an online website (ontario.ca/page/learn-at-home) to help students continue learning remotely.

11.13 Technical Standards and Safety Authority

The Technical Standards and Safety Authority (TSSA) and the Ministry of Government and Consumer Services (Ministry) had taken steps to increase public safety by implementing 67% of our recommendations. For example, in our 2018 audit, we found that although propane companies had been submitting Risk and Safety Plans to the TSSA, the TSSA was not using this information to determine the location of the highest-risk propane facilities and establish a risk-based inspection approach. We noted in our follow-up that the TSSA was now using this information to assign a risk score for each propane facility. It will use this score to develop a risk-based schedule that it will be following for its inspections of large bulk propane storage and filling plants and refill centres in the 2020/21 fiscal year. Also, the TSSA developed an action plan in November 2019 that outlines the specific steps the Ministry and the TSSA plan to take with oil distributors and tank owners to improve the safety of oil tanks.

1.14 Use of Consultants and Senior Advisors in Government

In our 2018 audit, we noted that using consultants could be costly, as they were generally paid more than full-time staff. However, they could be cost-effective when engaged for short periods or when they provide specialized services or expertise, since hiring them saves ministries from having

to hire new permanent full-time staff. An annual workforce-planning process would allow ministries to consider staffing needs based on forthcoming or longer-term priorities and available resources within the ministries to help reduce reliance on consultants. The province's procurement directive does not specifically require ministries to undertake such planning on an annual basis to support decision-making with respect to the procurement of consultants, and none of the ministries that we reviewed did this in 2018. This prompted us to recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, require ministries to undertake an annual workforce-planning process to consider ministry-wide staffing needs based on forthcoming and longer-term priorities and available resources, to ensure that consultants are hired only when needed, and in a cost-effective manner. Instructions for the 2021/22 multi-year planning process now request that the annual workforce plans, which ministries have to submit in November 2020, include specific reference to the use of consultants. Our 2020 follow-up found that 76% of our recommended actions had been fully implemented, and 24% were in the process of being implemented.

1.15 Waterfront Toronto

In our 2018 audit, we noted that successful oversight requires that the overseer has the authority to ensure the job is done right. However, Waterfront Toronto was never given this authority, and as a result, the development of Toronto's waterfront lands had largely continued to be driven by historical practices, the existing bylaws, and other regulations governing commercial and residential development. Another key responsibility of an effective overseer is to watch over all work being done to ensure it is done right, cost-effectively and on time. Waterfront Toronto never established all of the necessary processes to do this. This may have been partly because it never had any real authority to stop projects it believed were not consistent with

its vision of a world-class transformation of Toronto's waterfront. This prompted us to recommend that the Ministry of Infrastructure, in consultation with partner governments, conduct a review of Waterfront Toronto's mandate, focusing on defining clearly the role and authority it would need to have for it to revitalize the waterfront for the remainder of its legislated term; and clarify the roles and responsibilities of existing organizations that may have overlapping mandates or interest in the revitalization of Toronto's waterfront. At the time of our follow-up, the three levels of government had begun a strategic review of Waterfront Toronto's mandate, current and future initiatives, governance framework and financial outlook. The review will also address the overlap between Waterfront Toronto's development mandate and that of other entities. The strategic review is to be completed by the end of February 2021. Our 2020 follow-up found that Waterfront Toronto had implemented 72% of our recommended actions, with 22% in the process of being implemented. Some of our recommended actions were no longer applicable when Sidewalk announced on May 7, 2020 that it would no longer pursue the Quayside project.

1.16 Public Accounts

Our 2020 follow-up on recommendations in **Chapter 2** of our *2018 Annual Report*, Public Accounts of the Province of Ontario, found that the Ministry of Finance and Treasury Board Secretariat had implemented 50% of our recommendations. However, the government indicated that it would not update the current legislation to formalize that its accounting would be in accordance with Canadian Public Sector Accounting Standards (Canadian PSAS). The continuing need for the current "prescribed" or legislated accounting in legislation and regulations is unclear, given that the government has confirmed its commitment to follow Canadian PSAS. Canadian PSAS are the most appropriate accounting standards for the province to use in order to maintain its financial reporting credibility,

accountability and transparency. Following Canadian PSAS allows legislators and the public to better assess government management of public funds. Given the importance of this area, we continue to urge the government to formalize a requirement to follow the accounting standards established by the Canadian Public Sector Accounting Board, and to repeal existing legislation and regulations that enable accounting treatments to be prescribed if desired by a government.

Chapter 2—Follow-Up Report on Special Report

2.01 Niagara Peninsula Conservation Authority (NPCA)

The NPCA has been very responsive in addressing those of our recommended actions that are in its control. It has fully implemented 56% of them, with another 34% in progress. Actions taken by the NPCA to implement these recommendations have resulted in positive changes in the organization, but there is more work to be done, especially in the area of governance. During our 2018 audit, we stated that many of the operational issues we identified stemmed from a broader governance issue in which the *Conservation Authorities Act* (Act) gave Board members the authority to act on behalf of their respective municipalities. Leading governance best practices suggest that Board members who are appointed as representatives of a stakeholder group should be vigilant in ensuring that representing their stakeholder group does not conflict with acting in the best interest of the organization they are overseeing. To address the governance issues we identified, we recommended, for example, that the NPCA Board refrain from being involved in day-to-day operations. Our 2020 follow-up found that little progress had been made on this recommendation. Our inquiries of NPCA staff and our review of correspondence found that Board members had contacted staff about a total of 24 development projects since our 2018 audit. In October 2020, the NPCA

updated its Board of Directors Code of Conduct to state that Board members are not to use or attempt to use their authority or influence to intimidate, threaten, coerce or otherwise improperly influence any NPCA employee with the intent of interfering with that employee's duties. In our follow-up work, we found that the *More Homes More Choice Act, 2019* (Bill 108) amended the *Conservation Authorities Act* to require that Board members act in good faith to further the objectives of the authorities. Bill 108 received royal assent in June 2019 but had not yet been proclaimed at the time of our follow-up. Subsequent to the Bill 108 receiving royal assent, the Ministry of the Environment, Conservation and Parks embarked on a further consultation on the oversight and operations of conservation authorities. We were told that the Ministry would complete its review by the summer of 2021. However, in November 2020, the government included amendments in Bill 229, the *Protect, Support and Recover from COVID-19 Act (Budget Measures), 2020* (Bill 229), that effectively would reverse the unproclaimed change from Bill 108 and have conservation authorities' Boards be composed mainly of municipal councillors. As such, they would primarily act on behalf of their municipalities when making Board decisions, which would facilitate the same types of conflicts of interest that we observed during our audit.

Chapter 3—Follow-Up on Reports Issued by the Standing Committee on Public Accounts

The Standing Committee on Public Accounts (Committee) is currently composed of MPPs from both of the parties that have official status in the Legislature (the Progressive Conservative Party and the New Democratic Party) and an MPP from the Liberal Party, and is supported by its Committee Clerk and legislative researchers. Committee members are

dedicated to improving government programs and services delivered to—and funded by—the people of Ontario. In addition to holding hearings on selected chapters and sections from our annual reports and on selected special reports, the Committee makes observations and issues recommendations in its own reports, which further promote positive change by the entities we audit. **Chapter 3** of this report includes the follow-ups we conducted on the Committee's recommendations in eight reports it tabled between February 2019 and February 2020. We continue to see a positive response from government and agencies in the broader public sector to the Committee's work. Overall, only 24.4% (prior year—63%) of the recommended actions or requests for information made by the Committee in these eight reports were fully implemented or fulfilled. The best performance was in the implementation of recommendations in the Committee's report on Cancer Treatment. The low implementation rate this year is mainly attributable to the minimal implementation of the recommendations for Ontario Works. Many of the recommendations related to the Committee's reports on Public Health: Chronic Disease Prevention and Real Estate Services are still in the process of being implemented.

Chapter 4—Follow-Up on Recommendations from 2013 to 2019 Follow-Up on Audit Recommendations Issued by the Office of the Auditor General from 2012 to 2016

This chapter marks the fourth year that our Office has followed up on value-for-money audits beyond our initial two-year follow-up work. It includes follow-ups for audit reports issued in 2013, 2014, 2015 and 2016, as well as the follow-ups on our 2017 audit reports added this year.

Chapter 1

Follow-Up Reports on *2018 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 each recommendation.

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 *2018 Annual Report* and describe the status of actions that have been taken to address our recommendations since that time, as reported by management.

We conduct our follow-up work and report on the results in accordance with the applicable Canadian Standards on Assurance Engagements—Direct Engagements issued by the Auditing and Assurance Standards Board of the Chartered Professional Accountants of Canada. Our Office complies with the Canadian Standard on Quality Control. We comply with the independence and other ethical

requirements of the Code of Professional Conduct issued by Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our follow-up work 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. The procedures performed in this work vary in nature and timing from an assurance engagement that obtains a reasonable level of assurance, 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 74% of our recommended actions, including 42% of them that have been fully implemented. The ministries and agencies of the Crown that have made the most progress toward fully implementing our recommended actions from 2018 include Metrolinx on our audit of GO Station Selection; the Treasury Board Secretariat and the Ministry of Government and Consumer Services on our audit of the Use of Consultants and Senior

Advisors in Government; the Ministry of Health on our audit of Assistive Devices Program; Waterfront Toronto; and the Technical Standards and Safety Authority (TSSA).

However, little or no progress has been made on 23% of our recommended actions. For example, the Ministry of Children, Community and Social Services has made little or no progress on implementing 32.25 or 72% of recommended actions in our audit of Ontario Works. This includes little or no progress in addressing our recommendations aimed at ensuring that only eligible recipients receive Ontario Works financial assistance and that recipients receive the employment supports they require. The Ministry of Health has made little or no progress on implementing 22 or 67% of recommended actions in our audit of MRI and CT Scanning Services. For example, the Ministry of Health has made little progress in analyzing and identify-

ing the reasons why wait times vary significantly among Local Health Integration Networks or taking necessary action to reduce the wait-time inequities across the province for MRI and CT scanning services. And the Ministry of Health and Ontario Health have made little or no progress on implementing 18 or 62% of recommendations in our audit of Health Quality Ontario. For example, Health Quality Ontario has made little progress on measuring and publicly reporting on the rate of acceptance of its recommendations regarding medical devices and health-care services for funding, the rate of implementation/adoption of its clinical care standards, and on the impact its activities are having on the quality of health care in the province.

One percent (or 5.75) of our recommended actions are no longer applicable and 2% (or 8.75) will not be implemented. Specific details are presented in the sections that follow **Figure 1**.

Figure 1: Overall Status of Implementation of Recommendations from Our 2018 Annual Report and 2018 Special Report (Chapter 2)

Prepared by the Office of the Auditor General of Ontario

Report Section	# of Recs	# of Actions Recommended	Status of Actions Recommended				
			Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
1.01 Assistive Devices Program	10	18	13	5	0	0	0
1.02 Darlington Nuclear Generating Station Refurbishment Project	7	18	2	16	0	0	0
1.03 Health Quality Ontario	12	29	4	7	18	0	0
1.04 Interprovincial and International Health Services	13	24	12.5	2	6.5	3	0
1.05 Legal Aid Ontario	15	25	8	12	5	0	0
1.06 Metrolinx—GO Station Selection	5	11	11	0	0	0	0
1.07 Metrolinx—LRT Construction and Infrastructure Planning	16	34	15	8	7	4	0
1.08 MRI and CT Scanning Services	13	33	1.25	9.75	22	0	0
1.09 Office of the Public Guardian and Trustee	16	30	13	17	0	0	0
1.10 Ontario Student Assistance Program	14	27	11	5	10	0	1
1.11 Ontario Works	19	45	4.75	7.25	32.25	0	0.75
1.12 School Boards—IT Systems and Technology in the Classroom	14	26	10.27	11.32	3.66	0.75	0
1.13 Technical Standards and Safety Authority	19	42	28	12	0	0	2
1.14 Use of Consultants and Senior Advisors in Government	10	17	13	4	0	0	0
1.15 Waterfront Toronto	10	36	26	8	0	0	2
1.16 Public Accounts of the Province	3	4	2	1	0	1	0
2.01 Niagara Peninsula Conservation Authority	24	75	34	32	9	0	0
Total	220	494	208.77	157.32	113.41	8.75	5.75
%	—	100	42	32	23	2	1

Chapter 1

Section 1.01

Ministry of Health

Assistive Devices Program

Follow-Up on VFM Section 3.01, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	4	2	2			
Recommendation 2	3	2	1			
Recommendation 3	1		1			
Recommendation 4	3	3				
Recommendation 5	1	1				
Recommendation 6	1	1				
Recommendation 7	1		1			
Recommendation 8	2	2				
Recommendation 9	1	1				
Recommendation 10	1	1				
Total	18	13	5	0	0	0
%	100	72	28	0	0	0

Overall Conclusion

As of October 5, 2020, the Ministry of Health (Ministry) has fully implemented 72% of actions we recommended in our 2018 Annual Report. For example, it increased the work it does to monitor vendors' and authorizers' compliance with its policies and procedures; it provided mandatory relevant and comprehensive risk-management and fraud-related training to all Assistive Devices

Program (Program) staff; it established a consistent pricing review model by taking current market prices, manufacturer costs and other factors (such as volume discounts and technological advances) into consideration when updating Program-approved prices; it regularly monitors the prices and fees charged by vendors to ensure compliance with Program policies; and it implemented controls or automatic checks in its information system to prevent paying claims with no unique serial number and to flag instances where a serial number has already been used.

The Ministry made progress in implementing 28% of the recommendations in the areas of conducting follow-up reviews of vendors with a history of non-compliance with policies until issues have been addressed and corrected; documenting and tracking oversight activities and the results of oversight activities; and requiring Program staff to regularly run reports that identify all instances of potential overpayments related to clients who have passed away and following up with all vendors related to these instances.

The status of actions taken on each of our recommendations is described in this report.

Background

The Assistive Devices Program (Program) of the Ministry of Health (Ministry), formerly a part of the Ministry of Health and Long-Term Care, provides devices to Ontarians with long-term physical disabilities, where a device is required for six months or longer, except home oxygen which is also provided for shorter-term needs.

The Program funds about 8,000 assistive devices in 19 categories such as mobility, hearing, and respiratory devices. Clients must have a medical specialist or physician confirm long-term disability before a device can be prescribed by a specialized health-care “authorizer.”

In 2019/20, the Ministry paid about \$520 million (about \$514 million in 2017/18) through the Program to help purchase assistive devices and supplies for about 400,000 Ontarians (the same in 2017/18). The audit found that there had been an increase of about 48% in expenditures and clients over the previous 10 years.

We found that the Ministry had improved service delivery since our 2009 audit, but some aspects of oversight and device pricing needed improvement to ensure the Ministry was paying only eligible claims at Program-approved prices.

Among our findings:

- The Ministry had consistently overpaid vendors for ineligible claims. Only two compliance staff conducted post-payment reviews to identify and recover overpayments from 1,200 vendors submitting 400,000 claims a year. In eight years, these staff could review only 235 or about 19% of these vendors, recovering about \$10 million in overpayments. If more resources were dedicated to these reviews, recoveries likely would have increased.
- The Ministry needed to be more proactive following up on and taking timely action against vendors suspected of abusing the Program. Without early action, there was a risk of difficulties in overpayment collection. For example, the Ministry had found 13 vendors that were abusing the Program from 2009 to the time of the audit, but could recover only \$1,000 (or 0.02%) of the almost \$5.5 million in ineligible claims paid to them.
- The Ministry did not regularly conduct follow-up reviews of vendors known to have submitted ineligible claims. For example, one such vendor repaid about \$250,000 in 2015/16. However, the vendor continued to submit claims and had received a total of about \$5.8 million in 2016/17 and 2017/18.
- Device pricing reviews were not conducted consistently and effectively. The Ministry reviewed prices for all models of a device to set the Ministry’s Program-approved price for paying vendors. However, though the Ministry found that an approved model of a sleep apnea device had a retail price of under \$400, it still kept the Program-approved price for all models at \$860. This results in the Ministry paying more than it needs to for certain devices.
- Our review of a sample of manufacturer and vendor invoices found varying mark-ups, with some exceeding 200%. We also found instances where vendors charged clients up to \$1,000 (or about 60%) more per hearing aid than what the Program policy allowed.

More Ministry compliance work was needed to ensure vendors were not taking advantage of clients.

- The Ministry required vendors of certain devices to include serial numbers on invoices to ensure it was not paying for used or returned devices. However, the Ministry's system was unable to confirm before paying a claim if a serial number had been entered on an invoice at all, or if the same number had already been used. We reviewed claims in 2017/18 and identified 7,500 that did not list serial numbers, and almost 2,300, worth about \$1.5 million, with duplicate serial numbers, that were paid.
- The Ministry's eight-year-old information system could have been updated to accept claim submissions electronically. However, at the time of our audit, the Ministry was still accepting claims by mail only. The Ministry had begun work on system changes in 2018 that would allow electronic submissions. This work was scheduled to be fully completed this year.

We made 10 recommendations, consisting of 18 action items, to address our audit findings.

We received a commitment from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and June 2020. We obtained written representation from the Ministry of Health that effective October 5, 2020, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Insufficient Oversight of Vendors Results in Ministry Paying for Ineligible Claims—and Clients Overpaying or Receiving Devices They Don't Need

Recommendation 1

To identify ineligible claims and non-compliance issues and prevent their reoccurrence, we recommend that the Ministry of Health and Long-Term Care (Ministry):

- *increase its work to monitor vendors' and authorizers' compliance with the policies and procedures of the Assistive Devices Program (Program);*

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry reduced its staffing resources on oversight activities, even though 99% of all reviews of vendors in the previous eight years found instances of vendors not complying with Program policies. Vendors are registered with the Ministry to sell devices to clients based on what an authorizer has prescribed. An authorizer is a qualified health-care professional registered with the Ministry who performs an assessment and recommends a device that is appropriate for the client's needs.

In our follow-up, we found that the Ministry had increased its monitoring of vendors' and authorizers' compliance with the Program's policies and procedures through improved tools and reporting, which included the following:

- In May 2020, the Ministry transferred data reporting from its existing Assistive Devices Application Management system to its new Business Intelligence/Data Analytics platform. The Ministry said this will enable quicker, easier, streamlined and scheduled reports.
- In May 2020, the Ministry also improved its review, standardization and distribution of reports in support of audit and verification

activities. For example, a standardized Comparative Vendor Payment Report is being provided on an ongoing basis to staff performing verifications, as well as to a wider range of Program staff, enabling a broader and more comprehensive review of data.

The Ministry also plans to expand the Program's audit/verification function. In July 2020, the Ministry initiated recruitment (following approval) to further support verification activities. Further expansion will occur through assigning additional staff resources in December 2020.

- *conduct follow-up reviews of vendors with a history of non-compliance with the policies and submitting ineligible claims until issues have been addressed and corrected;*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we noted that while the Ministry found instances of vendors submitting ineligible claims in almost all vendor reviews completed over the last eight years, it did not regularly perform follow-up reviews on these vendors to ensure that they corrected their issues and complied with Program policies. In most cases, these vendors continued to operate as registered vendors with the Ministry and submitted claims with high values.

In our follow-up, we found that in November 2019, the Ministry developed a Standard Operating Procedure for reviewing vendors registered with the Program. The Standard Operating Procedure describes how the Program will conduct audits and compliance reviews of registered vendors. The Standard Operating Procedure includes a requirement to follow up with vendors with a history of non-compliance with Program policies. The Program will continue to conduct follow-up reviews of those vendors until issues have been addressed and corrected. This will enhance the Program's ability to identify ineligible claims and non-compliance issues and prevent their reoccurrence. The Program

will enhance its Annual Vendor Review Plan by December 2020 in order to capture a section dedicated to follow-up reviews of vendors with a history of non-compliance.

- *document and track work performed on and the results of oversight activities (including vendor reviews and client verification letters sent and responded to);*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we noted cases where correspondence and details in the files related to the vendor reviews were missing. Therefore, we were unable to trace all of the steps that were performed and determine when the Ministry made recoveries identified in these reviews.

As noted in the action item above, the Ministry developed a Standard Operating Procedure for reviewing vendors registered with the Program. The Standard Operating Procedure outlines a process to document and track work performed on and the results of oversight activities (including vendor reviews and client verification letters sent and responded to). The Ministry also developed a template for tracking client verification letters sent and responded. This will better enable the Program to identify ineligible claims and non-compliance issues. The Ministry expects that the Standard Operating Procedure will be fully implemented by December 2020.

- *provide mandatory relevant and comprehensive risk-management and fraud-related training to all Program staff on a regular basis.*

Status: Fully implemented.

Details

In our 2018 audit, we found that front-line Program staff did not receive adequate training in detecting possible misconduct or fraud, even though the Ministry informed us it would provide such training following our 2009 audit of the same Program.

In our follow-up, we found that the Program consulted with the Enterprise Risk Management unit at the Treasury Board Secretariat, the Ontario Provincial Police (OPP), and the Ministry's Payment Accountability and Fraud Control Unit (PAFCU) to develop and provide relevant risk and fraud training that would be appropriate for Program staff in different roles.

Program staff received mandatory relevant and comprehensive risk-management and fraud-related training on a number of occasions in 2019/20. For example:

- On August 7, 2019, Enterprise Risk Management training materials were forwarded to all Program staff. The recipients were asked to review and confirm via reply email that they had reviewed the documentation included.
- On October 2, 2019, all Program staff attended a fraud detection training session held by the OPP.
- On September 24 and 26, 2019, the Program's managers, together with other managers at the Ministry Drugs and Devices Division, attended an Enterprise Risk Management Workshop led by the Treasury Board Secretariat.
- On October 18, 2019, the Program's Senior Program Co-ordinators, the Team Lead and management also attended an Enterprise Risk Management Workshop led by the Treasury Board Secretariat with the goal of creating awareness of risk monitoring and mitigation strategies.

In collaboration with the Treasury Board Secretariat, the Program developed a Risk Register, where risks to the Program were identified and assessed and mitigation plans were developed. The Program also standardized requirements for risk-management and fraud-related training on a regular basis for all Program staff as part of the documentation in the Risk Register.

The Program continues to consult with the PAFCU and participate in the Ministry's Fraud Control Working Group and Fraud Control Stra-

tegic Oversight Group to share experiences, best practices and successes with an aim to improve the Ministry and Programs' risk-management and fraud-related detection and deterrence.

Recommendation 2

To detect and deter potential misuses or abuses of funding from the Assistive Devices Program (Program), we recommend that the Ministry of Health and Long-Term Care:

- *closely monitor patterns and trends of claims to identify misconduct, including conflict of interest in the relationships between authorizers and vendors;*

Status: Fully implemented.

Details

In our 2018 audit, we found a number of unusual claim patterns and trends that indicated potential misuses or abuses of the Program. However, the Ministry had not looked into these claim patterns even though we raised a similar concern in our 2009 audit of the same Program.

As mentioned in action item two of **Recommendation 1**, the Ministry developed a Standard Operating Procedure in November 2019 for reviewing vendors registered with the Program. The Standard Operating Procedure outlines the process of monitoring patterns and trends of claims to identify misconduct, including conflict of interest in the relationships between authorizers and vendors. The Program also has been working with the Ministry's Health Data Science Branch to develop a report to identify data and trends that will assist with determining conflict of interest between authorizers and vendors. This will enhance the Program's ability to detect potential misuses or abuses of funding related to conflicts of interests.

As well, the Program had undertaken a review of vendor registration policies and procedures to enhance its ability to detect and deter potential misuses or abuses of funding. The Program prepared a briefing note on the Vendor Registration

Review that summarized the findings of the review and included the steps required for implementation. The Program implemented these changes on August 28, 2020.

- *take appropriate and timely action against vendors and authorizers who breach Program policies (such as recovering overpayments from vendors and terminating vendors' and authorizers' registration status with the Ministry);*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that while the Ministry had taken action in most cases to terminate its registration with vendors suspected of abusing the Program, it was not always able to make recoveries from these vendors for past non-compliant claims. As mentioned in action item two of **Recommendation 1**, the Ministry developed a Standard Operating Procedure in November 2019 for reviewing vendors registered with the Program. The Standard Operating Procedure outlines a process for taking appropriate and timely action against vendors and authorizers who breach Program policies. Corrective actions documented in the Standard Operating Procedure include recovering overpayments from vendors and terminating vendors' and authorizers' registration status with the Ministry. The Ministry expects that the Standard Operating Procedure will be fully implemented by December 2020.

- *conduct an annual review of the Central Equipment Pool for High Technology Wheelchairs (CEP) to examine claims submitted and services delivered by the vendor that operates the CEP, and identify and address any concerns.*

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry had not reviewed the current vendor contracted to operate the Central Equipment Pool for High Technology Wheelchairs (CEP), even though expenditures

increased significantly since this vendor took over from the previous one, and authorizers expressed concerns about the quality of services provided.

In our follow-up, we found that the Program amended the agreement with the CEP service provider to ensure the appropriate oversight of the CEP. Beginning in 2019, the CEP service provider was required to provide the Program with an Annual Service Plan as well as multi-year and year-end reports. The Annual Service Plan outlines the anticipated and expected goals of the CEP program for the coming year, including but not limited to, performance metrics, training opportunities and risk mitigation. Both the agreement amendment and the 2019/20 Annual Service Plan had been completed. The 2019/20 CEP Annual Review took place in April 2020. The Program then met with the CEP's service provider on May 21, 2020, to discuss claims submitted and services provided in 2019/20 as well as options for service improvements. CEP's service provider has also provided its cost savings report to the Program.

In addition to providing reports outlined in the amended agreement, the CEP service provider will also enhance reporting that directly impacts program effectiveness going forward. For example, it will create a more accurate measure to identify the average time from a completed request to providing equipment. Furthermore, the CEP service provider will develop new measures of factors that may influence how long they take to complete a service.

Recommendation 3

To better ensure clients receive access to a choice of vendors, and to better ensure equity and fairness for home oxygen vendors, we recommend that the Ministry of Health and Long-Term Care conduct a review of its decision to allow joint ventures and preferred-vendor agreements to exist and determine whether any change is needed to protect the interests of both clients and vendors of the Assistive Devices Program.

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that as a result of the profit-sharing structure of the joint ventures, each hospital had an incentive to refer its clients to the single home oxygen vendor that was part of its joint venture because it obtained a share of the profits earned. This could result in clients being referred to a specific vendor without being given the opportunity to determine which vendor would best meet their needs.

In our follow-up, we found that the Program had completed a review on joint ventures and preferred vendors for home oxygen therapy. The goal of the review was to assess whether changes were required to the Program policies to protect the interests of both clients and vendors.

As part of its review, the Ministry performed the following:

- reviewed the Program's data, including the 2015 Home Oxygen Therapy Client and Stakeholder Survey, Evaluation of Home Oxygen Therapy by the Ministry's Health Analytics and Insights Branch, vendor payments, and types of oxygen delivery systems provided to Program-funded clients; and
- consulted with stakeholders involved with the care and management of Ontario residents who need home oxygen therapy. Examples of stakeholders included the Ontario Thoracic Society, the Ontario Lung Association, the Ontario Hospital Association, the Ontario Long-Term Care Association, the College of Physicians and Surgeons, the College of Respiratory Therapists of Ontario, the College of Nurses of Ontario, Ontario Home Respiratory Services Association and ProResp Inc.

Based on the review, the Program proposed some changes to joint ventures and preferred-vendor agreements for home oxygen therapy. These changes are subject to government approval. The Program expects to finalize the changes by December 2020 after collecting feedback from various stakeholders.

Device Prices Not Appropriately Monitored and Updated

Recommendation 4

To better ensure that prices for the devices funded by the Assistive Devices Program (Program) are reasonable and keep pace with changes in the market, we recommend that the Ministry of Health and Long-Term Care:

- establish a consistent pricing review model by taking current market prices, manufacturer costs and other factors (such as volume discounts and technological advances) into consideration when updating Program-approved prices;

Status: Fully implemented.

Details

In our 2018 audit, we found that not all pricing reviews were conducted consistently according to the Program's guideline. Most pricing reviews did not consider manufacturer costs, which would have provided the Ministry with better insight into the actual costs of the devices and the appropriate mark-ups to be factored into the Program-approved prices.

In our follow-up, we found that the Ministry developed a Pricing Review-Standard Operating Procedure in February 2020. This helps address the need to establish a consistent pricing review model by taking current market prices, manufacturer costs and other factors (such as volume discounts and technological advances) into consideration when updating Program-approved prices.

The Pricing Review-Standard Operating Procedure includes updating Program-approved device prices through the following steps:

- Gathering information through a jurisdictional scan, market investigation of off-the-shelf products available for purchase at retail locations, and research of vendor cost (including the manufacturer cost, manufacturer price and vendor mark-up) and/or expert advice.

- Assessing the information based on relevance, reliability, accuracy and completeness.
- Developing options based on the information.
- Assessing the impact of the options by identifying stakeholder risks, operational risks, financial risks and policy risks as well as developing corresponding mitigation and communication strategies.
- Making recommendations based on the assessment of pricing options and obtaining approval for implementing the recommendations.

The Ministry has been following the Pricing Review-Standard Operating Procedure in performing pricing reviews when updating Program-approved prices. The most recent example includes the price reduction for adult wheeled walkers and positive airway pressure systems, which will take effect on January 1, 2021.

- *collect and retain all documentation to support decisions made relating to device pricing;*

Status: Fully implemented.

Details

In our 2018 audit, we found that supporting documents on the cost of some devices were missing for some pricing reviews. As a result, we were unable to verify whether the Ministry had determined and updated device prices appropriately.

As mentioned in the action item above, the Ministry developed a Pricing Review-Standard Operating Procedure in February 2020. This helps address the need to collect and retain documentation to support decisions made relating to device pricing.

The Pricing Review-Standard Operating Procedure includes the following process for documenting the pricing review:

- Saving all documents collected for pricing reviews in the Program's shared drive, including but not limited to, online sources from publicly available websites, correspondence received from ministry staff and manufacturers and vendors, and data from the Assistive Devices Application Management system.

- Saving all analysis based on raw data and information provided by the Program's co-ordinators in the shared drive, including but not limited to, pricing calculation spreadsheets, briefing notes for management and presentation decks.

The Program has been following the Pricing Review-Standard Operating Procedure in saving all documents collected for pricing review and all analyses based on raw data and information gathered. The most recent example includes the price reduction of adult wheeled walkers and positive airway pressure systems, which will take effect on January 1, 2021.

- *regularly monitor prices and fees (such as dispensing fees) charged by vendors to ensure compliance with Program policies, protect the interests of the Ministry and clients of the Program, and ensure that clients are treated consistently.*

Status: Fully implemented.

Details

In our 2018 audit, our review of a sample of manufacturer and vendor invoices found varying mark-ups from vendor to vendor, with some vendors having mark-ups that exceeded 200%. For hearing aids, we found instances where vendors were charging clients up to \$1,000 (or about 60%) more per hearing aid than the manufacturer cost even though Program policy requires hearing aids to be sold by vendors at the manufacturer cost. This resulted in clients paying more for devices than what Program policy allowed.

As mentioned in action item one of **Recommendation 1**, the Ministry has increased its monitoring of vendors' and authorizers' compliance with the Program's policies and procedures through improved tools and reporting in May 2020. This includes review, standardization, and enhanced distribution of reports in support of audit and verification activities. The activities include vendor compliance with Program policies regarding

additional fees charged. The Ministry said this will enhance its ability to regularly monitor fees (such as maintenance, shipping, and administrative fees in the case of visual aids and communication aids) charged by vendors to ensure compliance with Program policies, protect the interests of the Ministry and clients of the Program, and ensure that clients are treated consistently.

Recommendation 5

To help ensure that funding for continuous positive airway pressure (CPAP) devices is provided to those individuals who need it the most, we recommend that the Ministry of Health and Long-Term Care analyze how other jurisdictions fund CPAP devices and assess the cost and benefit of providing full funding for the device only after a client has demonstrated compliance with CPAP therapy over a trial period.

Status: Fully implemented.

Details

In our 2018 audit, we found that the number of CPAP devices funded by the Program increased by about 50% between 2013/14 and 2017/18. A 2016 review by the Ministry noted that CPAP clients were better off financially than other Program clients and did not always use their devices as required. Despite these concerns, the Ministry had not changed its funding criteria. We also found that Manitoba and Saskatchewan changed their funding approaches in 2018 and 2017 respectively and required individuals to pay more out of pocket for CPAP devices than Ontario did.

In our follow-up, we found that the Program had completed a review on how other jurisdictions fund CPAP devices, completed a cost-benefit analysis of the potential options regarding funding model and eligibility criteria, and undertook a pricing review of the Positive Airway Pressure (PAP) device category, and submitted a proposal to lower the pricing for PAP devices as part of its 2020/21 multi-year plan.

As part of the cost/benefit analysis, the Program consulted with the Ontario Home Respiratory Servi-

ces Association and ProResp Inc., reviewed relevant literature and research, and analyzed the Program's cost/financial risk of providing full funding for the device only after a client has demonstrated compliance with CPAP therapy over a trial period. The Program concluded that requiring compliance with CPAP therapy (such as the number of hours the user wears the device at night) as a requirement to receive funding for a CPAP device may not necessarily result in savings (or may actually result in additional net costs) due to additional vendor fees, uncertainty around compliance rates, and potential administrative costs associated with IT system changes and program oversight requirements. There could be an additional risk as a result of the delay of providing CPAP therapy to patients.

New Information System Not Fully Utilized

Recommendation 6

To better ensure that no duplicate payments are made by the Assistive Devices Program to vendors for used or returned devices, we recommend that the Ministry of Health and Long-Term Care implement controls or automatic checks in its information system to prevent claims from being paid unless a unique serial number has been provided (where required) and entered into the system, and to flag instances where a serial number has already been used.

Status: Fully implemented.

Details

In our 2018 audit, we found that although the Ministry's updated information system had a data field for serial numbers, it was not set up to check, before paying a claim, whether a required serial number had been entered, or whether a serial number had already been used in another claim. Our review of claim data for 2017/18 identified a number of cases where serial numbers were either missing or duplicated.

In our follow-up, we found that the Program worked with the Ministry's Health Services I&IT

Cluster to identify changes to the Assistive Devices Application Management (ADAM) system that will allow for automatic checks of device serial numbers. This system change will prevent claims from being paid for devices with no serial number in order to ensure that the Program will not make duplicate payments to vendors for used or returned devices.

In January 2019, the Program approved the ADAM Enhancement Requirements to incorporate serial number rules into the ADAM system. Specifically, the rules include making a serial number mandatory for applicable device categories, creating a new data field in the system to record a serial number, and putting an indicator (Yes/No) for each device. If the invoice has no serial number, the system will flag this and put the invoice on hold until a serial number is entered. In February 2019, these requirements were implemented, and in cases where a serial number was required, no payments have been made for invoices with no serial number.

Recommendation 7

To better ensure that the Assistive Devices Program (Program) identifies and recovers overpayments, we recommend that the Ministry of Health and Long-Term Care require Program staff to regularly run reports that identify all instances of potential overpayments related to clients who have passed away, and follow up with all vendors related to these instances in order to collect overpayments.

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that while the Ministry's information system allowed Program staff to run a report that identifies all instances where a payment was made after a client died, Program staff did not regularly run this report and follow up on all instances to identify and recover overpayments. Doing so could result in significant recoveries.

As noted in action item two of **Recommendation 1**, the Ministry developed a Standard Operating Procedure in November 2019 for reviewing

vendors registered with the Program. The Standard Operating Procedure outlines steps for running reports that identify all instances of potential overpayments related to clients who have passed away, and steps regarding following up with vendors in order to collect overpayments.

The Standard Operating Procedure also include transfer of data reporting from the existing system, Assistive Devices Application Management (ADAM), to the new Ministry's platform, called Business Intelligence/Data Analytics (BIDA) platform. The Program has reviewed internal data reports and developed new reporting processes related to overpayment verification. The Program has made an IT change request related to the overpayments verification report to support the review and recovery of overpayments made to clients who have passed away.

The overpayment report, which identifies all instances of potential overpayments relating to clients who have passed away, is available and ready for distribution to a wider range of Program staff for review on a regular basis. The Ministry expects to distribute the report to Program staff for regular review by December 2020.

Recommendation 8

To improve the operational efficiency of the Assistive Devices Program (Program), we recommend that the Ministry of Health and Long-Term Care:

- *assess the feasibility of requiring vendors and authorizers to separately submit claims and supporting documentation electronically to enhance compliance with Program policies and procedures;*

Status: Fully implemented.

Details

In our 2018 audit, we found that there were further areas of possible improvement the Ministry did not include in its implementation plan. For example, the Ministry required a vendor to submit a claim form on behalf of a client and an authorizer even

though electronic claim submission would provide an opportunity for the Ministry to collect more reliable claim details by requiring authorizers and vendors to independently submit their respective claim details to the Ministry electronically.

In our follow-up, we found that the Program had assessed the feasibility of requiring vendors and authorizers to separately submit claims and supporting documentation electronically to enhance compliance with Program policies and procedures. The Program assessed the use of eReferral and other Digital Health solutions under the Ministry's Digital First for Health Strategy.

The Program met with the Ministry's Health Services I&IT Cluster and the Digital Health Program to discuss the Program's system needs and additional functionality, allowing for a digital approval of a claim by a health professional or authorizer and an electronic submission of associated documents. Based on the discussion, the Ministry determined that in order to avoid duplication, it will not pursue a one-off solution for the Program, but will consider digital solutions already being used or planned in the broader health-care system.

Upon reviewing existing digital solutions, the Ministry decided that no appropriate solution is currently available across the province that could be adopted for the Program. For example, a digital solution called eReferral was identified as a potential solution, but it has not been scaled up across all regions of the province and so was determined not to be suitable for the electronic forms-based process required by the Program for claims. As part of the Digital First for Health Strategy, the Ministry has started developing an eServices program that will integrate eReferral and eConsult programs for expansion across the province. These are tools focused on supporting health-care providers to improve clinical workflows, improve access to specialists, decrease wait times, and improve overall patient experience. Over time, other eServices, such as eForms, eOrdering, and ePrescribing, will be incorporated. As the Ministry's Digital First for Health Strategy projects proceed over the next

few years, the Program will be notified if any new potential provincial solutions have been identified that can be adopted or aligned with the Program's needs and prioritized for implementation.

In summary, the Ministry continues to enhance the existing Program's database to support the electronic submission of claims by vendors through its eSubmission project. However, the Ministry has determined that it is not feasible at this time to enable full digital integration of the Program's claim process until a province-wide appropriate electronic solution is identified in alignment with the Digital Health Strategy.

- *monitor the status of its project to implement electronic claim submissions to ensure implementation meets the schedule without delay.*

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry's information system, which was implemented almost eight years ago, could be upgraded to allow Program staff to accept claims electronically. However, the Ministry still only accepted hardcopy (paper) claims delivered by mail or courier. While the Ministry began work in 2018 on changes to its computer system to allow vendors to submit claims electronically, this work was not scheduled to be fully completed until mid-2020, about nine years after the system was put in place.

As noted in the action item above, the Ministry continues to enhance the existing Program's database to support the electronic submission of claims by vendors through its eSubmission project. The Ministry has been monitoring the status of its eSubmission project to ensure the implementation meets the schedule without delay through conducting monthly information technology meetings and updates to senior management on the status of the project. As of February 19, 2020, an electronic solution was implemented to allow the vendors registered with the Program to submit their invoices electronically. Additional functionalities will

be implemented as part of the continuous system enhancement efforts to better support the Program. The Ministry will continue to monitor the progress of these enhancements.

Measurement and Reporting of Program Performance Needs Improvement

Recommendation 9

To improve claim processing times of the Assistive Devices Program (Program), we recommend that the Ministry of Health and Long-Term Care review the Program's claim approval, invoicing and payment processes to identify ways of simplifying and modernizing its current manual process (such as introducing an electronic online claim application and invoicing system).

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry still accepted only hardcopy claims from vendors, resulting in unnecessary delays for clients and potential errors. Our review of 2017/18 claim data found that approximately 46% of claims took longer than the Ministry's eight-week target for processing claims and the average claim processing time varied significantly by device category.

In our follow-up, we found that the Ministry reviewed the Program's claim approval, invoicing and payment processes to identify ways of simplifying and modernizing its current manual process.

As mentioned in the first action item of **Recommendation 8**, the Ministry continues its efforts to support secure electronic submission of claims and invoices for devices funded through the Program. As of February 19, 2020, an electronic solution was implemented to allow vendors registered with the Program to submit their invoices electronically. This was supported with the release of an electronic submissions process to vendors called the Technical Specification for Electronic Invoice Submissions. This has replaced the former manual process. The

Ministry said this has helped reduce processing times with clients, who will receive their devices faster, lower vendors' administrative costs and improve the quality and security of data. As part of the continuous system enhancement efforts, additional functionalities will be implemented to better support the Program.

In October 2019, the Ministry also started implementing mandatory Electronic Funds Transfer for grant recipients of the Program to minimize costs to the Ministry on administering cheques. The Ministry said this change allows clients to receive their funding quickly, securely and conveniently.

Recommendation 10

To better ensure that the results of client satisfaction surveys accurately measure the performance of the Assistive Devices Program (Program) and provide value to the Program, we recommend that the Ministry of Health and Long-Term Care review the survey methodology used and make necessary changes to improve the representativeness of survey results (such as by increasing the sample size of clients being surveyed and selecting a representative number of clients to participate in the survey based on the volume and value of claims by device category).

Status: Fully implemented.

Details

In our 2018 audit, we found that the results of Program satisfaction surveys might not have been representative due to shortcomings in the survey method. For example, the number of surveys sent did not reflect the claim volume or value of each device category. Even though mobility devices accounted for almost 12 times more clients and 40 times higher claim payments than those in visual aids, the same number of surveys (about 150) was sent to clients in each of these categories. We also noted that the survey was sent to approximately 2,500 clients, with 850 clients responding, representing only about 0.2% of all clients in 2017/18.

In our follow-up, we found that the Program had completed a review of methodology and client

representativeness of its Client Satisfaction Survey and proposed changes to improve the representativeness of survey results.

As part of the review, the Program analyzed options to enhance the survey methodology in order to improve survey representativeness while considering value-for-money of conducting the survey.

Based on the review of the survey methodology, the Program developed a business case to proceed with the option of extending survey frequency to every three years and modifying survey methodology to make survey results more representative and increase sample size. This will allow the Program to increase its sample size from 2,500 clients to approximately 3,700 clients in its 2020 survey. The Program will use its original survey methodology to determine the survey sample based on volume and value of claims by device category as recommended by our 2018 audit. Modifying the survey methodology will be contingent upon approval of the approach and receiving the necessary funding to conduct the next Client Satisfaction Survey.

Chapter 1

Section 1.02

Ontario Power Generation

Darlington Nuclear Generating Station Refurbishment Project

Follow-Up on VFM Section 3.02, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	3		3			
Recommendation 2	3		3			
Recommendation 3	1		1			
Recommendation 4	3		3			
Recommendation 5	3	2	1			
Recommendation 6	2		2			
Recommendation 7	3		3			
Total	18	2	16	0	0	0
%	100	11	89	0	0	0

Overall Conclusion

As of October 6, 2020, Ontario Power Generation (OPG) had fully implemented 11% of actions we recommended in our *2018 Annual Report*, such as re-assessing its process for reviewing safety incidents to determine why previously identified corrective actions have not reduced the number of safety incidents; and modifying its process of investigating safety incidents that are the same or similar to identify their common cause and prevent their recurrence.

OPG has made progress in implementing 89% of the recommendations, such as reassessing Project risks on a regular basis and updating time estimates, cost estimates and contingency amounts accordingly; reviewing and applying lessons learned from completed Project work to the remaining work on the Project; publicly reporting its progress against Project targets at least quarterly; forecasting the future supply of skilled trades at risk of shortages to determine the impact on the Project and taking action to help mitigate such risk; identifying and training staff to take over work done by

existing staff eligible to retire before the completion of the Project; and reviewing lessons learned on project management approaches from completed Project work and applying them to the remaining work on the Project. As these recommendations span the lifetime of the Project, they will be in the process of being implemented up to October 2026.

The status of actions taken on each of our recommendations is described in this report.

Background

Ontario Power Generation (OPG), a corporation wholly owned by the province, produces more than half of Ontario's electricity at more than 60 hydro-electric stations and two nuclear plants: Darlington Nuclear Generating Station (Darlington Station) and Pickering Nuclear Generating Station.

Darlington Station began operating the first of four nuclear reactors in 1990, and had generally produced over 15% of Ontario's electricity. In 2006, OPG began assessing the feasibility of refurbishing the four reactors to extend their useful life beyond the early 2020s.

In January 2016, OPG publicly announced its planned Darlington Nuclear Generating Station Refurbishment Project (Project), which it estimated would be complete by February 2026 at a cost of \$12.8 billion. The Project was expected to extend the useful life of the four reactors to around 2055. As of June 2020, OPG had spent about \$7.2 billion on the Project (\$5 billion as of June 30, 2018), with about 785 of its own full-time-equivalent staff working alongside another 842 contract staff (980 FTE staff and 1,500 contract staff in 2018).

During our 2018 audit, we found that although OPG faced significant challenges, cost overruns and delays in prerequisite Project work that had begun prior to January 2016, it had applied lessons learned to the remainder of the Project, establishing time and cost estimates based on reliable information and reasonable assumptions.

While OPG had forecast that the Project would meet the time and cost estimates it had publicly announced in January 2016, we found that several significant risks remained. For example, the potential existed for unexpected challenges in 2021, when OPG would begin working on the refurbishment of more than one reactor at the same time. Up to that time, OPG will have worked on the refurbishment of only one reactor at a time.

Some of the other significant observations from our 2018 audit included:

- OPG would be in competition for skilled trades over several years when the Project would overlap with another refurbishment project at the Bruce Nuclear Generating Station. A potential shortage of boilermakers, a specialized trade for removing and installing nuclear reactor unit components, would pose the biggest risk.
- OPG estimated that over 30% of its management staff and nearly all the executives working on the Project would be eligible to retire by 2025, a year before the Project's scheduled completion, potentially creating a major staffing gap. OPG had not yet identified replacements for these potential retirees.
- OPG estimated that it would spend almost \$50 million more overall on Project oversight and support than it had initially estimated. However, OPG had not yet factored in the impact of this additional cost when determining what it would pay contractors.
- Before starting the main refurbishment work on the four reactors in 2016, OPG began 18 prerequisite projects at a total cost expected to exceed \$725 million, or 75% more than its initial estimate. The main causes for the expected cost overrun included a lack of detailed planning and understanding of the work's complexity. This resulted in inaccurate estimates and scoping, poor risk assessment, underweighting technical criteria when selecting contractors, assigning complex work to staff with limited relevant

experience, and poor project management and oversight of contractors.

- While there had been no serious injuries to Project staff, OPG had not met its safety targets. The frequency of safety incidents was mostly unchanged since 2016 when the refurbishment started. OPG could have been more proactive in reducing recurring, preventable safety incidents. For example, an incident in November 2017 resulted in a contractor stopping its 800 staff from working on the Project for two days, costing OPG over \$700,000. There had already been eight incidents that year of workers dropping tools and parts when working at heights.

We made seven recommendations, consisting of 18 action items, to address our audit findings.

We received a commitment from OPG that it would take action to address our recommendations.

Standing Committee on Public Accounts

On April 10, 2019, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2018 audit. In December 2019, the Committee tabled a report resulting from this hearing in the Legislature. The Committee endorsed our findings and recommendations, and made six additional recommendations. OPG reported back to the Committee on April 7, 2020. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.02** of this volume of our *2020 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and July 2020. We obtained written representation from OPG that effective October 6, 2020, it has provided us with a complete update of the status of

the recommendations we made in the original audit two years ago.

Ontario Power Generation Estimates Project Will Meet Time and Cost Estimates, but Should Remain Diligent Until Project Completed

Recommendation 1

To ensure that the Darlington Nuclear Generating Station Refurbishment Project (Project) is completed in a timely and cost-effective manner and that public reporting on Project progress is complete and accurate, we recommend that Ontario Power Generation continue to:

- *reassess Project risks on a regular basis and update time estimates, cost estimates and contingency amounts accordingly;*

Status: In the process of being implemented by October 2026.

Details

At the time of our 2018 audit, OPG estimated that the Project would be completed on time (February 2026) and within its total estimated cost (\$12.8 billion) that was publicly announced in January 2016. However, we noted that a number of significant risks remained, which required OPG to be vigilant in order to keep to its budget and timeline for the Project.

In our follow-up, we found that OPG has reassessed Project risks on a regular basis and has updated time estimates and cost estimates accordingly. For example:

- Risk specialists at OPG regularly review, assess, and update the risks associated with specific work of the Project such as risks related to staff safety and risks of taking longer to complete complex work.
- Apart from risk assessments, OPG performs weekly project reviews to assess issues related to schedule, execution and cost performance.

- OPG reviews cost and contingency forecasts for each specific work of the Project on a monthly basis. The forecasts incorporate an analysis of trends of current work progress as well as the discrete risks associated with the remaining work.

As well, OPG senior management has reported the Project's status to the OPG executive and the Darlington Refurbishment Committee on a monthly basis. In addition, OPG senior management has reported the Project's progress, risks and forecasts to OPG's Board of Directors on a quarterly basis. The Board's Independent Oversight Advisor independently verifies key cost and scheduling risks, and assesses the accuracy of OPG senior management's reporting of the Project's status.

As a result of the Ontario government's March 17, 2020, declaration of an emergency under the *Emergency Management and Civil Protection Act* related to COVID-19, OPG decided to delay the start of work on each of the remaining units that need to be refurbished (Unit 3, Unit 1 and Unit 4) by four months. The Project is now expected to be completed in October 2026, instead of February 2026, as OPG initially estimated. Of this eight-month delay, half was due to the COVID-19 pandemic and the remaining half was due to the rescheduled completion date of Unit 2. OPG continues to assess and seek ways to manage the impact of the COVID-19 pandemic on the total cost of the Project, which is otherwise continuing to be done within the original \$12.8 billion budget.

OPG will continue to reassess Project risks on a regular basis and update time estimates, cost estimates and contingency amounts accordingly until October 2026 when the Project is expected to be completed.

- *review and apply lessons learned from completed Project work to the remaining work on the Project;*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, our review of OPG's planning process for the Project noted that OPG had been able to keep the Project within its original time and cost estimates mainly as a result of applying lessons learned from different sources.

In our follow-up, we found that OPG and its contractors participated in a Lessons Learned program, where lessons learned from previous Project work are identified, documented, actioned, and incorporated into the planning work for subsequent units. In 2019, over 50 meetings were held to identify lessons learned and changes that could be incorporated into future Project work. This process has generated over 3,900 individual lessons learned, resulting in over 1,160 actions to be taken. As of June 2020, over 850 of these actions had been completed. For example, the planning phase of Unit 2 had experienced late delivery of certain materials, which delayed the completion of some Project work by six months. Based on this experience, OPG expedited the delivery of these materials during the planning phase of Unit 3. In another case, delays occurred with work on Unit 2 as a result of a valve and drain line being plugged. OPG then started cleaning the drain lines before working on the subsequent unit to prevent the issue from reoccurring, and so there were no such delays experienced on Unit 3.

OPG will continue to review and apply lessons learned from completed Project work to the remaining work on the Project until October 2026 when the Project is expected to be completed.

- *publicly report its progress against Project targets at least quarterly.*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that, since 2017, OPG had been publicly reporting on a quarterly basis certain performance measures related to the Project (such as how the Project is meeting the cost and

time estimates that were publicly announced in January 2016). Publicly reporting the progress of the Project continuously against the cost and time estimates was important to keep the Project on time and on budget.

In our follow-up, we found that OPG has publicly reported on the status of the Project via its website on a quarterly basis. For the first quarter of 2020, OPG reported the Project remains on budget and on track for completion in 2026. However, as previously mentioned, the Project is now expected to be completed in October 2026 instead of February 2026, in part because OPG decided to delay the start of work on each of the remaining three units by four months as a result of the COVID-19 pandemic. In addition to the Project's cost and schedule, the public reporting provides details on the Project's quality of work, safety and environmental impact.

OPG will continue to publicly report Project progress against targets, at least quarterly, until October 2026 when the Project is expected to be completed.

Pending Shortage of Skilled Trades and Potential Retirement of Experienced Executives and Management Staff Remain a Significant Risk to Completing Project on Time and on Budget

Recommendation 2

To ensure that the Darlington Nuclear Generating Station Refurbishment Project (Project) has enough skilled tradespeople to perform the necessary refurbishment work, we recommend that Ontario Power Generation (OPG):

- *complete a forecast of the future supply of skilled trades identified as being at risk of shortage to determine the impact of this risk on the Project, and take action to prevent or mitigate such risk;*
Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that OPG faced the risk that there would not be sufficient experienced skilled trades working on the Project, which could increase the risk of errors being made and delays on the Project.

In our follow-up, we found that in 2018, OPG developed a Trades Capacity Initiative to collect supply and demand data on skilled trades, make the best use of the current supply of trades, and build up new sources of trades via outreach activities.

In February 2020, OPG updated its forecasts for skilled trades (boilermakers, millwrights, pipefitters and carpenters) using information from Bruce Power related to its nuclear reactor life extension project work as well as information from non-nuclear industries in Ontario. This process identified that boilermakers remained the skilled trade of highest demand.

OPG has taken mitigating actions to address this risk. For example:

- OPG created a demand and supply model in collaboration with Bruce Power and the International Brotherhood of Boilermakers, which is a trade union in the United States and Canada for boilermakers, to clarify the need for boilermakers on the Project.
- OPG participated in a pre-apprentice program with Durham College and the International Brotherhood of Boilermakers to train 95 graduates to work as boilermaker apprentices. These recruits will be available to both OPG and Bruce Power for their respective nuclear projects.
- OPG, together with other employers (including Bruce Power) in Ontario's nuclear industry, applied to the federal government to hire boilermakers from outside Canada as temporary foreign workers. The federal government approved this application in November 2019.
- OPG applied lessons learned from past Project work to scheduled Project work for Unit 3, so that the peak and average staff headcounts needed at specific periods of time will be lower overall.

OPG is collaborating continuously with Bruce Power and the Electrical Power Systems Construction Association to review industry-wide demand and supply of skilled trades for nuclear work in Ontario until October 2026 when the Project is expected to be completed.

- *work with Bruce Power Limited Partnership (Bruce Power) continuously and closely to manage the demand for staffing resources during the period when both OPG and Bruce Power have refurbishment work under way, and adjust the Project's work plans where appropriate;*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that starting in 2020, OPG would be in competition with Bruce Power Limited Partnership (Bruce Power) for skilled trades such as boilermakers and millwrights. For more than six years, from 2020 to 2026, both OPG and Bruce Power would be refurbishing their stations at the same time.

In our follow-up, we found that OPG and Bruce Power have collaborated to assess the risk of skilled trades not being available and develop strategies to mitigate this. Both organizations' project leadership teams have been meeting on a bi-weekly basis to discuss schedule, risks, and performance of their respective nuclear refurbishment work.

Both organizations will also continue to work together in managing the demand for staffing resources throughout the period of their respective refurbishment work until October 2026 when the Project is expected to be completed. For example, in January 2020, both organizations decided to collaborate each quarter to determine their shared need for various skilled trades.

- *collaborate with other stakeholders (such as the federal and provincial governments, trade unions and colleges) to increase the supply*

of skilled trades (particularly boilermakers) needed on the Project.

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, our review of OPG's data and analysis found that OPG identified a potential shortage of boilermakers as one of its biggest risks to the Project. We noted that the Project would require about 260 boilermakers in 2018 and that this would more than double to almost 550 in 2021.

In our follow-up, we found that OPG has collaborated with a number of stakeholders to improve awareness and interest in skilled trades. For example:

- In March 2019, OPG entered into a sponsorship agreement with Skills Ontario, which partners with school boards, colleges, small businesses, large companies, labour groups and governments to provide opportunities for youth to explore and develop careers in the skilled trades and technologies.
- OPG worked with the federal government to obtain approval for hiring boilermakers outside Canada to work as temporary foreign workers.
- OPG collaborated with the provincial government to train apprentices at Durham College and further support apprenticeships required on the Project.
- OPG reached out to school boards by participating in career fairs and information sessions for both students and educators. These sessions help promote awareness of career opportunities in the skilled trades. For example, in April 2019, OPG presented to educators from the Peterborough Victoria Northumberland and Clarington Catholic District School Board to make them aware of local apprenticeship opportunities and how students can pursue them. In October 2019, OPG also presented to over 600 students from across Durham Region and Northumberland

County to discuss job opportunities for women in traditionally male-dominated fields of science, technology and skilled trades.

- In October 2019, OPG participated in the Durham Region Autoworkers Job Fair that connected individuals affected by an automotive plant's restructuring with training and job opportunities in the nuclear industry.

OPG will continue to look for opportunities for collaboration with stakeholders that can lead to an increase to the supply of skilled trades on the Project until October 2026 when the Project is expected to be completed.

Recommendation 3

To ensure that Ontario Power Generation (OPG) has competent and experienced staff working on the Darlington Nuclear Generating Station Refurbishment Project (Project) throughout the life of the Project, we recommend that OPG identify and train staff to be able to take over work being done by the existing staff (especially executives and management staff) who work primarily on the Project and are eligible to retire before the completion of the Project.

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that OPG estimated over 30% of its management staff and nearly all of its executives from its Darlington Refurbishment group working on the Project would be eligible to retire by 2025 (before the Project's expected completion). While OPG identified internal candidates, who could take over most of these positions, it had not yet done this for 13 positions, including six management staff eligible to retire by the end of 2018.

In our follow-up, we found that OPG developed and conducted succession planning education sessions throughout 2019 for its non-executive management staff. The purpose of these sessions was to provide staff with a better understanding of the value of succession planning as well as the associated processes that help maintain an adequate and

appropriate talent pool of staff across the corporation, including for the duration of the Project.

OPG has identified successors for key management and executive management positions, and for roles that require specialized skills or significant experience to be proficient. Apart from enhancing its internal succession strategies, OPG has also taken external candidates into consideration to diversify staff experiences.

OPG's performance management process requires all regular management staff to have an Individual Development Plan, including those that have been identified as potential successors. Employees work collaboratively with their leaders to identify specific areas for training and development. These efforts ensure that they continue to develop and improve in their current role and/or become ready to be the successful candidate for a future role in which they have been identified as a potential candidate.

OPG will continue to identify and train Project staff until October 2026 when the Project is expected to be completed.

OPG Incurred Additional Costs as Contractors Did Not Perform up to Expectations but Contractors Continue to Be Eligible to Receive Their Full Profit

Recommendation 4

To ensure that contractors working on the Darlington Nuclear Generating Station Refurbishment Project (Project) only receive profit if their performance meets Ontario Power Generation's (OPG's) expectation and that the Project is completed on time and on budget, we recommend that OPG:

- *continue to provide contractors with additional assistance when the contractors are unable to successfully achieve OPG's cost and time targets for Project work;*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that since external contractors were responsible for performing the majority of the Project work, contractors with poor performance or not performing up to OPG's expectations could result in cost overruns and delays. In some cases, OPG provided additional assistance to support contractors to perform Project work more efficiently, which helped the Project remain on time and within its cost estimate.

In our follow-up, we found that OPG has continued to work with contractors and provide them with additional assistance as deemed necessary. In 2019, OPG created a collaborative "War Room" between its staff and contractors to review documents live, which has allowed OPG to inform contractors of its expectations in real time. This has improved the quality of documentation and expedited the process of reviewing and approving documentation. OPG has also implemented a strategy to identify most capable staff from both OPG and contractors, so that they can work together to improve efficiency and avoid delays of Project work. This strategy is expected to save the Project about \$12 million for work on Unit 3 alone.

OPG will continue to provide contractors with additional assistance as deemed necessary until October 2026 when the Project is expected to be completed.

- *track and consider taking action to recover the cost of additional support provided to contractors above what was expected when contracts with the contractor were signed;*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that OPG had to provide more assistance (mainly supervisory or management assistance) to contractors than it initially estimated to keep the Project on time and on budget.

In our follow-up, we found that OPG has continued to provide additional support to contractors through secondments. OPG indicated that seconding, or letting its staff work for the contractors, leverages unique plant-specific expertise while also reducing training and travel costs as its staff being seconded tend to live locally.

OPG has tracked the number of its staff being seconded and anticipated about five to eight of its staff will be seconded to contractors for Unit 3, which is estimated to be completed in January 2024. These staff are expected to earn a total of about \$3 million over the time period they are seconded to the contractor, which OPG would pay whether the staff were OPG or contractor personnel.

OPG will continue to track the costs associated with the support provided to contractors and retains contractual rights to recover these costs, as deemed appropriate, until October 2026 when the Project is expected to be completed.

- *take any assistance and support provided to contractors into consideration when evaluating contractors' performance and determining contractors' profit.*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that while OPG estimated that it will spend overall almost \$50 million more on Project oversight and support than it initially estimated (including costs associated with providing additional support to contractors), it has not considered these additional incurred costs when determining the amount of profit to pay the contractors.

In our follow-up, we found that OPG has reserved the right to take support provided to contractors into consideration when evaluating contractors' performance or determining profit.

As of June 2020, OPG has not reduced its payments to contractors as a result of seconding OPG staff to support the contractors. OPG believes in this

collaborative approach of seconding a relatively small number of its staff (only about five to eight for Unit 3) to help the contractors because it results in no additional cost to OPG. (Staff who are seconded to contractors continue to receive their salary from OPG without additional billings for the work they perform for the contractor.) It also helps ensure that contractors do not hesitate to take on support provided by seconded staff from OPG whereas they might hesitate to hire additional contractors if it will reduce their profits.

OPG will continue to take any assistance and support provided to contractors into consideration when evaluating contractors' performance and determining contractors' profit until October 2026 when the Project is expected to be completed.

Insufficient Action to Prevent Recurring Safety Incidents Affects Worker Safety and Project Costs and Timelines

Recommendation 5

To ensure that the number of safety incidents on the Darlington Nuclear Generating Station Refurbishment Project (Project) remains as low as possible, we recommend that Ontario Power Generation:

- *perform a review of its process for reviewing safety incidents to determine why previously identified corrective actions (such as those related to falling objects) have not effectively reduced the number of safety incidents occurring on the Project;*

Status: Fully implemented.

Details

In our 2018 audit, we found that while the severity of safety incidents on the Project had been low, the frequency of safety incidents was mostly unchanged. Project staff's rate of safety incidents remained about the same since 2016 (when actual refurbishment work started) at about 0.5 safety incidents for every 200,000 hours worked between

2016 and the first half of 2018. This was higher than OPG's targets of 0.24 in 2016 and 0.37 in 2017 and 2018.

In our follow-up, we found that in December 2019, OPG performed an analysis of all 2018 and 2019 safety incidents to assess the effectiveness of corrective actions applied in response to specific safety events. This analysis identified that the overall number of safety incidents deemed as having a "High Maximum Reasonable Potential for Harm" had dropped from 13 in 2017 to four in 2018 and five in 2019. For example:

- the number of safety incidents involving working at heights dropped from seven in 2017 to one in 2018 and two in 2019;
- the number of safety incidents involving material handling dropped from two in 2017 to zero in 2018 and zero in 2019; and
- the number of safety incidents involving falling objects changed from three in 2017 to one in 2018 and three in 2019.

- *develop new initiatives to address safety concerns related to the Project and meet its safety performance targets;*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that to address safety concerns, OPG rolled out a number of safety-improvement initiatives in early 2017, which included communicating its expectations on nuclear safety to its staff and contractors' staff. However, these initiatives had not significantly reduced OPG's rates and number of safety incidents. Therefore, OPG needed to further strengthen its safety-improvement initiatives throughout the remainder of the Project to prevent or reduce safety incidents in order to protect staff working on the Project.

In our follow-up, we found that in May 2019, OPG rolled out an enhanced proactive safety awareness and planning initiative. Under this initiative, OPG staff use past data and lessons learned to

assess upcoming Project work, identify areas of higher risk, and develop targeted programs aimed at preventing safety incidents.

OPG has also made other changes in 2019, including providing staff with new gloves and cut-resistant liners, to improve safety for staff working on the Project. Consequently, the number of first aid and medically treated injuries has dropped, from six before these changes to three (as of June 2020).

In both 2018 and 2019, OPG had a target rate of 0.37 safety incidents for every 200,000 hours worked. The actual rate of incidents was 0.38 in 2018 and 0.52 in 2019, above the target in both years. For 2020, the target incident rate was changed to 0.40 and the actual rate was 0.27 (as of June 2020), which was below the target.

In order to meet its safety performance targets, OPG will continue to develop new initiatives to address safety concerns related to the Project until October 2026 when the Project is expected to be completed.

- *modify its process to investigate safety incidents that are the same or similar in order to identify their common cause in order to take action to prevent their recurrence.*

Status: Fully implemented.

Details

In our 2018 audit, we found that OPG investigated individual incidents, but could do more to prevent recurring incidents (such as staff dropping tools from above ground that nearly hit others). For example, an incident occurred when a worker dropped a bag containing pieces of metal from over 35 feet above ground, almost hitting a worker. There had already been eight incidents that year with a common cause (where workers had dropped tools and parts when working at heights above ground) and this incident could have resulted in a serious injury or the death of a worker.

In our follow-up, we found that in September 2018, OPG modified its process of investigating

safety incidents. Specifically, it developed a new guideline on how to use its Learning Focus Groups to analyze the context of a safety incident to see if improvements can be made to organizational processes to reduce the reoccurrence of the incident. A facilitator works with staff involved in the safety incident to understand exactly how the incident occurred in order to identify improvements. This approach has been used as part of OPG's assessment of safety incidents involving material handling; two such incidents in 2017 were assessed as having a "High Maximum Reasonable Potential for Harm", while there were no such further events in 2018, 2019 or 2020 (as of June 2020).

Post-payment Audits Need to Be Continued to Identify and Prevent OPG's Overpayments to Contractors

Recommendation 6

To ensure Darlington Nuclear Generating Station Refurbishment Project (Project) contractors are paid only for eligible expenses that have actually been incurred, we recommend that Ontario Power Generation:

- *continue to perform post-payment audits regularly on Project contractor payments and recover any overpayments identified in these audits from contractors;*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we noted that OPG hired external auditing firms to perform post-payment audits and assess whether it paid contractors working on the Project accurately according to the terms of the contracts. Since these audits resulted in the recovery of almost \$4 million in overpayments to contractors, OPG needed to continue to conduct these audits to encourage contractors to remain focused on accuracy when billing OPG for work performed

and to help OPG identify overpayments throughout the duration of the Project.

In our follow-up, we found that since our 2018 audit, the external auditing firms retained by OPG have performed four post-payment audits to identify overpayments to contractors.

- An audit in April 2019 examined over \$430 million of payments to a contractor between August 1, 2016, and November 30, 2017. This audit found an estimated overpayment of about \$11,000.
- Another audit in January 2020 reviewed over \$280 million payments to a contractor between January 1, 2017 and December 31, 2018. The audit identified an estimated overpayment of about \$5,000.
- The third audit in February 2020 reviewed over \$70 million of payments to a contractor between February 2014 and July 2018. The audit found an estimated overpayment of about \$400,000.
- The most recent audit in March 2020 examined over \$780 million of payments made to a contractor between January 2016 and February 2018. The audit identified about \$550,000 in potential overpayments, which OPG was still investigating.

OPG has recovered or was in the process of recovering overpayments identified through these audits. As of June 2020, there were three post-payment audits in progress and three additional post-payment audits were planned to begin by the end of 2020.

In addition, OPG has developed a post-payment audit plan to identify an audit cycle that should be followed through the completion of the Project. Based on its audit plan, OPG will continue to retain external auditing firms to perform post-payment audits regularly on contractor payments and recover any overpayments identified from contractors until October 2026 when the Project is expected to be completed.

- *where cost-effective, make changes based on the results of the post-payment audits to its contractor invoicing and payment processes to reduce the likelihood that overpayments occur.*

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that based on the results of the post-payment audits, OPG modified its contractor invoicing and payment processes to reduce the likelihood of additional overpayments to contractors. For example, OPG developed a process that requires contractors' project management staff to obtain prior approval from OPG before obtaining a living-out allowance (for staff who have to stay away from home due to Project work). As post-payment audits continued to identify other areas where overpayments to contractors occurred, OPG needed to continue making changes to its invoicing and payment processes in order to prevent or minimize overpayments.

In our follow-up, we found that OPG has not yet made any process changes based on the results from the most recent post-payment audits. Overall, the amount of overpayments identified through these audits has been immaterial (accounting for less than 0.1% of total payments being audited) and has not uncovered any systematic deficiencies that would require further revisions to the existing contractor invoicing and payment processes. Since November 2019, lessons learned meetings were held with staff involved in post-payment audits biannually to identify any findings from the audits that would reduce the likelihood of future overpayments occurring.

OPG informed us that it will continue to retain external auditing firms to perform regular post-payment audits for all major contracts of the Project. It will also further enhance its preventative controls, where cost-effective, to reduce the likelihood of overpayments and identify areas for improvement until October 2026 when the Project is expected to be completed.

Prerequisite Project Work Costs over \$725 Million More Than Initially Estimated and Will Be Completed Later Than Planned

Recommendation 7

To ensure that mistakes made during prerequisite project work on the Darlington Nuclear Generating Station Refurbishment Project (Project) are not repeated, we recommend that Ontario Power Generation continues to:

- perform detailed planning of Project work diligently and appropriately before allowing its senior management team to release funding for refurbishment work during the remainder of the Project;

Status: In the process of being implemented by August 2023.

Details

In our 2018 audit, we found that OPG staff did not develop accurate initial cost and time estimates for most of the prerequisite projects during the planning process because they did not have a detailed understanding of the complexity and specific technical requirements of the work when the estimates were made. As a result, a number of prerequisite projects were not appropriately scoped, which contributed significantly to the underestimation of project costs and cost overruns (totalling over \$725 million).

In our follow-up, we found that OPG has used a phased planning process that incorporates validation and approval points to show that key elements each plan are considered adequate before proceeding. OPG management reviews the detailed plan of each team working on the Project to ensure that it is complete and provides a full understanding of the schedule and budgets, and that it is supported by a risk analysis. Specifically, the plans must include:

- the project scope, including all inherent risks;
- associated estimates for cost and schedule;
- the lessons learned from work on previous units;

- relevant nuclear industry experience; and
- the resources required to complete the work.

This review has provided OPG senior management with an assurance that the Project's teams are ready to execute the work detailed in the plans.

OPG will continue to perform detailed planning of Project work diligently and appropriately before allowing its senior management to release funding for refurbishment work on subsequent units. OPG expects that the detailed planning work on the final unit to be refurbished (Unit 4) will be completed in August 2023.

- review the evaluation scorecards for the remaining Project work not yet contracted and adjust the weightings applied to technical criteria and bid price as necessary to appropriately consider the importance of technical criteria when selecting contractors;

Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found five prerequisite projects (out of 17) where OPG selected contractors that submitted lower bid prices but scored lower on the technical criteria than the competing contractors. Collectively, these five prerequisite projects are expected to cost about \$500 million more than originally estimated. If OPG had scoped these prerequisite projects appropriately by obtaining a detailed understanding of their complexities and placed greater weighting on technical criteria when selecting contractors, it would have saved money and avoided delays.

During our follow-up, we found that OPG revised its procedures for procurement activities in July 2018 and is following them. For example, if an OPG internal group requisitions a contractor, it must now collaborate with OPG's supply chain group to determine the evaluation criteria and weightings for a competitive procurement (such as weighting of technical criteria over bid price).

These criteria and weightings must then be fully disclosed to all participants.

Subsequent to our 2018 audit, OPG has undertaken one competitive procurement related to engineering oversight work for the remaining units that need to be refurbished. The updated procedures were followed, including disclosure of the evaluation criteria and weightings (75% for technical criteria and 25% for bid price).

OPG will continue to periodically review its procedures for procurement activities, including determining the proper weighting of technical criteria as part of its future competitive procurements, as necessary.

- *review and apply lessons learned on project management approaches from completed Project work (including those recommended by advisors) to the remaining work on the Project.*
Status: In the process of being implemented by October 2026.

Details

In our 2018 audit, we found that based on the reports issued by different external oversight parties on the Project, one of the main causes for cost overruns and delays of prerequisite work was OPG's "hands off" approach to project management and its poor oversight of external contractors. In response to the concerns raised by various oversight parties, OPG made changes to improve its oversight and project management approach for the remainder of the Project.

In our follow-up, we found that OPG has continued to review and apply lessons learned from completed Project work to enhance its project

management processes and controls. OPG has also applied recommendations made by its external advisors, including establishing a centralized group that is responsible for ensuring consistency in project management practices throughout the Project. OPG transitioned some of its staff to this centralized group throughout 2019 and finalized specific responsibilities for each staff member in this group in 2020.

OPG has also developed standardized processes and tools based on the industry's best practices, such as the practices of the Project Management Institute and the Construction Industry Institute. In 2019, OPG provided training to over 100 staff (including project managers) on how to use a new reporting system that allowed for Project reports to be generated in a consistent manner by all Project teams.

In addition, OPG has applied lessons learned from completed Project work to the remaining work on the Project. For example, there were some delays in the work on Unit 3 because different OPG internal and contractor work groups created change requests that covered the same area of work. As a result, OPG changed its process for Units 1 and 4 so that the responsibility for making change requests was allocated to only one work group, which should help eliminate multiple change requests covering the same type of work.

OPG told us it will continue to review and apply lessons learned on project management approaches from completed Project work (including those recommended by advisors) to the remaining work on the Project until October 2026 when the Project is expected to be completed.

Chapter 1

Section 1.03

Health Quality Ontario

Follow-Up on VFM Section 3.03, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1			1		
Recommendation 2	5		2	3		
Recommendation 3	1		1			
Recommendation 4	4		3	1		
Recommendation 5	3	2		1		
Recommendation 6	2	2				
Recommendation 7	1			1		
Recommendation 8	2			2		
Recommendation 9	3			3		
Recommendation 10	3		1	2		
Recommendation 11	3			3		
Recommendation 12	1			1		
Total	29	4	7	18	0	0
%	100	14	24	62	0	0

Overall Conclusion

According to the information provided to us by Health Quality Ontario and the Ministry of Health, as of July 30, 2020, only 14% of the actions recommended in our 2018 Annual Report had been fully implemented, and an additional 24% of recommended actions were in the process of being

implemented. Little or no progress had been made in implementing 62% of the recommended actions.

Health Quality Ontario (HQP) had fully implemented recommendations such as streamlining the process for assessing which medical devices and health-care services the Ministry should fund where other jurisdictions had already successfully implemented the medical technology or health-care service, and implementing a standardized verification process

for publicly reported data and to centrally track all discrepancies and errors.

HQO was also in the process of implementing recommendations to increase the number of physicians who sign up for individualized practice reports, evaluate the effectiveness of physician practice reports in changing physician behaviour and improving health-care outcomes, and investigate all significant variances in target setting for quality improvement indicators among providers in the same sector.

However, HQO had made little progress on measuring and publicly reporting on the rate of implementation/adoption of its clinical care standards and on the impact its activities are having on the quality of health care in the province. In addition, HQO had done little to establish ideal ranges for performance targets to be set by health-care providers in their quality improvement plans and to assess the potential benefits of enforcing the use of clinical care standards through the Local Health Integration Networks.

With respect to providing HQO with access to patient-level data, the Ministry of Health made proposed changes to the *Personal Health Information Protection Act, 2004* that would enable HQO to collect, use and share patient-level data for better patient care. However, the Ministry made little progress in clarifying the roles and responsibilities of the key parties in the health-care system, adopting recommendations made by HQO and using the quality improvement tools made available by HQO to health-care providers.

The Ministry informed us that the merger of multiple entities with Ontario Health, including the move of HQO and Local Health Integration Networks into Ontario Health, would have an impact on the timing and implementation of some recommendations.

The status of actions taken on each of our recommendations is described in this report.

Background

Health Quality Ontario (HQO) was an agency funded by the Ministry of Health (Ministry) (formerly the Ministry of Health and Long-Term Care) to advise the province on the quality of Ontario's health care. As of March 8, 2019, the board of the newly created Ontario Health agency became the board for certain agencies consolidated into Ontario Health (Cancer Care Ontario, Health Quality Ontario, eHealth Ontario, Health Shared Services Ontario, HealthForceOntario Marketing and Recruitment Agency, Ontario Telemedicine Network and the 14 Local Health Integration Networks). HQO's operations were transferred into Ontario Health effective December 2, 2019. HQO's role is to support quality improvement in the health-care system. In 2019/20, it spent \$32.4 million (\$44.2 million in 2017/18) for its operations and employed the equivalent of 225 full-time staff (291 in 2017/18).

HQO provides tools such as clinical care standards and information such as health-care performance reporting that health-care providers can use to improve their quality of care.

However, HQO had difficulty assessing and demonstrating its impact on the quality of health care in Ontario. This was largely because its recommendations and advice were not required to be implemented by the Ministry or Local Health Integration Networks (LHINs), the two parties that provided funding to and have accountability agreements with health-care providers.

The focus of the LHINs and health-care providers was to meet their own performance goals—and these might not have always corresponded to the areas that HQO identified as needing improvement in the Ontario Health system. Similarly, the Ministry and the LHINs both had the ability to require that HQO's clinical care standards be used by health-care providers, but were not doing so. (Clinical care standards describe the care patients

should be getting for a specific medical condition in line with current evidence of best practices.)

Among the specific issues we identified:

- Although HQO was setting priority performance indicators for the different health-care sectors, it did not identify a minimum target or an ideal target range for each indicator. Therefore, health-care organizations (that is, hospitals, long-term-care homes, home-care teams and primary-care teams) were setting their own targets. We found large variations in targets set by health-care organizations in their quality improvement plans, meaning that the quality of care patients received would have varied depending on where they received their care.
- HQO was not monitoring the adoption rate of the clinical care standards it had developed, and the Ministry-accepted medical devices and health-care services HQO was recommending. Nor was it assessing what impact its work, including the annual performance data it published, was having on the overall quality of health care in Ontario.
- HQO was not assessing the training and potential resources required by health-care providers to implement a clinical care standard. Stakeholders we spoke with said they would have welcomed more guidance on implementing standards. Between May 2015 and September 2018, HQO had released 14 clinical care standards with a total of 166 quality statements (meant to guide clinicians and patients on what high-quality care looks like) and 235 recommendations for implementation (meant to help the health-care sector implement a standard).
- One of HQO's four core functions was the assessment of medical devices and health-care services to determine whether the Ministry should fund them. HQO was mostly conducting its own assessments. However, it could have potentially reduced the time taken and money spent to complete these

assessments by collaborating with other jurisdictions or relying on similar work already done in other provinces or by the Canadian Agency for Drugs and Technologies in Health (Agency). In 2017, HQO had started working with the Agency on a limited basis.

- Physicians were not required to receive individualized practice reports prepared by HQO, aimed at changing physician behaviour and improving their practices' performance. As of July 2018, only 32% of primary care physicians and 23% of primary care physicians caring for residents of long-term-care homes had signed up to receive an individualized practice report. Further, these individualized reports did not include performance data on all key provincial improvement priorities.
- With the consolidation of five organizations into HQO in 2011/12, the government had expected cost efficiencies would help lower expenditures from the \$23.4 million spent for the five organizations, combined, in 2010/11. As of March 31, 2018, however, HQO's annual expenditures had increased to \$44.2 million (excluding spending by the Patient Ombudsman's Office) and staffing had increased over the same period from the equivalent of 111 full-time employees to 291. Expenditures had increased partly because HQO's mandate was expanded to include patient relations and because HQO had undertaken more quality improvement initiatives, including the development of clinical care standards.

We made 12 recommendations, consisting of 29 action items, to address our audit findings. At that time, we received commitment from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and July 2020. We obtained written representation from Health Quality Ontario and the Ministry of Health that, effective October 14, 2020, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Health Quality Ontario's Direct Impact on Health Care Is Difficult to Assess

Recommendation 1

To help bring about continuous quality improvement in health care, we recommend that the Ministry of Health and Long-Term Care clarify the respective roles and responsibilities of key parties in the health-care system—including Health Quality Ontario (HQO), Local Health Integration Networks and hospitals—with respect to requiring the adoption of recommendations made by HQO and the use of quality improvement tools made available by HQO to health-care providers.

Status: Little or no progress.

Details

In our 2018 audit, we reported that HQO shared responsibility for quality improvement in the health-care sector with the then Ministry of Health and Long-Term Care, the Local Health Integration Networks (LHINs), and health-care provider organizations, such as hospitals and long-term-care homes. According to a Ministry-commissioned review in 2012, the respective roles of these entities were unclear. Without clear accountabilities and a co-ordinated approach to quality improvement, results had been difficult to achieve as health-care providers were being asked by various organizations to focus their efforts toward many different quality improvement areas.

At the time of our follow-up, the Ministry of Health had not clarified the roles and responsibilities of HQO, Local Health Integration Networks and health-care providers with respect to quality improvement in the health-care sector. The Ministry acknowledged that the introduction of Ontario Health, and the transition of HQO and LHINs into Ontario Health over time, will have an impact on the implementation of this recommendation as the roles of many parties named in the recommendation will be changing. As part of the accountability agreement discussions, the Ministry plans to focus on how Ontario Health and the Ministry can better implement recommendations stemming from HQO's activities (quality improvement plan priorities, individualized practice reports, recommendations on medical devices and health-care services and clinical care standards) and/or how tools developed by these activities can be used to improve quality of care.

Recommendation 2

To determine whether Health Quality Ontario (HQO) is effectively supporting quality improvement, we recommend that HQO measure and publicly report on:

- *the rate of acceptance of its recommendations to the Ministry on medical devices and health-care services for funding;*

Status: In the process of being implemented by March 2021.

Details

Our 2018 audit found that, even though HQO was tracking the rate of acceptance by the Ministry of its recommendations on medical devices and health-care services, HQO was not reporting on it.

At the time of our follow-up, we found that HQO had publicly reported on its website the cumulative rate of acceptance of its recommendations to the Ministry on medical devices and health-care services since it began making these recommendations to the Ministry. In addition to reporting a cumulative acceptance rate, we would

expect HQO to report the rate of acceptance of recommendations made in a single year. Starting in fiscal year 2020/21, HQO plans to update its website annually with this information and will include the annual rate of acceptance of its recommendations.

- *the rate of implementation/adoption of its clinical care standards;*

Status: Little or no progress.

Details

During our 2018 audit, we found that HQO was not tracking whether the clinical care standards, in particular the quality statements it developed with the intent to improve patient outcomes, were being implemented by health-care organizations.

At the time of our follow-up, we noted that HQO was still not tracking and reporting on whether clinical care standards, in particular the quality statements, are being adopted by health-care providers. Since our audit, HQO had developed clinical care standards in 16 additional health-care areas, for a total of 30. We found that HQO was contemplating an approach for measuring the rate of implementation and adoption. For example, for 13 of the 30 clinical care standards, HQO was surveying health-care providers to assess how likely they were to use the standards and measuring how often the standards were downloaded from its website. While the latter provides interesting information, it is not effective in measuring the rate of implementation.

- *the rate of implementation/adoption of its recommendations to the Ministry on medical devices and health-care services for funding;*

Status: Little or no progress.

Details

Our 2018 audit found that HQO was not measuring the rate of adoption of its recommended medical devices and health-care services after the Ministry approved them for public funding.

During our follow-up, we found that HQO had started to review how it could measure implementation and adoption in the context of the transition to Ontario Health, but had not yet finalized an approach.

- *the number and percentage of physicians who sign up for individualized practice reports;*

Status: In the process of being implemented by March 2021.

Details

Our 2018 audit found that HQO was not publicly reporting on the percentage of physicians or hospitals that had signed up to receive and use the individualized practice reports it had developed for them.

At the time of our follow-up, we noted that HQO had reported the number and percentage of individuals that had signed up for the individualized practice reports in its 2018/19 annual report. The annual report stated that “3,178 (35% of) family physicians, 230 (93% of) executive directors in community health centres and family health teams, and 440 (55% of) long-term care physicians registered for” individualized practice reports. However, HQO’s annual report for 2018/19 has not been made public. We noted that this information is not published by either the Ministry of Health or Ontario Health. According to HQO, the 2018/19 annual report was submitted to the Minister of Health on July 31, 2019, but had not yet been tabled in the legislature at the time of our follow-up.

In September 2020, HQO publicly reported on its website the total number and percent of physicians who have signed up for individualized practice reports to date. Unlike the annual report it prepared but was not yet made public, it did not report the information by the type of individualized practice report it issues. This is important as each type of report contains performance information on priority areas needing improvement for those types of practices. Starting in fiscal year 2020/21, HQO

plans to annually update information on its website to include the number and percentage of physicians who have signed up for individualized practice reports by type of report.

- *the impact its activities (such as clinical care standards and priority indicators for quality improvement plans) are having on the quality of health care in the province.*

Status: Little or no progress.

Details

At the time of our audit in 2018, HQO was not measuring whether its standards or recommendations were having an impact on the quality of care and leading to better health outcomes for patients.

During our follow-up, we noted that HQO had not finalized an approach to measuring the impact of priority indicators for quality improvement plans or for clinical care standards. According to HQO, work was under way to determine an approach to measuring impact and to integrate greater information on impact into its annual report.

As part of HQO's internal scorecard, it had set baseline statistics for clinical care standards but had not measured the annual impact or the trend in the measure since the baseline year. Although HQO had also explored the potential for tracking the impact of recommended medical devices and services, it had not started to track their impact.

HQO'S Reporting on Health System Performance Not Clearly Effecting Quality Improvement

Recommendation 3

We recommend that the Ministry of Health and Long-Term Care assess whether it is necessary to provide Health Quality Ontario with access to patient-level data in order for it to better meet its mandate of supporting continuous quality improvement.

Status: In the process of being implemented by March 2021.

Details

During our 2018 audit, one of the main reasons provided for why some physicians were reluctant to sign up for individualized practice reports was that the reports' usefulness was limited because the data provided did not identify for the physician the specific patients who may not have been treated correctly. Neither the *Personal Health Information Protection Act, 2004* nor the *Excellent Care for All Act, 2010* allows HQO to access individuals' personal health records for the purpose of producing reports for physicians.

At the time of our follow-up, we noted that the Ministry, as part of its Digital First for Health strategy, had proposed changes to the *Personal Health Information Protection Act, 2004*. The proposed changes will ensure that Ontario Health (including HQO) can collect, use and share personal health information. According to the Ministry, additional regulations are required to define how information can be accessed and used by HQO within Ontario Health. The Ministry expects to have the regulations in place by March 2021.

Recommendation 4

To maximize the likelihood that organizations and physicians receive individualized performance reports focused on targeted quality improvement and can readily act on the information provided, we recommend that Health Quality Ontario in collaboration with the Ministry of Health and Long-Term Care:

- *explore opportunities to increase the participation rate of primary care physicians and long-term-care home physicians receiving individualized practice reports, and consider making receipt and use of these reports mandatory;*

Status: In the process of being implemented by December 2020.

Details

During our 2018 audit, we noted that physicians were not required to receive individualized practice reports and HQO could not provide them unless the

physician signed up voluntarily. As of July 2018, only 23% of long-term-care home physicians and 32% of primary care physicians who were not part of a community health centre had signed up to receive the reports.

Based on the information reported in the 2018/19 annual report, the latest information available at the time of our follow-up, the participation rate by long-term-care home physicians more than doubled from 23% to 55%, but the participation rate for family physicians who were not part of a community health centre increased only slightly from 32% to 35%.

At the time of our follow-up, HQO had taken some action to increase the participation rate of primary care physicians. For example:

- HQO partnered with Ontario Health's Cancer Care Ontario to streamline access to reports issued for primary care physicians. This involved combining notification to physicians on the availability of HQO's individualized practice report and Cancer Care Ontario's Screening Activity Report.
- HQO's individualized practice report for primary care physicians is also featured as part of the College of Physicians and Surgeons of Ontario new Quality Improvement program.
- HQO was working with the Ontario College of Family Physicians to have the review of individualized practice reports and attending related webinars by physicians count toward the accumulation of Continuing Medical Education Credits.

The Ministry stated that it will work with HQO and Ontario Health to determine best practices to increase the participation rate of primary care physicians and further increase the participation rate of long-term-care home physicians. With the integration of HQO into Ontario Health, the agency informed us that it is considering new levers to make participation mandatory, and plans to submit these considerations to the Ministry of Health by December 31, 2020.

- *work toward having physicians receive patient-level data for their own patients, to better target their quality improvement efforts;*

Status: In the process of being implemented by March 2021.

Details

During our 2018 audit, we noted that without patient-level data, physicians were required to search through their medical records to identify the relevant patients. This would be a time-consuming process that takes away from the physician's time that could be spent seeing patients.

At the time of our follow-up, the Ministry had proposed changes to the *Personal Health Information Protection Act, 2004* that would permit Ontario Health (including HQO) to collect, use and share personal health information to allow for better patient care and outcomes. The Ministry expects these changes to be implemented by March 2021. HQO anticipates that the proposed changes will allow HQO to provide personal health information to physicians through the individualized practice reports.

- *provide improvement ideas on all applicable provincial priority improvement areas in reports to physicians and hospital CEOs;*

Status: Little or no progress.

Details

At the time of our 2018 audit, HQO had identified priority improvement areas specific to different health-care sectors—eight priority improvement areas for primary care, eight for long-term-care homes and 12 for hospitals. However, the individualized reports prepared for physicians and hospital CEOs provided information on only four priority areas for primary care physicians, one priority area for physicians providing medical care to residents of long-term-care homes, and one priority area for hospital CEOs.

At the time of our follow-up we noted that there was no plan to include information on all priority improvement areas identified by HQO in

the practice reports. The Ministry indicated that as individualized practice reports are developed and refined, the Ministry will work with Ontario Health (including HQO) to ensure that practice reports reflect provincial priorities.

- *evaluate the effectiveness of physician practice reports in changing physician behaviour and improving health-care outcomes.*

Status: In the process of being implemented by June 2022.

Details

In our 2018 audit report, we reported that HQO had not fully evaluated how effective individualized practice reports had been in changing physician behaviour and improving health-care outcomes. Only one review had been conducted by HQO in 2017 to evaluate the effectiveness of its individualized practice reports on long-term-care home physicians who signed up for individualized practice reports.

During our follow-up, we found that HQO had started two new research studies to evaluate the effectiveness of physician practice reports. One study was to assess the impact of practice reports on antibiotic prescriptions in long-term-care homes, and the other study was looking into the impact of practice reports on opioid prescriptions by primary care physicians. HQO stated that it expected these studies to be completed by June 2022.

Recommendation 5

To improve the accuracy and reliability of publicly reported data on the health-care system, we recommend that Health Quality Ontario:

- *enter into a data-sharing agreement with each data provider that clearly defines the provider's responsibility for data reliability and the verification procedures to be undertaken by the provider;*

Status: Little or no progress.

Details

In 2018 we reported that, for the purposes of producing its 2017 Measuring Up report, HQO obtained data from 11 data providers but had contractual agreements with only five of them. Further, with the exception of one data provider, HQO had not established or did not have written documentation with its providers that clearly defined the provider's responsibility for data reliability and the quality-assurance measures the data provider should undertake to ensure the reliability of the data provided.

At the time of our follow-up, HQO had not amended or entered into any other data-sharing agreements that clearly define the provider's responsibility for data reliability and verification procedures to be undertaken. At the time of the follow-up, HQO was planning to leverage the data available within Ontario Health and enter into new data-sharing agreements with data provider organizations outside of Ontario Health.

- *implement a standardized verification process for data used for each indicator, with consistent management oversight;*

Status: Fully implemented.

Details

Our 2018 audit found that HQO did not specify the procedures that the staff conducting data reliability reviews should use. Since each of the nine HQO staff who conducted reviews used their own technique to assess data quality, there was no consistency of method.

During our follow-up we found that, as of August 2019, HQO has implemented a data quality assessment framework and a data quality checklist that outlines the verification procedures. HQO had assigned an individual to each publicly reported indicator. The individual assigned to the indicator completes the checklist, which is subsequently reviewed and signed off by the manager.

- *develop a process to centrally track all discrepancies and errors, and the corrective measures taken to address them.*

Status: Fully implemented.

Details

Our 2018 audit found that HQO had not developed a standardized process for documenting and addressing errors to reduce the risk of similar errors going undetected.

During our follow-up, we noted that HQO had created an error log to track discrepancies and data errors that had been identified, along with the corrective action taken to address the error. The error log was created in August 2019.

HQO Missing Opportunity to Save Time and Money through Collaboration on Assessments of Health Technology and Services

Recommendation 6

To complete health technology and services assessments in a more efficient and timely manner, we recommend that Health Quality Ontario:

- *streamline the process for health technology and service assessment where other jurisdictions have already successfully implemented the medical technology or health-care service under consideration;*

Status: Fully implemented.

Details

At the time of our 2018 audit, we reported that most other jurisdictions in Canada were relying on the assessments for medical devices and health-care services that were prepared by the Canadian Agency for Drugs and Technologies in Health. The Agency was created in 1989 by Canada's federal, provincial and territorial governments to focus on a co-ordinated approach to conducting assessments.

During our follow-up, we noted that HQO was still conducting a significant portion of its own provincial assessments. However, HQO had

developed an expedited review process that allows it to rely on work already completed by other jurisdictions. According to the process map which HQO developed in 2019, if high-quality assessment information is available, then HQO will rely on that work.

For example, in 2019/20, HQO completed 14 assessments, of which nine were completed by HQO without collaborating with or relying on another jurisdiction. For the other five assessments that year, four were done in collaboration with the Canadian Agency for Drugs and Technologies in Health (one with reliance on another jurisdictional assessment) and one assessment was completed by HQO with reliance on work already completed by the National Institute for Health and Care Excellence in the United Kingdom.

For the five assessments performed between April 1, 2019, and June 30, 2020, where HQO relied on evidence from previously completed assessments, HQO estimated that it saved between two weeks and 29 weeks of assessment time.

- *evaluate whether it would be more timely and cost-effective to adopt, where appropriate, the results of assessments performed by the Canadian Agency for Drugs and Technologies in Health or to jointly work on health technology and services assessments for Ontario.*

Status: Fully implemented.

Details

In our 2018 audit we reported that most other jurisdictions in Canada were relying on the assessments for medical devices and health-care services that were prepared by the Canadian Agency for Drugs and Technologies in Health. The Agency was created in 1989 by Canada's federal, provincial and territorial governments to focus on a co-ordinated approach to conducting assessments.

At the time of our follow-up, HQO was working on eight assessments in collaboration with other jurisdictions. As mentioned earlier, HQO has developed an expedited review process that allows

HQO to rely on work already completed by other jurisdictions. According to HQO, for two assessments it is planning to use another jurisdictional assessment as the evaluation criteria without conducting any further evaluations of its own.

Recommendation 7

To increase implementation of recommendations regarding medical devices and health-care services made by Health Quality Ontario (HQO) and accepted by the Ministry of Health and Long-Term Care, we recommend that HQO provide the guidance and supports required to assist health-care providers to implement the recommended devices and services in cases where the adoption rate is found to be low.

Status: Little or no progress.

Details

In our 2018 audit, we found that HQO did not prepare adoption strategies or supports to help health-care providers implement the approved medical devices or health-care services it recommended. In contrast, HQO prepared adoption strategies for the clinical care standards it develops.

At the time of our follow-up, HQO had not prepared adoption strategies for its recommended medical devices and health-care services. In addition, HQO was not measuring the adoption rate of recommended medical devices and services by health-care providers. The adoption rate would allow HQO to focus and target its supporting resources toward health-care providers and recommended devices and services that have not been implemented.

HQO hired a liaison officer to build and maintain relationships between HQO, the Canadian Agency for Drugs and Technologies in Health and key health-care system partners in order to create and promote awareness of health technology assessments. In November 2019, the liaison officer conducted an online training session for Ontario hospitals on the benefits of cognitive behaviour therapy to increase awareness of HQO's assessment in this area. As of July 2020, this was the only

online training session that had been held by the liaison officer.

Clinical Care Standards Recommended and Improvement Areas Identified by HQO Not Followed

Recommendation 8

To have health-care providers implement clinical care standards on a timely basis and to reduce the variation of care across Ontario, we recommend that Health Quality Ontario, in conjunction with the Ministry of Health and Long-Term Care:

- *prepare training and support material for each clinical care standard, where appropriate;*

Status: Little or no progress.

Details

In our 2018 audit, we reported that HQO was not assessing the training and potential resources required by health-care providers to implement a clinical care standard. We also noted that stakeholders we spoke with told us they would welcome more guidance on implementing clinical care standards.

During our follow-up, we noted that in May 2019 HQO started providing additional training and tools to support the adoption of certain clinical care standards. For example, for the standard dealing with the transition between hospital and home, HQO developed a detailed plan and webinars to raise awareness of the standard and to provide guidance on how to implement it. A similar emphasis was put on the palliative care standard, through webinars and other educational activities. However, HQO had not prepared similar training materials or held training sessions for all clinical care standards. According to HQO, it chose to focus its efforts on a subset of priority quality standards (for example, opioids, transitions in care, palliative) because preparing supporting materials for each standard requires substantial resources.

The Ministry stated that it will work with HQO and support both HQO and Ontario Health as they determine an approach to support adoption of clinical care standards.

- *assess the potential benefits of enforcing the use of clinical care standards through the Local Health Integration Networks.*

Status: Little or no progress.

Details

In our 2018 audit we noted that most health-care sectors (for example, hospitals, community health centres and long-term-care homes) have service accountability agreements with the Local Health Integration Networks (LHINs). However, performance indicators used by LHINs to oversee the operations of these entities are set by the entities themselves and are not required to include clinical care standards.

During our follow-up we noted that neither the Ministry nor HQO had undertaken an assessment of the potential benefits of enforcing the use of clinical care standards through the LHINs. HQO stated that analysis and assessment of enforcing quality standards will be dependent upon the timing of the transfer of the LHINs into Ontario Health and subsequent discussions with the Ontario Health board. The Ministry informed us that it will support HQO and Ontario Health as they determine an approach to supporting the clinical adoption of care standards.

Recommendation 9

To improve the effectiveness of the quality improvement plan initiative, we recommend that:

- *the Ministry of Health and Long-Term Care (Ministry) require that all health-care organizations that are performing below the provincial average on a priority indicator identified by Health Quality Ontario (HQO) include the indicator in their quality improvement plans*

and tie those indicators to their executives' compensation;

Status: Little or no progress.

Details

At the time of our 2018 audit, health-care organizations were allowed to select the performance indicators for their quality improvement plans that would be tied to executive compensation. Of the four health sectors we reviewed, hospitals were the least likely to select priority indicators developed by HQO for inclusion in their quality improvement plans, even in cases where they were performing below the provincial average. Specifically, we found that for the five priority areas for 2017/18 that we reviewed, 15% to 24% of hospitals, depending on the priority indicator, had both performed below the provincial average and had not selected the indicator as an area of focus in their 2017/18 quality improvement plan.

During our follow-up, we noted that HQO has not altered its approach on quality improvement plan indicators and requires hospitals to select only two indicators from a list of priority indicators (i.e., the time taken to find a bed for a person admitted to hospital and the number of workplace violent incidents). The selection of these indicators for hospitals is mandatory without a consideration of the hospital's level of performance in each indicator. For 2020/21 quality improvement plans, HQO informed us that it had discussed the possibility of making indicators mandatory for poor performers; however, it had not finalized a consistent approach for defining poor performers. HQO also stated that as the system was going through significant change with the creation of Ontario Health, it had decided to maintain continuity with the previous year's indicators. The Ministry stated that it expects to further explore this area for the 2021/22 quality improvement plans.

HQO completed an analysis of which indicators in the 2019/20 quality improvement plans were linked to executive compensation. The analysis noted that five hospitals did not link their

quality improvement performance to executive compensation as required under legislation, and one-third of the hospitals did not indicate the quality indicator that was tied to executive compensation. The Ministry informed us that together with Ontario Health it has begun a review of best practices for executive compensation, with a goal of making recommendations related to executive compensation as part of a refreshed quality improvement plan strategy for 2021/22.

- *the Ministry assess whether other health-care sectors (such as mental health providers and land ambulance operators) should be required to submit quality improvement plans to HQO;*

Status: Little or no progress.

Details

In our 2018 audit report we noted that certain health-care sectors (such as mental health and addictions, land ambulance and assisted living) were not required to complete an annual quality improvement plan that identifies areas of focus for improvement along with performance targets that hold the entity accountable for its improvement goals.

At the time of our follow-up, the Ministry had not assessed whether other health-care sectors should be required to submit quality improvement plans. The Ministry stated that quality improvement plans for other sectors will be prioritized as part of the new quality improvement plan strategy expected to be completed by March 2021. In addition, the Ministry noted that work is under way to explore the development of integrated quality improvement plans for Ontario Health Teams. As part of Ontario Health Teams, health-care providers (including hospitals, doctors and home and community care providers) are to work as one co-ordinated team no matter where they provide care. The Ministry identified the first set of Ontario Health Teams in November 2019.

- *HQO remove improvement areas from the list of provincial priorities only when there is evidence of sustained improvement over several years.*

Status: Little or no progress.

Details

During our 2018 audit, we found instances where HQO removed improvement areas from its list of priorities for health-care sectors due to stakeholder feedback or because few organizations were selecting them for their quality improvement plans. In these cases, HQO did not consider whether the area of focus had shown sufficient improvement and was eligible for removal based on performance improvement.

At the time of our follow-up, HQO was not clearly documenting its rationale for removing indicators from the priority list. According to HQO, the rationale for any changes are communicated in the annual guidance materials. However, for the three indicators that were retired for 2020/21 quality improvement plans (namely, 30-day hospital readmission rate for mental health or addiction, the number of long-term-care complaints acknowledged within 10 business days and overall satisfaction of long-term-care resident experience), there was no rationale provided. The retirement of these indicators was not explained in the annual technical guidance document or the technical specifications. There was no evidence provided that any of these priority indicators had shown sustained improvement.

HQO informed us that Ontario Health is looking at new processes for aligning and streamlining indicators in the system, including how indicators are added or removed from the quality improvement plans. The new process is expected to be completed by April 2021 as part of the new quality improvement plan strategy.

Recommendation 10

In order to support continuous quality improvement and reduce variation in care across the province, we recommend that Health Quality Ontario:

- *establish ideal ranges for performance targets;*
Status: Little or no progress.

Details

In our 2018 audit, we reported that HQO set priority areas for quality improvement but was not identifying specific targets or target ranges that health-care organizations should meet according to best practices, nor was it setting minimum targets. Consequently, there were instances of variation in targets set for the same indicator and variations in care. For example, in September 2016, one long-term-care home gave 26% of its residents without a psychosis diagnosis an antipsychotic medication, while another long-term-care home gave the same medication to 5% of its residents.

During our follow-up, we found that HQO did not have any plans in place to introduce ideal ranges for performance targets or to set performance benchmarks for all priority indicators. HQO noted that it supports organizations in understanding ideal performance targets for improvement; however, sometimes there is no single ideal range that would apply across all health-care provider organizations.

HQO further told us that due to COVID-19, it has delayed the submission of quality improvement plans by health-care organizations for 2020/21 and 2021/22, and would not be setting an ideal range for performance targets at this time.

- *investigate all significant variances in target-setting for priority indicators among providers in the same sector;*
Status: In the process of being implemented by March 2021.

Details

Our 2018 audit found that HQO was not investigating significant variances in targets set by various providers in the same health-care sector.

Our follow-up found that HQO had analyzed the targets set for 2019/20 quality improvement plans and found that health-care organizations generally set targets close to their actual performance for the

prior year. These were targets set for the following indicators: wait time for an inpatient bed in a hospital, medical reconciliation at discharge and timely access to a primary care provider. HQO plans to conduct further analysis on the 2020/21 target setting and include the results into the new quality improvement strategy in 2021/22.

- *in consultation with the Ministry of Health and Long-Term Care and the Local Health Integration Networks, ensure all organizations are setting targets toward improvement in health quality and that the targets are for better than current performance (not retrograde targets).*
Status: Little or no progress.

Details

In our 2018 audit, we reported that there were health-care organizations that set improvement targets in their quality improvement plans that were worse than the latest available performance result for that indicator—these are called retrograde targets. The number of health-care organizations setting a retrograde target for at least one priority indicator increased from 12% of health-care organizations in 2016/17 to 16% in 2017/18.

During our follow-up, we found that HQO had no plans to restrict health-care providers from setting targets that were worse than their current performance. The Quality Improvement Plans advisory group, comprised of health-care executives and a few HQO staff, meet regularly to discuss quality improvement plan related strategies and improvement priorities. Based on the Quality Improvement Plans advisory group discussions, the group agreed to allow targets worse than current performance when there might be valid reasons to set a worsening target. For example, the group noted that a worsening target could be a sustainability strategy to acknowledge that an initial rush led to better performance but that this may settle over time. However, the group did not review individual cases where an organization had set worsening targets to determine whether setting worsening performance targets was justified.

According to HQO, it followed up with organizations that had targets that appeared to be in error and worked to educate those organizations on appropriate target setting. HQO plans to do further analysis for the 2020/21 quality improvement submissions, but for now its focus will remain on educating rather than enforcing improving targets.

Recommendation 11

To maximize the impact of quality improvement plans on health-care quality, we recommend that Health Quality Ontario, in collaboration with the Ministry of Health and Long-Term Care and the Local Health Integration Networks (LHINs):

- *track whether health-care organizations are implementing the change ideas included in their improvement plans and whether the ideas have resulted in positive improvement;*

Status: Little or no progress.

Details

Our 2018 audit found that HQO did not request health-care organizations to self-report in the following year whether the change ideas that the organizations thought would help them to achieve their improvement goals had been implemented. HQO was not able to summarize the data or analyze the relationship between the implementation of the change idea and its impact on quality improvement, due to the limitations of its information system. As a result, HQO was also not able to determine the percentage of change ideas implemented and whether the implementation improved performance.

At the time of our follow-up, HQO was still attempting to implement a tool that would allow it to capture whether change ideas are being implemented. In 2019, HQO analyzed the change ideas that long-term-care homes selected and their impact on the homes, and noted that poor performers were not selecting good change ideas or were not implementing them.

As part of its transition to Ontario Health, HQO informed us that it intends to start capturing information on performance and change ideas that will allow HQO to assess the types of change ideas that lead to improvement.

- *follow up with and encourage organizations that are not showing improvement in their performance to implement the change ideas;*

Status: Little or no progress.

Details

In our follow-up, we noted that since our audit HQO had followed up once, in October 2019, with primary care physicians who were not providing their patients with timely access to health care and/or were measuring current performance without setting improvement targets, to encourage them to attend an upcoming webinar on how to meet these performance indicators. HQO also invited these physicians to meet with a quality improvement specialist.

At the time of our follow-up, HQO did not have plans to regularly follow up with low-performing organizations. Instead, HQO planned to focus on highlighting successful change ideas.

- *share effective change ideas put forth by health-care organizations as part of their quality improvement plans that may benefit other health-care organizations.*

Status: Little or no progress.

Details

Our follow-up found that HQO provides training and support focused on quality improvement but does not highlight successful change ideas to the health-care sectors. HQO informed us that it plans to work toward sharing effective change ideas in 2020. Although HQO is not evaluating change ideas and sharing the most effective change ideas with all health organizations, it does provide a platform for the health-care providers to discuss ideas amongst themselves.

Cost Savings Expected from Consolidation of Five Organizations into HQO in 2011 Did Not Materialize

Recommendation 12

To support Health Quality Ontario in using its resources efficiently, we recommend that the Ministry of Health and Long-Term Care assess whether the agency's growth in expenditures and staff size is reasonable in relation to its current mandate.

Status: Little or no progress.

Details

In our 2018 audit, we reported that the government of Ontario created HQO on April 1, 2011, by consolidating five different entities, to reduce operational costs. However, at the time of our audit, both expenditures and the number of staff had increased. From 2010/11 to 2017/18, HQO's annual expenditures had increased from \$23.4 million to \$44.2 million (89%) and the number of full-time employees (FTEs) had increased from 111 to 291 (162%). Although HQO's mandate was expanded from what was originally envisioned for the consolidated entity, the Ministry did not know if the increase in costs and FTEs was reasonable.

At the time of our follow-up, we noted that the Ministry had reduced HQO's 2019/20 budget

to \$35.2 million (\$13.9 million reduction from scheduled payments of \$49.1 million) as part of its transfer into the new Ontario Health agency. In May 2019, HQO was notified by the Ministry that the reduction in funding reflected the outcomes of two central processes that occurred in 2018. These were a comprehensive multi-year planning process built on the findings of a line-by-line review of government spending conducted by a government-appointed external consultant and the Planning for Prosperity consultation through which Ontarians had the opportunity to rank the importance and effectiveness of a range of government services. The budget reduction letter noted that all ministries were required to identify administrative savings by identifying opportunities to modernize services to reduce administrative costs and burden while improving services. When the Ministry informed HQO of its new budget allocation of \$35.2 million, it directed HQO to identify operational and administrative efficiencies associated with non-direct programs and services while ensuring the ongoing provision of front-line services.

The reduction in expenditure was a general direction to HQO to reduce its costs, but the Ministry did not specifically assess whether HQO was using its resources efficiently and if the growth in expenditures and staff size was reasonable.

Chapter 1

Ministry of Health

Section 1.04

Interprovincial and International Health Services

Follow-Up on VFM Section 3.04, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1	1				
Recommendation 2	1			1		
Recommendation 3	1	1				
Recommendation 4	1	1				
Recommendation 5	2	2				
Recommendation 6	1	1				
Recommendation 7	3	1		2		
Recommendation 8	1			1		
Recommendation 9	2	1		1		
Recommendation 10	2	0.5	1	0.5		
Recommendation 11	3	3				
Recommendation 12	2		1	1		
Recommendation 13	4	1			3	
Total	24	12.5	2	6.5	3	0
%	100	52	8	27	13	0

Overall Conclusion

As of September 24, 2020, the Ministry of Health (Ministry) had fully implemented 52% of the actions we recommended in our *2018 Annual*

Report. The Ministry also made progress in implementing an additional 8% of the recommendations, but made little or no progress in 27% of the recommendation. The Ministry also will not implement 13% of our recommendations that encouraged the Ministry to collect and monitor statistics on hospital services provided to international patients.

The Ministry has established agreements with foreign health service providers that did not yet have preferred provider agreements; worked with other provinces to update the categories and rates for out-patient services; and extended its quality assurance review initiative to all out-of-country and out-of-province programs.

The Ministry is in the process of arranging with all provinces and territories to allow electronic funds transfers of reciprocal provincial billings, and is collecting data necessary to evaluate performance of its programs.

The Ministry had made little progress on working with Quebec to streamline the reimbursement process for Ontarians acquiring physician services there; analyzing data to detect anomalies in claims submitted by physicians from other parts of Canada; reviewing with other members the level and expertise of staff represented on the Interprovincial Health Insurance Agreements Co-ordinating Committee; publicly reporting on the results of its programs' performance; and working with other provinces to establish more consistent rates for common out-of-province services for Canadians travelling in other parts of the country. Regarding the latter, while the Ministry raised ambulance services as a topic for review, other provinces identified telehealth services and mental health facilities as the top priorities.

On September 23, 2020, the Ontario Divisional Court ruled that the Ontario government does not have the authority to enact a regulation under the *Health Insurance Act* to end the Out-of-Country Travellers Program. The Ontario government was reviewing the court decision and considering next steps at the time we completed our work.

As well, the Ministry decided not to move forward with a provincial framework defining principles, guidelines and reporting expectations for hospitals providing services to international patients or uninsured patients, such as foreign workers and visa students. It therefore will not implement our recommendations to identify information that hospitals need to report, and to obtain

and monitor statistics on prearranged births to non-residents in Ontario. The Ministry noted that it would continue to obtain only limited information regarding hospital services to international patients in the areas of charitable and humanitarian care, as well as care provided to vacationers, students, workers, landed immigrants and refugees. We continue to believe that there is value in collecting and analyzing non-resident use of the Ontario health system for purposes of program evaluation.

The status of actions taken on each of our recommendations is described in this report.

Background

The Ministry of Health (Ministry), formerly part of the Ministry of Health and Long-Term Care, operates Ontario Health Insurance Plan (OHIP) programs to cover Ontarians travelling outside the province. This complies with the portability principle of the *Canada Health Act*, which requires that public health insurance be provided to all Canadians regardless of where they travel, or when they move from one province to another. Also, it used to cover emergency health services for Ontarians travelling outside the country at amounts between \$50 and \$400 per day, depending on the nature of the service. On December 31, 2019, the Ministry wound down the Out-of-Country Travellers Program.

On September 23, 2020, the Ontario Divisional Court ruled that the Ontario government does not have the authority to enact a regulation under the *Health Insurance Act* to end the Out-of-Country Travellers Program. The Ontario government was reviewing the court decision and considering next steps at the time we completed our work.

In 2019/20, the Ministry paid a total of \$237 million (\$204 million in 2017/18) under OHIP's out-of-country and out-of-province programs. We found that Ontario had provided more hospital in-patient services to residents of other

provinces and territories than Ontarians received elsewhere in Canada. Sometimes, Ontario provided more services than what could have been billed back to patients' home provinces and territories due to limitations with the billing process in place at the time. This meant that Ontario and other provider provinces were sometimes subsidizing the health-care costs for out-of-province patients, and these costs were not fully tracked.

We also found that the Ministry had not rejected any claims from out-of-province physicians for services rendered to Ontarians in the last five years, even claims that should have been rejected. In addition, Ontario travellers needed more public education about being financially responsible for cost differences between what OHIP covered and actual costs of health-care services they received while away. The Ministry had recommended on its website that travellers buy additional private medical insurance but had not yet used social media to communicate this message.

Some other significant observations included:

- Ontario patients who required emergency health services in other countries were covered by the Ministry at pre-established rates that represented only a small percentage of actual costs. Between 2013/14 and 2017/18, on average, the Ministry reimbursed just five cents for every dollar that an Ontarian was billed by a foreign physician or hospital.
- Ontario patients in other Canadian provinces and territories sometimes paid higher fees for health services that were not covered, such as ambulance or long-term-care home services, because Ontario covered only medically necessary, insured hospital and physician services. Ontario patients paid up to \$732.95 for an ambulance in some other provinces, while Ontario charged non-residents \$240.
- Ontario patients sometimes received pre-approved funding from the Ministry for health services at facilities outside Canada. However, the Ministry did not follow up with patients about their experiences at those facilities to inform future referrals.
- The Ministry did not monitor the financial and wait-time impacts of foreign patients in Ontario. In 2014, the Ministry directed hospitals to serve international patients only under specific conditions, such as for humanitarian reasons, but did not continue to collect information to monitor hospitals' compliance.
- Claims were primarily paper-based and could take up to six to eight weeks to be processed and paid. Technology could have been used to make claims processing more efficient and accurate.

We made 13 recommendations, consisting of 24 actions, to address our audit findings.

We received commitment from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and July 2020. We obtained written representation from the Ministry of Health that effective October 8, 2020, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Out-of-Country Travellers Program

Recommendation 1

To better educate the public on the limited rates that are publicly funded for emergency health care obtained outside of the country and the need to purchase private health insurance to supplement any residual amounts not reimbursable from the provincial government, we recommend that the Ministry of Health and Long-Term Care improve and expand its public education to Ontarians travelling outside of the country (such as communicating through social media), targeting those groups who are most likely to not purchase travel insurance.

Status: Fully implemented.

Details

In our 2018 audit, we found a significant number of claims to the Ministry that did not go through private health insurance companies. We further noted that while the Ministry informed Ontarians on its main webpage on out-of-country travellers to obtain additional private medical insurance, it had not used other methods such as social media to inform travellers of the need to purchase travel insurance because of the limited rates the Ministry paid and services it covered.

At the time of our follow-up, the Ministry had ended the Out-of-Country Travellers Program as of December 31, 2019, and launched a new program to fund out-of-country dialysis services so that Ontarians living with kidney failure can continue to receive support for the dialysis care they need when they travel outside of Canada. The Ministry has used social media to advise Ontario residents to obtain travel health insurance when travelling outside of Canada. Specific to dialysis, social media posts were released in early 2020 to provide information on the reimbursement process through the Ontario Renal Network. These posts were put on hold as of early March 2020 until further notice due to the COVID-19 pandemic.

On September 23, 2020, the Ontario Divisional Court ruled that the Ontario government does not have the authority to enact a regulation under the *Health Insurance Act* to end the Out-of-Country Travellers Program. The Ontario government was reviewing the court decision and considering next steps at the time we completed our work.

Recommendation 2

To simplify the administration of the out-of-country travellers program, we recommend that the Ministry of Health and Long-Term Care revisit opportunities to reduce administrative costs, for example, through adopting a single reimbursement rate (similar to other provinces) for all emergency in-patient health services obtained out of country.

Status: Little or no progress.

Details

In our 2018 audit, we noted that the Ministry annually processed close to 90,000 traveller claims that were predominantly paper-based. As well, Ministry staff needed to assess these claims to determine the appropriate payment rate, which ranged from \$50 per service to \$400 per day depending on the nature of the care. In comparison, most other provinces and territories have one common rate. The Ministry spent \$2.8 million a year to administer the Out-of-Country Travellers Program, which paid out about \$9 million in claims a year.

At the time of our follow-up, the Ministry had ended the Out-of-Country Travellers Program on December 31, 2019. Claims for services provided after this date for out-of-country emergency physician and hospital services for conditions that were acute, unexpected, arose outside of Canada and required immediate treatment are no longer eligible for payment by the Ontario Health Insurance Plan. Claims for services delivered on or prior to December 31, 2019 can continue to be submitted for assessment and payment up to one year after the date the service was received.

On September 23, 2020, the Ontario Divisional Court ruled that the Ontario government does not have the authority to enact a regulation under the *Health Insurance Act* to end the Out-of-Country Travellers Program. The Ontario government was reviewing the court decision and considering next steps at the time we completed our work.

Prior Approval Programs

Recommendation 3

To help Ontarians better access insured health services within the province and to identify priority areas to build in-province capacity, we recommend that the Ministry of Health and Long-Term Care review on an ongoing basis statistics on requests and approvals for health care outside of Ontario, and where needed, initiate work with the medical community to build or increase capacity for health services routinely funded through the prior approval programs.

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Ministry relies on the medical community to identify areas where capacity could be developed in Ontario to make health care more accessible to Ontarians within the province instead of having to send patients outside its borders. As well, the Ministry used some prior approval information (such as on cancer treatment) to identify trends and potential areas for capacity building. However, it could do more in analyzing prior approval data to limit the need to send significant volumes of patients outside of Ontario, thereby incurring significant expenditures for out-of-province patient services.

At the time of our follow-up, the Ministry had generated data reports on various aspects of the program, such as costs, number of patients, payments processed and type of care services requested for out-of-country approval. The Ministry indicated that it used these reports to monitor the volume of funding requests to identify new trends, pressures and demands for out-of-country health services. In February 2019, it determined that certain services could not be delivered in Ontario; in response, the Ministry implemented new agreements with US providers for those services.

Recommendation 4

To obtain the best value for money for the health services costs it pays to foreign medical facilities that provide pre-approved health services to Ontarians, and to help improve its efficiency in assessing Ontarians' applications through the prior approval programs, we recommend that the Ministry of Health and Long-Term Care establish agreements with foreign providers that do not yet have preferred provider agreements with the Ministry in cases where the benefits of these agreements are shown to outweigh their costs.

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Ministry had agreements with 27 foreign health facilities and hospitals to provide a number of specified treat-

ments and procedures at pre-negotiated rates. It did not, however, have a preferred provider agreement with four other facilities, each treating an average of 10 Ontario patients a year between 2015/16 and 2017/18, which together received about \$35 million in Ministry funding over the same period. We noted that the Ministry could potentially achieve considerable cost savings if it negotiated standard billing rates with these facilities.

At the time of our follow-up, the Ministry had implemented new agreements in 2019 with several US providers for, primarily, proton beam therapy (for cancer patients) that could not be delivered in Ontario.

Recommendation 5

To help it make better informed decisions on applications for pre-approved health services outside of Ontario, we recommend that the Ministry of Health and Long-Term Care:

- *develop a checklist for all documents and information that it needs to provide to external medical experts;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that two external medical expert groups with which the Ministry contracts to help recommend approval or denial of prior approval applications found that the files the Ministry sends them do not always contain all necessary information to help them make expedient recommendations on cases.

At the time of our follow-up, the Ministry, in consultation with medical experts, had developed and implemented new checklists for obsessive compulsive disorders and eating disorders. The Ministry informed us that these checklists were in use as of July 2019.

- *develop a mechanism to collect data on patient experience and other outcomes from patients who have received health services under the*

prior approval programs, and share the results with the external medical expert groups that assist it in making recommendations.

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Ministry does not assess whether patients generally had a positive or negative experience with facilities outside of Ontario that provide pre-approved health services to Ontarians, and outcome information such as post-operation infection rates. Most of the external medical expert groups that assist the Ministry in recommending approval or denial of prior approval program applications informed us that they would like to see the outcomes of patients they assess under the program to improve their assessment process and inform their future decisions on similar cases.

At the time of our follow-up, the Ministry had consulted with Ontario Health, which has a unit that reviews emerging health technologies, treatments and procedures. As part of these reviews, Ontario Health collects quantitative data on patient experience through direct interviewing. The Ministry and Ontario Health had struck a notice of agreement in December 2019 to collaborate with each other, and for the Ministry to make use of Ontario Health reviews of patient experience when those patients had been funded for out-of-country services. Ontario Health publishes its recommendations on its website once it has performed its analysis.

Recommendation 6

To help ensure that Ontarians can equitably access timely health services that the Ministry of Health and Long-Term Care (Ministry) has preapproved to be provided outside of Ontario, we recommend that the Ministry review assistance that other provinces and territories provide with travel costs to the destination jurisdiction that offers health services under their prior approval programs and assess whether similar

assistance is applicable in Ontario, considering eligibility factors such as household income level.

Status: Fully implemented.

Details

In our 2018 audit, we noted that, unlike some other provinces and territories, Ontario does not offer travel subsidy programs for out-of-country and out-of-province prior approval care. As a result, those Ontarians who have obtained approval from the Ministry to access funding for health care outside Ontario but cannot afford to travel may have to choose not to obtain pre-approved health services outside Ontario.

At the time of our follow-up, the Ministry had completed a jurisdictional scan across Canada to identify travel assistance programs for patients who require health services not offered in their home jurisdiction. The Ministry noted that smaller provinces and territories that rely on other provinces to provide health services to their residents generally provide travel assistance to the nearest location inside Canada at which those services may be obtained. The Ministry indicated that it had no intention of expanding travel assistance beyond the existing Northern Health Travel Grant program, which applies to residents in certain northern Ontario locations who may require health services within Ontario or in Manitoba.

Out-of-Province Program

Recommendation 7

To help reduce the financial and administrative impact on Ontarians who may require health services while travelling to other parts of Canada, we recommend that the Ministry of Health and Long-Term Care:

- *work with other provinces to establish more consistent rates for common out-of-province services not required to be covered in the Canada Health Act (such as ambulance services)*

for Canadians while travelling in other parts of the country;

Status: Little or no progress.

Details

In our 2018 audit, we noted that Ontarians were billed more for ambulance services when in other parts of Canada than the amount Ontario billed residents from other provinces and territories. Although an interprovincial committee established a working group in 2016 to review interprovincial gaps in coverage, including ambulance services, no recommendation had been made when we completed our audit in 2018.

At the time of our follow-up, the Ministry had indicated that, although it raised funding for ambulance services in an interprovincial policy review working group in late 2018, other provinces identified telehealth services and mental health facilities as the top priorities. The Ministry also indicated that the interprovincial policy review working group had recently begun reviewing the option of adding specific mental health hospitals to the reciprocal billing list. The Ministry continues to work with other provinces and territories in discussing the shortcomings of the interprovincial coverage.

- *explore options to streamline the reimbursement process for Ontarians acquiring physician services from Quebec in the absence of an interprovincial agreement on physician services with that province;*

Status: Little or no progress.

Details

In our 2018 audit, we noted that Quebec does not participate in the interprovincial billing agreement for physician services. As a result, Ontarians who use physician services in Quebec have to go through extra steps to be reimbursed compared to Ontarians who acquire the same services in other parts of Canada. Furthermore, an agreement between the Ministry and a region in western Quebec established in 1988 benefits only Quebec patients need-

ing emergency services and specialized medical services in the Ottawa region so they do not need to pay out-of-pocket, but does not apply to Ontario patients going to Quebec.

At the time of our follow-up, the Ministry had sent a letter to Quebec in February 2020 to initiate discussion to explore options for streamlining the reimbursement process for physician services provided to Ontario residents. The Ministry noted that Quebec does not participate in reciprocal medical billing with any province or territory. When we completed the follow-up, Quebec still had not responded to the Ministry's request.

- *enhance its public communication to Ontarians on interprovincial health coverage, such as prominently stating that physician services obtained out of province, when billed at point of service, are paid only up to the Ontario rate.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that, unlike Quebec and Yukon, the Ministry does not advise Ontarians on its main webpage on out-of-province health coverage that out-of-province physician services are reimbursable only up to the home province's rate. For example, in accordance with the Ontario Schedule of Benefits, OHIP reimbursed only \$80.30 even though an Ontarian patient was billed \$166 for out-patient psychotherapy in Alberta.

At the time of our follow-up, the Ministry's webpage on OHIP coverage across Canada included the following note: "We assess claims and reimburse you according to Ontario's physician rates." The Ministry indicated that this note was added to its webpage as of November 2019.

Recommendation 8

To help reduce the risk of financial loss to the province's health insurance program, we recommend that the Ministry of Health and Long-Term Care run an application annually to detect anomalies in claims, such as services purportedly rendered to Ontarians

with valid health numbers, submitted by physicians from other parts of Canada.

Status: Little or no progress.

Details

In our 2018 audit, we noted that the Ministry had controls in the billing system to detect certain errors submitted by other provinces and territories for hospital services—but not physician services—rendered to Ontarians. By running an application on health numbers and out-of-province claims, we found that the Ministry paid about \$43,000 in good faith to physicians in other provinces who submitted and received payments for about 750 claims between 2015/16 and 2017/18 where the Ontario health numbers submitted for payment were invalid.

At the time of our follow-up, the Ministry was looking into the cost and feasibility of developing an application to perform this analysis of anomalous results, and expected to complete this work by September 2022.

Recommendation 9

To help support discussions with other provinces and territories regarding matters of interprovincial health coverage and to best represent the interest of all parties involved, we recommend that the Ministry of Health and Long-Term Care:

- *work with other provinces and territories in the Interprovincial Health Insurance Agreements Co-ordinating Committee (Committee) to update the categories and rates for out-patient services;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that Ontario hospitals that provide out-patient services to patients from other provinces and territories were reimbursed for these services at rates that were not always representative of the actual costs they incurred. For example, the interprovincial agreement stipulated that hospitals could only bill for one service per

day even if they provided multiple services to an out-of-province patient. As well, the out-patient services rates are grouped into 13 categories that were developed in the 1980s and have undergone minimal changes since; with advances in medicine and technology, some services would require their own rates in order to be fairly compensated.

At the time of our follow-up, the Ministry had worked with other provinces and territories to develop out-patient services rates for 2020/21. Ontario co-chaired a rate-setting sub-committee with the specific goal of addressing issues with the out-patient rate model. The group identified opportunities for enhancement and work was under way to introduce new categories and rates for out-patient services starting in 2021/22.

- *discuss the mandate of the Committee, including a review of the level and expertise of staff represented at the Committee, with other provincial and territorial members.*

Status: Little or no progress.

Details

In our 2018 audit, we noted that the Committee had been reviewing certain concerns relating to interprovincial health coverage for several years. We further noted that provincial and territorial representatives on the Committee had different areas of expertise (such as health policy versus claims processing) and decision-making authority, with some needing to consult with senior officials before making decisions.

At the time of our follow-up, the Ministry, as a member of the Committee's governance sub-group, which includes representation from several provinces, advised that the sub-group in January 2020 presented to the provincial/territorial Assistant Deputy Minister working group findings on a good governance framework that included the need to have the proper representation with appropriate authority. The governance sub-group expects to present these findings to the provincial/territorial Deputy Minister working group by January 2021.

Claims Not Efficiently Administered

Recommendation 10

To improve the efficiency of claims processing, we recommend that the Ministry of Health and Long-Term Care:

- *develop a mechanism to allow patients and other provinces and territories to submit claims electronically;*

Status: Fully implemented for provinces and territories; little or no progress for patients.

Details

In our 2018 audit, we noted that most out-of-country and out-of-province claims were submitted to the Ministry in paper format. In contrast, the private health insurance industry accepts electronic submission of certain claims. The Ministry informed us that, by fall 2018, it expected to allow six of the 30 insurance companies with which it contracts to submit electronic out-of-country traveller claims.

At the time of our follow-up, the Ministry had ended the Out-of-Country Travellers Program, which generated the most paper-based submissions. The Ministry estimated that the volume of claims it receives has decreased by about 80%. Therefore, the Ministry did not consider the recommendation feasible for the limited volume of claims now received directly from patients and insurance companies under the remaining programs. With respect to other provinces and territories, while they can all submit claims electronically, only some jurisdictions currently use this method.

On September 23, 2020, the Ontario Divisional Court ruled that the Ontario government does not have the authority to enact a regulation under the *Health Insurance Act* to end the Out-of-Country Travellers Program. The Ontario government was reviewing the court decision and considering next steps at the time we completed our work.

- *arrange with all provinces and territories to allow electronic funds transfers of reciprocal provincial billings.*

Status: In the process of being implemented by March 2021.

Details

In our 2018 audit, we noted that provinces do not always reciprocally bill each other electronically, and only Newfoundland and Labrador allowed electronic funds transfers.

At the time of our follow-up, the Ministry indicated that, as of February 2020, more provinces and territories use electronic funds transfers to remit and receive payments, both for hospital services and medical services. For example, Ontario can now remit payments for hospital services electronically to Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Saskatchewan. Some provinces and territories, such as British Columbia and Nova Scotia, had indicated that they could not accept reciprocal payment via electronic funds transfers.

The Ministry indicated that the Ontario Financing Authority was exploring emerging payment methods that could better address automation and efficiency of business processes, as electronic funds transfers have limitations, such as requiring manual accounting and reconciliation processes. The Ministry indicated it was waiting for this work to be completed before making further arrangements with the remaining provinces and territories. According to the Ministry, further progress on implementing this recommendation is dependent primarily upon the development and implementation of alternatives by the Ontario Financing Authority, Ministry partners and the applicable central agencies of government such as Treasury Board Secretariat and the Ministry of Finance. The Ministry therefore could not provide an estimated implementation target date. Our Office will follow up in 2021.

Recommendation 11

To further improve the processing of claims in the out-of-country travellers, out-of-province and prior approval programs, we recommend that the Ministry of Health and Long-Term Care:

- *monitor that all staff follow the standard checklist for its quality assurance review initiative;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that Ministry staff acting as reviewers in the quality assurance review initiative did not consistently follow a formal checklist when reviewing a file. Doing so would have promoted consistency and completeness of the review.

At the time of our follow-up, the Ministry informed us that team leads for the out-of-country and out-of-province programs periodically review files to ensure staff follow standard checklists. These reviews were suspended due to the COVID-19 pandemic because staff were working virtually and collecting paper claims for review was not logistically feasible.

- *extend the initiative to all out-of-country and out-of-province programs;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that Ministry reviewers of the quality assurance review initiative only assessed claims under the Out-of-Country Travelers Program. The Ministry had not established timelines for this work to be expanded to the out-of-province program.

At the time of our follow-up, the Ministry had developed, in September 2019, guidelines for staff reviewing out-of-province claims, and expanded the quality assurance program to out-of-province paper claims in December 2019.

- *analyze the results of its reviews to identify opportunities to minimize the occurrence of similar identified errors in the future.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that Ministry staff acting as reviewers did not fully assess staff errors identified through the quality assurance review initiative for trends or underlying causes, missing an opportunity to identify ways to reduce the chance that the same errors will occur in the future.

At the time of our follow-up, the Ministry informed us that, for training purposes, it was bringing identified processing deficiencies to its regular staff meetings—conducted by teleconference and internal emails by team leads and managers due to the COVID-19 pandemic.

Lack of Data and Reporting Capabilities Limit Ministry Analysis of Program Performance

Recommendation 12

To improve its oversight of the out-of-country and out-of-province programs, we recommend that the Ministry of Health and Long-Term Care:

- *develop performance measures and explore an approach to enhance its information systems to collect, monitor and analyze data to evaluate the programs;*

Status: In the process of being implemented by January 2021.

Details

In our 2018 audit, we noted that the Ministry could not produce data on processing time or the time needed to pay processed claims or easily identify areas of concerns within the out-of-province program. For example, the Ministry could not easily identify cases where Ontarians were billed for amounts that exceeded reimbursable amounts, the types of claims that were consistently rejected, or the types of services that Ontarians were frequently receiving in other provinces (to determine why they were leaving the province to obtain these services).

At the time of our follow-up, the Ministry had identified data and data sources for its various programs that it intends to collect either each

quarter or each year. Examples include the top 10 out-of-province hospitals, by amount paid, at which Ontario residents received services, and the top 10 physicians in Ontario providing services to patients from outside of Ontario. The Ministry was in the process of collecting this data for monitoring purposes by January 2021.

- *report publicly on the results.*

Status: Little or no progress.

Details

In our 2018 audit, we noted that the Ministry did not publicly report on its actual processing times.

At the time of our follow-up, the Ministry was working to develop options on how findings from its quarterly or annual reporting can be reported publicly.

International Patients' Use of the Ontario Hospital System

Recommendation 13

To help ensure Ontario hospitals meet the 2014 Minister's requirement that they do not use public dollars to provide pre-arranged care for international patients, put any revenue generated from treating international patients into hospital services that benefit Ontarians, and do not displace any Ontarian in favour of international patients, we recommend that the Ministry of Health and Long-Term Care, working with Local Health Integration Networks where appropriate:

- *re-examine the draft framework to define principles, guidelines and reporting expectations for hospitals that provide pre-arranged health services to international patients;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Ministry drafted—but never finalized—a framework to support Ontario hospitals' compliance with the principles contained in a Minister statement made

in 2014 that hospitals were not to market to, solicit or treat international patients.

At the time of our follow-up, the Ministry had completed a jurisdictional scan in February 2019 related to the provision of hospital services to international patients in other jurisdictions, including the tracking of and cost recovery associated with providing these services. It had also undertaken additional research and analysis to develop potential options for a framework that would apply to uninsured patients in Ontario, such as international students and foreign workers. This analysis included implementation recommendations such as reporting, monitoring and compliance.

Following internal discussions in March 2020, the Ministry, having re-examined the draft framework, decided not to move forward with a provincial framework for international and uninsured patients. It acknowledged that hospitals will continue to provide services to international patients for charitable and humanitarian care, as well as care provided to vacationers, students, workers, landed immigrants and refugees, and that the Ministry will continue to obtain limited information regarding these services.

- *develop mechanisms to monitor hospitals' compliance with the Minister's requirement around pre-planned health services for international patients;*

Status: Will not be implemented. The Office of the Auditor General continues to support the implementation of this recommendation.

Details

In our 2018 audit, we noted that the Ministry did not collect current information or analyze data to ensure that hospitals were in fact adhering to the Minister's requirements on international patient programs. Similarly, five Local Health Integration Networks (LHINs) that we spoke to also did not confirm whether hospitals in their regions had complied with these requirements. LHINs have a responsibility to monitor hospitals and other health-care organizations that they fund.

At the time of our follow-up, the Ministry decided not to move forward with a provincial framework for international and uninsured patients. It acknowledged that hospitals will continue to provide services to international patients for charitable and humanitarian care, as well as care provided to vacationers, students, workers, landed immigrants and refugees, and that the Ministry will continue to obtain limited information regarding these services.

- *identify information that hospitals need to report on regarding services to international patients and collect this information;*

Status: Will not be implemented. The Office of the Auditor General continues to support the implementation of this recommendation.

Details

In our 2018 audit, we noted that the Ministry did not collect information such as hospital policies on how pre-planned international patient services are triaged in the Ontario system or the revenue generated from the treatment of international patients.

At the time of our follow-up, the Ministry decided not to move forward with a provincial framework for international and uninsured patients. It acknowledged that hospitals will continue to provide services to international patients

for charitable and humanitarian care, as well as care provided to vacationers, students, workers, landed immigrants and refugees, and that the Ministry will continue to obtain limited information regarding these services.

- *obtain and monitor statistics on prearranged births to non-residents in Ontario over time.*

Status: Will not be implemented. The Office of the Auditor General continues to support the implementation of this recommendation.

Details

In our 2018 audit, we identified several local companies offering services to foreign mothers looking to give birth in Ontario. The existence of these companies could encourage more foreign mothers to come to Ontario.

At the time of our follow-up, the Ministry decided not to move forward with a provincial framework for international and uninsured patients. It acknowledged that hospitals will continue to provide services to international patients for charitable and humanitarian care, as well as care provided to vacationers, students, workers, landed immigrants and refugees, and that the Ministry will continue to obtain limited information regarding these services.

Chapter 1

Section 1.05

Ministry of the Attorney General

Legal Aid Ontario

Follow-Up on VFM Section 3.05, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1		1			
Recommendation 2	2	2				
Recommendation 3	2	1	1			
Recommendation 4	2	1	1			
Recommendation 5	4			4		
Recommendation 6	1		1			
Recommendation 7	2	1	1			
Recommendation 8	1		1			
Recommendation 9	1		1			
Recommendation 10	1	1				
Recommendation 11	1	1				
Recommendation 12	1		1			
Recommendation 13	2		2			
Recommendation 14	1		1			
Recommendation 15	3	1	1	1		
Total	25	8	12	5	0	0
%	100	32	48	20	0	0

Overall Conclusion

According to the information Legal Aid Ontario and the Ministry of the Attorney General (Ministry) provided to us, as of July 10, 2020, 32% of actions

we recommended in our 2018 Annual Report had been fully implemented. Legal Aid Ontario and the Ministry had made progress in implementing an additional 48% of the recommendations.

Fully implemented recommendations included finalizing the process that gave Legal Aid Ontario direct access to court documents. Legal Aid

Ontario is now able to email courts directly with the details of the information they require, and the courts can respond with the required scanned documents within 10 business days at no cost to Legal Aid Ontario. At the time of our follow-up, Legal Aid Ontario was using this process to verify lawyers' billings.

Progress had been made in implementing recommendations such as developing and implementing a quality assurance program to oversee lawyers. At the time of this follow-up, Legal Aid Ontario was seeking changes to legislation that would allow it to develop and implement a quality assurance program. Legal Aid Ontario would have the authority to establish a roster of private-sector lawyers and standards, including standards for quality assurance to oversee those lawyers. In anticipation of the new legislation, Legal Aid Ontario had established a working group to develop rules and policies for lawyers on the roster.

However, Legal Aid Ontario had made little or no progress on 20% of the recommendations, including tracking reasons why financial eligibility was not assessed for clients receiving duty counsel assistance.

The status of actions taken on each of our recommendations is described in this report.

Background

Legal Aid Ontario is an agency of the Ontario Government responsible for providing legal services to low-income Ontarians. It reports to the Ministry of the Attorney General (Ministry) under the *Legal Aid Services Act, 2020* (Act). Our 2018 audit was conducted when the Legal Aid Ontario operated under the *Legal Aid Service Act, 1998*.

Legal Aid Ontario has three main services:

- It funded 79 community legal clinics, including seven Student Legal Aid Services Societies, across Ontario to serve low-income clients. In 2019/20 the clinics handled over

185,000 files (170,000 in 2017/18) at a cost of \$89 million (\$85.8 million in 2017/18).

- It issued certificates to qualified individuals for retaining private-sector lawyers who then billed Legal Aid Ontario for services provided. In 2019/20, the agency issued about 105,310 certificates (102,870 in 2017/18) at a cost of \$242.8 million (\$252.8 million in 2017/18).
- It provided free duty-counsel services in the province's courts. In 2019/20, duty-counsel lawyers assisted over 618,690 people (643,970 in 2017/18) at a cost of \$56.5 million (\$56.1 million in 2017/18).

In 2019/20, the costs for these programs, plus \$73.4 million in operating costs for its head office, and 17 district and area offices totalled \$461.7 million (\$476.1 million in 2017/18).

Among our 2018 findings:

- In 2016/17, legal aid clinics handled 9,435 Ontario Disability Support Program (ODSP) applications and appeals, representing 44% of the clinics' total caseload. Seventy-eight percent of survey respondents at clinics indicated that they could better serve human rights, employment and seniors' issues with fewer ODSP cases.
- Legal Aid Ontario's Clinic Information System was completed three years late at more than double the \$3.25 million budget because the vendor started the project late and declared bankruptcy before completing it. Legal Aid Ontario then hired the vendor's former employees on contract, and its own IT department managed the project to completion. This could have been avoided if the agency had evaluated the vendor's financial viability prior to awarding the contract.
- Legal Aid Ontario's process for verifying lawyers' billings was ineffective because it did not have direct access to information about court proceedings. This made it difficult to verify lawyers' time spent and the types of

court proceedings, which affected how much lawyers were paid.

- More than 90% of certificate services and over one-third of duty-counsel assists were delivered by private-sector lawyers in 2017/18. Legal Aid Ontario had the authority to direct the Law Society of Ontario to perform quality assurance audits of lawyers—but Legal Aid Ontario had never asked for one. It did refer lawyers to the Law Society for serious issues. One third of the 211 complaints Legal Aid Ontario received in 2016/17 concerned lawyers' services, up 30% from 2012/13.
- Legal Aid Ontario had been using more of its provincial funding to address the increase in refugee and immigration cases due to federal policy decisions. Provincial funding allocated by Legal Aid Ontario for these cases increased to \$24.9 million in 2017/18, up by almost 30% from 2014/15. Ontario's federal funding portion was only 37% in 2016/17 and 39% in 2017/18. In contrast, British Columbia's 2017/18 federal portion was 72% of total funding, and Manitoba's was 90%; Quebec's was 69% in 2016/17.
- Legal Aid Ontario expanded eligibility criteria for legal aid certificates in June 2015 to keep unspent funding instead of returning it to the Ministry as required. More people qualified than expected when the eligibility criteria was changed, contributing to deficits in 2015/16 and 2016/17.

We made 15 recommendations, consisting of 25 action items, to address our audit findings. We received a commitment from the Ministry and Legal Aid Ontario that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between May 2020 and August 2020. We obtained written representation from the Ministry and Legal Aid Ontario that effective October 2, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Rising Costs of Refugee and Immigration Cases and Legal Aid Ontario's Rushed Decision-Making Contributed to \$40 Million Deficit

Recommendation 1

To help meet increasing service demands for refugee and immigration related cases, resulting from federal policy decisions, we recommend that Legal Aid Ontario, together with the Ministry of the Attorney General, work with the federal government (as represented by the Minister of Justice Canada) to obtain a more predictable and appropriate proportion of expense coverage from the federal government.

Status: In the process of being implemented by March 2022.

Details

Legal Aid Ontario incurred a total of \$40 million in deficits over two years from 2015/16 to 2016/17. Our 2018 audit found that a significant increase in refugee and immigration cases, and associated costs, contributed to these deficits, although the allocation of immigration and refugee funding provided by the Province had steadily increased from \$19.3 million in 2014/15 to \$23.6 million in 2016/17.

Our audit also noted the decision to support immigrants and refugees was a federal government decision. An agreement is in place covering the period April 1, 2017 to March 31, 2022, but the agreement does not specify a percentage split for

sharing refugee and immigration expenses between Ontario and the federal government. The annual funding amount was calculated using Ontario's total demand for immigration and refugee services, using statistics provided by the Immigration and Refugee Board, Immigration, Refugees and Citizenship Canada and the Federal Court. We noted that if federal funding was more predictable or stable, Legal Aid Ontario would be better able to plan and budget accordingly.

After our audit, the Ontario government made the decision to discontinue provincial funding for new immigration and refugee cases, effective April 2019, and that all legal aid for new immigration and refugee cases in Ontario would have to be federally funded. In August 2019, the federal government agreed to provide additional funding of \$25.7 million to cover the Legal Aid Ontario's shortfall and maintain legal aid for new immigration and refugee cases for 2019/20, bringing total federal funding for immigration and refugee legal aid in Ontario to \$40.9 million for the year.

At the time of our follow-up, Legal Aid Ontario had again requested additional funding for 2020/21 from the federal government for immigration and refugee cases. In August 2020, the federal government confirmed that it intends to provide an additional contribution of approximately \$21.3 million to Ontario, subject to Parliamentary and Treasury Board of Canada approval. This additional funding will bring the total federal contribution for immigration and refugee legal aid in Ontario to approximately \$36 million in 2020/21.

In addition, we noted that both Legal Aid Ontario and the Ministry had expressed their support to the federal government for sustainable and predictable funding of legal aid for refugee and immigration cases. They also expressed support for a contribution agreement between Legal Aid Ontario and the federal government. The Ministry indicated that renegotiating the existing agreement between the province and the federal government might achieve more sustainable funding. The current agreement expires March 31, 2022, and negotiations were expected to begin in late 2020.

Recommendation 2

To help keep spending of limited legal aid funding within budget, we recommend that Legal Aid Ontario:

- *roll out new initiatives with proper analysis, monitor the impact and take corrective action in the event of cost escalation; and*
- *seek approval from the Ministry of the Attorney General before using any surplus or unused funding.*

Status: Fully implemented.

Details

Our 2018 audit found that Legal Aid Ontario's rushed decision-making contributed to \$40 million in deficits in 2015/16 and 2016/17. In 2014, Legal Aid Ontario began receiving additional annual provincial funding to increase the number of people qualifying for Legal Aid Ontario assistance by raising the financial eligibility threshold for major legal services, including legal aid certificates.

In February 2015, Legal Aid Ontario had accumulated \$17.1 million in unused funding. A 6% rise in financial eligibility thresholds covered by the increased provincial funding had not resulted in the expected increase in certificates provided. Instead of returning the unused funding for 2015/16 to the Ministry as required, in June 2015, Legal Aid Ontario expanded its non-financial eligibility criteria to include secondary consequences, such as potential loss of employment, so more people would be approved for certificates. Our audit found that this policy change was implemented too quickly, without adequate analysis. More people qualified for certificates than Legal Aid Ontario projected, contributing to subsequent deficits.

Our follow-up found that since the large deficits of 2015/16 and 2016/17 were incurred, Legal Aid Ontario had experienced operating surpluses of \$11.4 million, \$13.2 million, and \$14.4 million in 2017/18, 2018/19, and 2019/20 respectively. This eliminated its accumulated deficit of \$30.9 million in 2016/17.

Between 2016/17 and 2019/20, provincial funding to Legal Aid Ontario decreased by \$86.7 million. As mentioned in **Recommendation 1**, the Ontario government had made the decision to discontinue provincial funding for new immigration and refugee cases effective April 2019. Before the announcement of additional federal funding, Legal Aid Ontario had performed detailed analyses of different options for reduced immigration and refugee services to avoid cost overruns, and was monitoring and updating projected costs continuously.

Legal Aid Ontario had not needed to seek approval from the Ministry to use surplus or unused funding since our audit, but indicated it was committed to doing so in the future according to its Memorandum of Understanding with the Ministry.

Legal Aid Certificates

Recommendation 3

To better verify private-sector lawyers' billings are accurate for court cases, we recommend that the Ministry of the Attorney General:

- finalize the process that would give Legal Aid Ontario direct access to court documents;
Status: Fully implemented.

Details

Our 2018 audit found that the process for Legal Aid Ontario to verify lawyers' billings was ineffective. Legal Aid Ontario did not have direct access to original court documents and other information that included the start and end time for each court proceeding. As such, it was difficult to verify both the nature of the court proceeding and the amount of time spent by the lawyer in court—both factors that affected how much a lawyer was paid.

Our follow-up found that the Ministry, in collaboration with Legal Aid Ontario, implemented a process in May 2019 to allow Legal Aid Ontario to request and obtain court documents for the purpose of verifying lawyer billings. Under the new process, Legal Aid Ontario could email courts

directly with the details of the matter and information it required, and the courts would respond with the required scanned documents within 10 business days, at no cost to Legal Aid Ontario. At the time of our follow-up, Legal Aid Ontario was utilizing this process to obtain court information to verify lawyers' billings.

- take steps toward filing original copies of court documents electronically, and record and track proceeding time in its court information systems.

Status: In the process of being implemented by April 2023.

Details

Our 2018 audit noted that many courthouses maintained only paper copies of court documents, which limited the efficiency of court information-sharing. In addition, Legal Aid Ontario did not routinely verify lawyers' billings for their time spent in criminal or family court because the verification process was ineffective and costly. In order to verify the billings, Legal Aid Ontario would have had to request court transcripts from third-party transcriptionists, which included the start and end time of the proceeding. Length of proceeding was not tracked on court documents in any other format that was accessible to Legal Aid Ontario.

Subsequent to our audit, the Ministry received approval to expedite the development and implementation of electronic filing and payment for all civil and family court filings. We noted some electronic civil court filings were implemented in 2019/20, with a target to have all civil filings online by March 2021 and family filings by January 2022.

In addition, the Ministry and the Ministry of the Solicitor General jointly received approval for a multi-year initiative named "Criminal Justice Digital Design" in October 2019. The initiative involved several projects, and would allow for electronic document exchanges between police, crown attorneys, court clerks and other parties to a matter. The initiative would also allow for digital evidence management, including a new criminal case management

system. At the time of our follow-up, some projects in the initiative were being piloted. The Ministry indicated significant work needed to be completed in selecting vendors, establishing additional pilots and rolling out solutions to municipal police services and courts. The Ministry's target for the completion of the initiative was April 2023. However, at the time of our follow-up, the Ministry had not yet developed plans to record and track court proceeding times in its court information systems.

Recommendation 4

To better verify private-sector lawyers' billings for immigration and refugee cases, we recommend that Legal Aid Ontario:

- *require lawyers to submit Immigration and Refugee Board (Board) case file numbers when they bill and link them to its billing data for all cases;*

Status: Fully implemented.

Details

Our 2018 audit found that, unlike Ontario's courts, the Immigration and Refugee Board's (Board) information system tracked how long proceedings lasted. However, Legal Aid Ontario could not directly compare individual lawyer billings to the proceeding data provided by the Board because it did not track the Board's file numbers, which would have allowed it to link its billing data to the Board's data.

Our follow-up found that Legal Aid Ontario changed its billing system in July 2019 to require lawyers to input the Board's file number when they billed for hearing time. We reviewed the billing data between July 21 and September 30, 2019 (the data used to conduct a preliminary analysis, described under the second action in **Recommendation 4**), and found that all billings for Board hearings during this period included Board case file numbers. Legal Aid Ontario could now match billed amounts with the Board's records, such as time spent in board hearings, to ensure the billings were accurate.

- *investigate, when necessary, lawyers whose hourly billings do not agree to actual proceeding time reported by the Board, and take corrective action on billing irregularities.*

Status: In the process of being implemented by April 2021.

Details

As part of our 2018 audit, we reviewed the Board's data to analyze the actual length of proceeding time. We compared the Board's data to Legal Aid Ontario's billing data using available data such as lawyers' names and dates of hearings. We were able to match only 226 of the over 17,000 certificates issued between 2014 and 2016. Data matching could not be completed because Legal Aid Ontario did not use the same file numbers used by the Board. Our analysis of the 226 certificates showed 68% of certificates were billed hours greater than the hours reported by the Board, 4% were under-billed, and 28% were billed within 15 minutes' accuracy.

Our follow-up found that Legal Aid Ontario had begun using the Board's file numbers to verify billing hours in its audits of immigration and refugee lawyer billings, and recover any subsequent over-billings identified. In addition, Legal Aid Ontario had performed a preliminary analysis of over 500 certificates that included Board hearings after it began tracking Board case file numbers between July 21 and September 30, 2019. The analysis showed that lawyers billed relatively accurately for the majority of Board hearings. We noted that requiring lawyers to submit Board case file numbers likely acted as a deterrent to overbilling.

Legal Aid Ontario did identify some instances of overstated hours on certificates in their analysis. For example, the five lawyers with the most overstated hours recorded a combined 40 hours more for hearings than the Board's recorded proceeding time data supported on 39 certificates over the two-and-a-half-month period. Some of these overstated hours resulted in lawyer overpayments. Legal Aid Ontario indicated that it would wait for the collection of nine months of billing data to conduct

further comparative analysis and determine steps for addressing overpayments. At the time of our follow-up, the collection of additional data had been delayed by the suspension of Board hearings on March 17, 2020 due to the COVID-19 public health emergency. Legal Aid Ontario anticipated completing the analysis by April 2021, pending the Board resuming operations at a time to be determined by the federal government.

Follow-Ups on Billings Issues on Guaranteed Daily Rate Not Timely

Recommendation 5

To help keep payments of the Guaranteed Daily Rate in accordance with applicable rules, we recommend that Legal Aid Ontario:

- *finalize its review to determine the extent of inappropriate billings in a timely manner;*
- *implement effective controls preventing double billing and other inappropriate billing related to primary office locations and meals;*
- *clarify the Guaranteed Daily Rate policy and communicate it to private-sector lawyers and the importance of complying with the policy; and*
- *recover any overbilling from lawyers when identified.*

Status: Little or no progress.

Details

Our 2018 audit reviewed the Guaranteed Daily Rate (Daily Rate), a fixed fee of \$1,181 paid to lawyers each time they were required to fly to remote courts, or travel by car to a court that was more than 200 kilometres, one way, from the lawyer's office. In 2016/17, total payments for the Daily Rate billed by 87 lawyers were \$2 million.

Our audit found that Legal Aid Ontario had noted instances of inaccurate billing of the Daily Rate, but had not taken timely action to follow up on each case or strengthen its controls to prevent overbilling. Based on a tip of potential billing

irregularities and results from its routine audits of lawyers' billings, Legal Aid Ontario started a review of the Daily Rate in January 2018. The review identified double billing (billing for the Daily Rate and hourly billing for the same day on a certificate), and lawyers billing Legal Aid Ontario for meals on flights when meals are included in the cost of airfare. The review also identified a lawyer who billed \$150,000 for the Daily Rate between May 2013 and August 2016, but used a P.O. box address instead of the primary address on file with the Law Society of Ontario. The lawyer's primary address was only five kilometres away from the court and therefore did not qualify under the Daily Rate policy.

Our follow-up found that Legal Aid Ontario had made little progress in finalizing its review of the Daily Rate, and had not made progress toward implementing effective controls preventing double billing, and other inappropriate billing practices related to primary office locations and meals. In addition, Legal Aid Ontario had not clarified or communicated the Daily Rate policy and the importance of complying with the policy to private-sector lawyers, and had not yet taken steps to recover any overbillings identified.

Legal Aid Ontario indicated that it needed to consult with Nishnawbe Aski Legal Services, the Indigenous legal services corporation which provides services to Nishnawbe-Aski Nation peoples funded by Legal Aid Ontario, before finalizing the review, implementing controls, clarifying the Daily Rate policy and recovering overbillings. Legal Aid Ontario noted that Nishnawbe Aski Legal Services had suspended all consultations to protect their communities during the COVID-19 public health emergency, and therefore could not provide a timeline for implementation of this recommendation. Legal Aid Ontario also indicated that it was waiting to adjust the Daily Rate policy and related controls until after new legislation, the *Legal Aid Services Act, 2020*, was passed. In July 2020, the *Legal Aid Services Act, 2020* was passed and has yet to be proclaimed by the government.

Recommendation 6

To oversee lawyers or examine the feasibility of developing and implementing a quality assurance program on its own, we recommend that Legal Aid Ontario work with the Law Society of Ontario to create a quality assurance audit program, including after-case peer review, to oversee lawyers or seek changes to legislation that would allow it to develop and implement a quality assurance program by itself.

Status: In the process of being implemented by April 2021.

Details

Our 2018 audit noted that private-sector lawyers providing legal aid services were not assessed for quality, nor were they peer-reviewed. More than 90% of certificate services and over one third of duty counsel assists were delivered by private-sector lawyers in 2017/18. The *Legal Aid Services Act, 1998* stated that Legal Aid Ontario had the authority to direct the Law Society of Ontario to perform quality assurance audits of lawyers, but, Legal Aid Ontario had not asked the Law Society of Ontario to do so since its inception. It did, however, reactively refer lawyers to the Law Society when it became aware of serious matters such as potential misconduct. Legal Aid Ontario received 211 complaints in 2016/17, and about one-third concerned lawyers' services. This was a 30% increase from the 162 complaints received in 2012/13.

Subsequent to our audit, Legal Aid Ontario sought changes to legislation to allow it to develop and implement a quality assurance program by itself. New legislation, the *Legal Aid Services Act, 2020* had received a third reading at the time of our follow-up and was passed in July 2020. Under the new act, Legal Aid Ontario has the authority to establish roster lawyers and standards, including standards for quality assurance, to oversee those lawyers.

In anticipation of the new act, Legal Aid Ontario had established a working group to develop rules and policies for its roster of private-sector lawyers. These policies would include ensuring compliance and reporting, and establishing quality standards,

administrative suspensions, monitoring and remediation programs. At the time of our follow-up however, Legal Aid Ontario had not yet explored after-case peer review as part of a quality assurance framework.

In July 2020, the *Legal Aid Services Act, 2020* was passed after a delay due to the COVID-19 public health emergency. In June 2020, Legal Aid Ontario had been expecting to finalize rules and policies related to roster management of private-sector lawyers by the time the act was effective, anticipated at the time by April 2021.

Recommendation 7

To help private-sector lawyers meet Legal Aid Ontario's professional requirements, we recommend that Legal Aid Ontario:

- *follow up promptly with lawyers who are on conditional status for more than two years and those who do not annually self-report on the continuous learning requirements;*

Status: In the process of being implemented by April 2021.

Details

Our 2018 audit noted that during the 2016 calendar year, 1,959 of 5,423 private-sector lawyers on Legal Aid Ontario rosters did not provide their annual self-report. Legal Aid Ontario requires that all roster lawyers confirm annually that they have met the experience and continuous learning requirements as a mechanism to ensure competence. Requirements varied by roster, but all included six hours of legal education and completion of a minimum number of case files in the previous year. Of the 1,959 lawyers who did not self-report, 395 billed Legal Aid Ontario \$7.7 million during the period from April 1, 2017, to March 28, 2018. Legal Aid Ontario did not impose consequences on lawyers who failed to submit a self-report.

Our audit also found that new lawyers, or lawyers who were new to a particular area of law who did not meet the experience requirements to be on

a Legal Aid Ontario roster in their area of law, could be conditionally admitted to a roster if they agreed to meet the minimum experience level within two years. We found that as of February 2018, 1,064 of the 5,059 private-sector lawyers on rosters at that time had a conditional status on at least one roster for more than two years, and 800 had been conditional for more than three years. Although conditionally approved lawyers are allowed to accept certificates, their conditional status meant that they had not satisfied all of Legal Aid Ontario's requirements.

Subsequent to our audit, Legal Aid Ontario implemented automated controls that eliminated the need to follow up with lawyers who had not submitted an annual self-report, as discussed under the next recommended action.

Our follow-up found that there were still many lawyers on conditional status for more than two years. As of March 31, 2020, 996 of the 4,839 private-sector lawyers on rosters at that time with conditional status on at least one roster for more than two years. However, we also found that Legal Aid Ontario was manually reviewing and following up with these lawyers. Legal Aid Ontario indicated that additional steps, such as automating data collection and correction, were needed to make further progress on following up and reducing the number of conditional-status lawyers. These steps were expected to be completed in time for the implementation of the *Legal Aid Services Act, 2020*, expected at the time by April 2021.

- *establish cost-effective consequences for lawyers who do not provide an annual self-report on their continuous learning.*

Status: Fully implemented.

Details

In early 2020, Legal Aid Ontario implemented a new control in its online billing system. The consequences for a lawyer not providing annual self-reporting on continuous learning were that the lawyer would not be able to accept new certifi-

cates or submit accounts for payment through the online billing system until the self-reporting was completed. In addition, Legal Aid Ontario planned to notify lawyers who did not submit their annual self-report within eight months of the due date that they might be removed from rosters.

Community Legal Clinics

Recommendation 8

To help make better use of community legal clinics' resources, we recommend that the Ministry of the Attorney General, on behalf of Legal Aid Ontario and the Social Benefits Tribunal, continue to work with the Ministry of Children, Community and Social Services to further reduce the number of Ontario Disability Support Program cases that proceed to an appeal process.

Status: In the process of being implemented by March 2022.

Details

Our 2018 audit found that, in 2016/17, clinics handled 9,435 cases related to clients' Ontario Disability Support Program (ODSP) applications, as well as appeals when they had been turned down for ODSP. This was 44% of the clinics' caseloads. Legal Aid Ontario estimated that the total ODSP cases cost it approximately \$21 million, or about \$2,200 per case. This was about 24% of Legal Aid Ontario's clinic budget. Seventy-eight percent of respondents to our survey of community legal clinics indicated that if the ODSP case volume was reduced, they would be able to serve other needs in employment law, human rights matters, issues that impact senior citizens, and expand in other existing service areas.

Furthermore, our audit noted that the Ministry, through funds transferred by Legal Aid Ontario to the clinics, funds the clinics and also the Social Benefits Tribunal (Tribunal) that hears ODSP appeals. Cost effectiveness could be achieved if the number of ODSP appeals was decreased so that the Ministry's resources were not used as frequently to fund the appeal process.

Subsequent to our audit, joint efforts by the Ministry of Children, Community and Social Services (MCCSS) and the Tribunal to streamline the appeals process, such as early resolution, continued to lead to reductions in the number of appeals heard by the Tribunal. Our follow-up noted that the number of appeals granted or denied following a hearing decreased from 7,617 in 2014/15 to 4,784 in 2017/18, and further decreased to 4,318 in 2018/19 and 3,649 in 2019/20, or 52% since 2014/15.

In addition, the Ministry had initiated a review of tribunals in Ontario, including the Social Benefits Tribunal, while MCCSS had undertaken a social assistance reform initiative. Under these initiatives, the Ministry and MCCSS had collaborated on potential reforms of the ODSP appeals process and the Tribunal. Work completed included jurisdictional scans for best practices, development of options for reform, and estimation of timelines. The Ministry advised that amendments to the current process would require legislation to be passed, expected by March 2022.

Recommendation 9

To better understand how resources are being used by community legal clinics (clinics) on Ontario Disability Support Program cases, we recommend Legal Aid Ontario work with clinics to formally record how much of clinics' resources are used to assist with applications versus appeals.

Status: In the process of being implemented by April 2021.

Details

Our 2018 audit found that although clinics assisted with both ODSP applications and appeals, the clinic information system did not differentiate between applications and appeals. Legal Aid Ontario also did not know how many appeals handled by the clinics eventually went to the Tribunal. Some clinics might have collected this data, but they were not required to report the number of appeals to Legal Aid Ontario. This information would have been useful because it would allow

Legal Aid Ontario and clinics to understand how much of clinics' resources were spent on which stage of ODSP cases, and to identify areas for further improvement.

Our follow-up found that Legal Aid Ontario had made changes to the Clinic Information Management System that would allow clinics to differentiate between ODSP applications and appeals. However, there had been limited uptake by the clinics in utilizing the feature, primarily because the clinics were not yet required to do so. Legal Aid Ontario indicated that clinics would be required to report this information when performance measurement reporting was fully implemented, expected by April 2021.

Recommendation 10

To help future projects be reliably sourced and avoid vendors failing to complete projects, we recommend that Legal Aid Ontario implement a policy to evaluate vendor financial viability for critical procurements.

Status: Fully implemented.

Details

In 2018, our audit found that Legal Aid Ontario's clinic information system was completed in September 2017—three years late, and at a total cost of \$7 million, more than double its original budget of \$3.25 million. The primary causes of the delay and budget overruns were that the vendor was late starting the project, then encountered financial difficulties and was unable to complete the project before declaring bankruptcy in February 2017. Legal Aid Ontario subsequently hired the vendor's former employees on contract and had its own internal IT department manage the project to completion. This likely could have been avoided if Legal Aid Ontario had evaluated the vendor's financial viability prior to awarding the contract.

At the time of our audit, the Ontario Public Sector Procurement Directive and Legal Aid Ontario's internal procurement process did not require a review of the financial viability of a potential vendor. We noted several examples of other jurisdictions

recommending the assessment of financial viability for complex procurements, including the Canadian federal government, the British Columbia government, and the Australian Department of Finance.

Our follow-up found that Legal Aid Ontario entered into a contract in January 2019 with a company that provided credit reports for potential vendors. At the time of our follow-up, Legal Aid Ontario had received credit reports for multiple potential vendors. The reports included detailed information about the vendors, the services they provided, and the industries in which they operated. In addition, the reports evaluated business risk, financial viability, and stability, and assigned a probability of the vendor discontinuing operations.

In addition, in June 2020, Legal Aid Ontario implemented a new procurement policy. The policy stated that a procurement team would determine the level of due diligence required for each procurement, which might include confirmation of financial viability.

Recommendation 11

To allow better use of the community legal clinics' time for delivering services, and to help ensure the significant investment in the new Clinic Information Management System provides value, we recommend that Legal Aid Ontario continue to address the complaints received from the clinics and resolve the issues identified.

Status: Fully implemented.

Details

During our 2018 audit we found that all four clinics that we had more in-depth discussions with and the representatives from the Association of Community Legal Clinics of Ontario indicated that the new Clinic Information Management System (System) had negatively affected clinics' operations. Common complaints included excessive time to load and save, features not working and a lack of useful reports. The four clinics also indicated that issues with the new System had put a strain on their resources, such as the need to complete data entry

after-hours. These observations were supported by our survey of other community legal clinics that were not included in our in-depth discussions.

Our follow-up found that Legal Aid Ontario had continued to work with clinics to address issues with the System. We also noted that the System working group continued to meet and work on improvements to the system, and System support requests submitted by clinics to Legal Aid Ontario dropped from 406 in 2018 to 266 in 2019.

We spoke again with the four clinics we had in-depth discussions with during our audit, as well as the Association of Community Legal Clinics of Ontario. Clinics emphasized that Legal Aid Ontario had made significant improvements to the System since our audit in 2018, and had dedicated additional resources to making ongoing improvements and resolving issues. For instance, improvements had been made to the speed and functionality of the System, reports had been improved and training was provided. However, representatives from these clinics still had concerns and suggestions for more improvements. For example, they would have liked the System to operate more robustly. Legal Aid Ontario had committed to continue addressing clinics' concerns in a timely manner within its budget where resources were available.

Recommendation 12

To better address local needs and priorities equitably, we recommend that Legal Aid Ontario, together with community legal clinics, collect complete, accurate and current demographic data on which to base its decisions about allocating funding to clinics.

Status: In the process of being implemented by April 2021.

Details

Our 2018 audit noted that the majority of clinic funding was based on historical amounts—meaning that funding was primarily based on prior years' funding—rather than being equitably distributed based on local needs in each community. As a result, average funding for each person with a low

income varied significantly between clinics. For example, in 2016/17, the 10 top-funded clinics received an average of \$75 per low-income person, while the 10 lowest-funded clinics averaged just \$14—a \$61 gap. Despite some efforts by Legal Aid Ontario to reduce the gap in funding between clinics, we found it had been unable to do so. The gap between the 10 top-funded and 10 lowest-funded clinics had actually increased by 19%—from \$51 in 2013/14 to \$61 in 2016/17.

Mapping where people with low incomes live is considered by experts in legal aid as an effective indicator for identifying clinics' service needs. Legal Aid Ontario began using this measure to identify clinics that had the fewest resources per low-income person.

Our follow-up found that clinics now had the option to report some additional demographic information for clients through the Clinic Information Management System, such as age and the first three digits of the client's postal code. As of March 2020, clinics could also record information on client race. Legal Aid Ontario was providing training to clinics on asking clients race-based questions for clinics who wished to collect race-based data.

Legal Aid Ontario had also begun compiling summary demographic data for clinic service areas to inform funding decisions. This data included information such as education level, citizenship, place of birth and employment status. Legal Aid Ontario indicated it had not yet decided on how to use this information to determine funding, but was planning potential changes to the clinic funding model as part of the implementation of the *Legal Aid Services Act, 2020*, expected at the time to be effective by April 2021.

Recommendation 13

To help keep funding to community legal clinics (clinics) used for the intended services and to achieve the intended outcome, we recommend that Legal Aid Ontario work with clinics to:

- *finalize the reporting of performance measures that are used to evaluate the effectiveness of clinics; and*
- *monitor actual outcomes and address areas of underperformance in a timely manner.*

Status: In the process of being implemented by April 2021.

Details

In our 2018 audit, we noted that community legal clinics measured and reported on outputs, such as number of cases, number of public education sessions held and number of referrals. However, Legal Aid Ontario did not have aggregated data on whether these outputs were achieving the desired program outcomes at each clinic, such as success rates of disability income appeals and landlord tenant disputes. This issue was also identified in our 2011 audit on Legal Aid Ontario.

Our follow-up found that Legal Aid Ontario began piloting the performance measures and performance management reports at nine of 72 clinics in February 2020. At the time of our follow-up, Legal Aid Ontario had not decided which performance measures would be used to evaluate the effectiveness of clinics, stating it would evaluate the usefulness of the measures after all clinics began reporting and sufficient data was available. Legal Aid Ontario expected to roll out performance management reports to the remaining clinics in stages, beginning in September 2020.

In addition, Legal Aid Ontario indicated that addressing underperformance would be included in the rules, policies, and contracts developed for clinics as part of new measures related to the *Legal Aid Services Act, 2020*, and that it would begin monitoring and addressing underperformance when the act became effective, expected at the time by April 2021.

Recommendation 14

To help community legal clinics achieve their legislative mandate and intended objectives cost-effectively, we recommend that the Ministry of the Attorney

General work with Legal Aid Ontario to conduct a comprehensive review of the service delivery model and identify areas for improvement.

Status: In the process of being implemented by April 2021.

Details

At the time of our 2018 audit, there were no plans to conduct a review of the community-based clinic model. Such a review had not been done in the previous decade. We noted Ontario was the only Canadian province that provided law services through independent community-based clinics. Other provinces delivered similar clinic services through their provincial legal aid programs. We also found that most jurisdictions in Australia had community-based clinics similar to those in Ontario, and that several Australian states had done comprehensive reviews of their clinic systems to ensure they were meeting client need to the greatest extent possible within fixed budgets.

Subsequent to our audit, Legal Aid Ontario and the Ministry hosted meetings in August and September of 2019 with key stakeholders including clinics, various advisory committees, employees, and union representatives on the delivery of legal aid in Ontario. Included in these meetings were significant discussions regarding the clinic service delivery model and potential improvements. In December 2019, the Attorney General introduced the *Legal Aid Services Act, 2020*, which had received a third reading at the time of our follow-up and was passed in July 2020. The new act gives Legal Aid Ontario the ability to enter into agreements with a broader array of service providers. The Ministry indicated community legal clinics would continue to play a role in providing legal services for low-income Ontarians.

At the time of our follow-up, the Ministry informed us that if the new act was passed, the Ministry and Legal Aid Ontario would work with stakeholders to develop new agreements for service providers, including clinics, aligned with the new legislation. The Ministry anticipated that the new

agreement framework would be completed in April 2021, the effective date of *Legal Aid Services Act, 2020* expected at the time.

Duty Counsel

Recommendation 15

In order to collect reliable data on duty counsel assists, we recommend that Legal Aid Ontario:

- *instruct duty counsel to input data appropriately and consistently across the province;*

Status: In the process of being implemented by April 2021.

Details

Our 2018 audit found that during 2016/17 (the most recent data available at the time), duty counsel did not perform eligibility tests for 95% of the individuals they assisted on criminal matters. Duty counsel services were mainly provided without an eligibility test unless duty counsel suspected that the person might not be eligible, and because some services (such as bail hearings) did not require a person to be financially eligible. However, because duty counsel did not consistently indicate whether a financial eligibility test was required in each case, it is unclear how many of the 95% of individuals assisted should have been tested, and might not have been eligible for legal aid.

Subsequent to our audit, Legal Aid Ontario implemented a system change in March 2020 that will make filling in the field for financial eligibility for duty counsel assists mandatory. Duty counsel staff will be required to indicate whether a client is eligible, not eligible, exempt, or if they were unable to conduct the financial eligibility test. Legal Aid Ontario had made duty counsel aware of the changes and had developed mandatory training. However, the training, which was expected to be completed by the first quarter of 2020/21, had been delayed due to the COVID-19 public health emergency. Legal Aid Ontario was waiting until the completion of training, expected to be provided by April 2021, before activating the system change.

- *track duty counsel assists to non-eligible clients when directed to by judges;*

Status: Fully implemented.

Details

Our 2018 audit found that in some cases, a judge might instruct duty counsel to provide assistance to those who were unrepresented in court, in order to increase efficiency in the court process. Legal Aid Ontario, however, did not track how many times duty counsel was directed by a judge to provide an assist to an individual who was not financially eligible, so it is unknown how frequently this occurred across Ontario courts. Overextending duty counsel services to ineligible clients could have taken away duty counsel resources available to assist clients who were eligible.

Subsequent to our audit, in June 2019, Legal Aid Ontario communicated to judges in both criminal and family courts that access to duty counsel would be limited to clients found eligible through the financial eligibility test or those deemed exempt from the test, such as clients in custody, or child protection cases involving bringing a child to a place of safety. Therefore this action has been addressed.

- *track reasons why financial eligibility was not assessed, such as because a financial eligibility test was not required and in what circumstances.*

Status: Little or no progress.

Details

In our 2018 audit, we reported that duty counsel lawyers did not track consistently whether eligibility testing was required or not, and the circumstances of each service.

As mentioned in the first action under **Recommendation 15**, duty counsel will soon be required to indicate whether or not a client is exempt from the financial eligibility test. Legal Aid Ontario had clearly defined limited exemption criteria, and therefore tracking reasons for exemption will not be required. Exemption criteria included the client being in custody, a youth client facing criminal charges and urgent child protection matters.

Although duty counsel will no longer be able to simply indicate that no financial eligibility test was conducted without providing a rationale, as part of the systems changes previously mentioned, they will be required to indicate if they were unable to complete the test. Legal Aid Ontario had developed guidance that this option should only be selected in extenuating circumstances where it is not feasible to conduct the test, such as when the interaction with the client was too brief or the client was suffering a mental health crisis. However, by not tracking the reason that duty counsel did not conduct the test, Legal Aid Ontario will be unable to assess whether the decision was justified and if duty counsel resources are being utilized appropriately.

Chapter 1

Section 1.06

Metrolinx—GO Station Selection

Follow-Up on VFM Section 3.06, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	5	5				
Recommendation 2	1	1				
Recommendation 3	2	2				
Recommendation 4	2	2				
Recommendation 5	1	1				
Total	11	11	0	0	0	0
%	100	100	0	0	0	0

Overall Conclusion

As of September 30, 2020, Metrolinx and the Ministry of Transportation (Ministry) had fully implemented all of the recommended actions in our *2018 Annual Report*. For example, Metrolinx developed a clear framework for how criteria used in its business cases are established and changed; defined how inputs outside of business cases (such as public engagement, policies and other investments, emergent trends and conditions, and capacity to deliver) are distinct from the considerations included in business cases, and established a regular interval at which inputs and assumptions used in business cases are reviewed for their relevance and reli-

ability. Also, Metrolinx started to use language that is clear and understandable in its reports to the Board and those it posts on its website for the public. Furthermore, the government made amendments to the *Metrolinx Act, 2006* through Bill 57, the *Restoring Trust, Transparency and Accountability Act, 2018*, to clarify the roles and responsibilities of the Ministry and Metrolinx with respect to transit planning and decision-making.

As well, in November 2018 the Ministry directed Metrolinx to stop procurement of all new GO stations, including Kirby and Lawrence East, the two stations we noted in **Recommendation 2**. The Ministry announced that it would then independently assess whether stations should proceed only if Metrolinx had identified third-party commercial partnership opportunities for their locations.

The status of actions taken on each of our recommendations is described in this report.

Background

On September 27, 2017, the Standing Committee on Public Accounts (Committee) passed a motion requesting that “the Auditor General conduct a value-for-money audit on the proposed Metrolinx GO stations at Kirby and Lawrence East.”

We found that the Minister of Transportation (Minister) and the City of Toronto (City) had influenced Metrolinx’s decision-making process leading up to the selection of the two stations. As a result, Metrolinx inappropriately changed its recommendations on Kirby and Lawrence East. It had originally concluded that the stations’ costs and disadvantages significantly outweighed their benefits, but overrode that conclusion because the Minister and the City made it clear they wanted the stations. Metrolinx then recommended that its Board approve them. While the Board was aware that the Minister and City wanted the stations, it approved the stations based on the information Metrolinx staff had provided—that is, the latest analysis that supported the construction of the two stations.

The stations were two of 12 new GO stations that Metrolinx had recommended for construction in June 2016. The new stations became part of a provincial regional rail expansion initiative in the Greater Toronto and Hamilton area (GTHA).

The Committee’s motion followed controversy around Kirby and Lawrence East highlighted by media reports between March and August 2017.

Our audit focused on the process that led to Metrolinx’s decision to recommend construction of the stations.

The following were some of our specific findings:

- The Minister had not used the legislative channels available to him under the *Metrolinx Act, 2006* (Act) to direct the agency’s regional transportation planning work; instead, he and

the City influenced Metrolinx to override its own planning process. Under the Act, the Minister could give written directives to Metrolinx regarding any matter under the Act. A written directive from the Minister to add Kirby and Lawrence East would have provided greater transparency and accountability by signalling clear ownership of the decision.

- Metrolinx’s 2016 original business-case analyses of the Kirby and Lawrence East stations had noted that construction of both stations was expected to result in a net loss of GO ridership, a net increase in vehicle use (driving) in the GTHA and an overall decrease in fare revenue.
- Metrolinx’s lack of a rigorous transit-planning process, weighing all costs and benefits against established criteria, had enabled Metrolinx to deviate from the recommendations of the original business-case analysis. Metrolinx removed Kirby and Lawrence East stations from the original list of “not recommended” stations and put them into a new category it created of “low” performing stations. It put the remaining “not recommended” stations into another new category it created of “very low” performing stations. These new categories were used in Metrolinx’s June 28, 2016, report to the Board, which recommended building all but the “very low” performing stations.
- In Metrolinx’s updated February 2018 analysis, the expected benefits of the stations to the GTHA had increased. However, in its analysis, Metrolinx had used outdated information and had made best-case scenario assumptions about future changes to the GO rail system (for example, fare integration with transit agencies, express service and level boarding) that, to varying degrees, were not certain to be fully implemented as planned.

We made five recommendations, consisting of 11 action items, to address our audit findings.

We received commitments from the Ministry and Metrolinx that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between March 2020 and June 2020. We obtained written representation from Metrolinx and the Ministry of Transportation that effective September 30, 2020, they had provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Metrolinx Overrode Planning Evidence to Accommodate External Influence on Station Selection Decision

Recommendation 1

To support co-ordinated, accountable and transparent decision-making for transit investments in the Greater Toronto and Hamilton Area, we recommend that Metrolinx establish a clear framework for how:

- *criteria used in business cases are established and changed;*

Status: Fully implemented.

Details

In our 2018 audit, we found that in response to attempts by the then Minister of Transportation (Minister) and the City of Toronto to influence the station selection, Metrolinx planning staff tried to justify including the Kirby and Lawrence East stations by changing the criteria used in the business-case analysis to recommend which stations should be built.

In our follow-up, we found that in 2019, Metrolinx established a clearer framework for how criteria used in business cases are established,

changed and approved. All changes to the criteria now require a formal approval from Metrolinx's senior management team. In November 2019, Metrolinx also established an external advisory panel of 11 experts that is scheduled to meet regularly to review and provide input on any changes and updates to the criteria used in business cases.

Metrolinx also established a formal refresher cycle to review and if necessary update the criteria used in its business cases in collaboration with the advisory panel.

A formal process has also been established to consider ad hoc changes to the criteria. According to this process, Metrolinx staff must first identify and document the need for a change based on ongoing jurisdictional scans, advice from the advisory panel, lessons learned from business-case production, direction from the senior management team or the province, and stakeholder feedback. The next step requires Metrolinx staff to conduct the research necessary to determine if the change is warranted and how to incorporate the change. The final step requires Metrolinx staff to consult with the Ministry of Transportation to obtain feedback on the proposed change. Before they are put into effect, all changes must be reviewed and approved by Metrolinx's senior management team.

- *inputs outside of business cases (such as public engagement, policies and other investments, emergent trends and conditions, and capacity to deliver) are distinct from the considerations included in business cases;*

Status: Fully implemented.

Details

In our 2018 audit, we found that there were four components to Metrolinx's business-case analysis: strategic, economic, financial, and deliverability/operations. The business-case analyses of the Kirby and Lawrence East stations took the strategic considerations into account. But in those analyses, the strategic benefits—aligning with Vaughan's and Toronto's growth objectives and transit

plans—were not large enough to outweigh the high net economic costs. Metrolinx staff overrode these business-case analysis results in their report to the Board. The report stated that “Metrolinx should ... include strategic considerations in addition to the results of the Initial Business Cases and the network fit analysis to also support strategic considerations to include factors like overall priorities of the various levels of government.” In March 2018, Metrolinx published its *Draft Business Case Guidance*, which stated that business cases are only one of five inputs Metrolinx considers in decision-making. The other four inputs, which are considered outside of business cases, are public engagement, policies and other investments, emergent trends and conditions, and capacity to deliver. We noted in our audit that repeatedly adding further “strategic considerations” to the decision-making process makes it possible to justify any decision.

In our follow-up, we found that on September 23, 2019, Metrolinx issued an internal memo to its staff that defined and distinguished strategic considerations included in business cases from inputs outside of business cases, such as public engagement, policies and other investments, emergent trends and conditions, and capacity to deliver.

- *both inputs outside of business cases and the criteria used in business cases are weighted in the decision-making;*

Status: Fully implemented.

Details

In our follow-up, we found that in response to **Recommendation 4** in our 2018 report, Metrolinx had started to include a cover note at the front of all business cases presented to its Board. In late 2019, Metrolinx began to describe in the cover note how each of the inputs outside of business cases and the criteria used in business cases are weighted in its decisions to recommend transit projects. As some of the factors such as “market capacity” and “Provincial prioritization” used by Metrolinx in its business case analyses are qualitative and cannot be

converted into a precise number, in the cover note Metrolinx discloses these factors and describes how professional judgment was applied to make trade-offs among these factors in the process of making its decision to recommend the transit project.

- *Metrolinx should request official Ministerial direction when the Province’s objectives are not in alignment with Metrolinx’s business cases, plans, and decisions;*

Status: Fully implemented.

Details

In our 2018 audit, we found that other jurisdictions have adopted practices that ensure greater accountability when a decision is made to proceed for political reasons with transit investments that have a significant net economic cost. For example, when such situations are encountered in the United Kingdom, the most senior civil servant in each department has a duty to seek ministerial direction if they think a spending proposal does not promise good value for money.

In our follow-up, we found that Metrolinx had started to request official direction when ministerial decisions differed from the results of its business cases. For instance, in late 2019 Metrolinx asked for ministerial direction on its plan to lower GO local short-distance fares. Further, in 2019 Metrolinx implemented a policy that requires its staff to obtain written direction from the Ministry of Transportation when the province’s objectives are not in alignment with Metrolinx’s business cases, plans and decisions. Between November 26, 2018, and June 30, 2020, Metrolinx received 11 ministerial directions on various matters.

- *Metrolinx should request formal City or municipal recommendations when municipal stakeholders’ objectives are not in alignment with Metrolinx’s business cases, plans, and decisions.*

Status: Fully implemented.

Details

In our follow-up, Metrolinx informed us that if the need arises it will request formal City or municipal recommendation when municipal stakeholders' objectives are not in alignment with Metrolinx's business cases, plans and decisions. Currently, Metrolinx communicates with and requests formal feedback from affected municipalities by sending them draft business cases before they are published. In addition, in September 2018 the Metrolinx Board endorsed the establishment of the Regional Roundtable as a forum for municipal stakeholders to provide Metrolinx with recommendations and for Metrolinx to collaborate and work with municipalities on implementing the 2041 Regional Transportation Plan. Municipal stakeholders can also provide Metrolinx with their recommendations during the three yearly meetings of the Regional Roundtable of Chief Administrative Officers and Chief Executive Officers of municipalities and transit agencies, and the quarterly Municipal Planning Leaders Forum of planning and transportation senior executives, and during a monthly technical advisory group meeting known as the Municipal Technical Advisory Committee.

Recommendation 2

To confirm whether the Kirby and Lawrence East GO stations should be built, we recommend that the Ministry of Transportation independently assess whether they should proceed at this time and whether these stations will benefit the regional transportation network.

Status: Fully implemented.

Details

In our 2018 audit, we found that Metrolinx appropriately gathered comprehensive information for selecting new GO stations; however, it did not have a rigorous process for weighing all costs and benefits against established criteria. The information Metrolinx gathered on the Kirby and Lawrence East stations from January to June 2016 showed that the costs from an economic perspective significantly outweighed the benefits. Despite this, Metrolinx

recommended the Kirby and Lawrence East GO stations in June 2016, on the basis of undefined "strategic considerations."

In our follow-up, we found that in November 2018 the Ministry had directed Metrolinx to stop procurement of new GO stations, including Kirby and Lawrence, and asked Metrolinx to adopt a new market-driven strategy by which Metrolinx was to seek partnerships with private builders to deliver new GO stations. Metrolinx is now in the process of reviewing each potential site for a new GO station, including Kirby and Lawrence, to be delivered through a commercial partnership with a third party such as a developer or landowner. Once this work is completed, before seeking Treasury Board approval to permit Metrolinx to sign commercial agreements with development partners, the Ministry intends to independently assess the partnership opportunities that Metrolinx identifies, including Kirby and Lawrence, if Metrolinx identifies partnership opportunities for these locations.

Recommendation 3

To improve the accuracy of the analyses on which Metrolinx bases its future transit-planning decisions, we recommend that Metrolinx:

- *establish a regular interval at which inputs and assumptions used in business cases are reviewed for their relevance and reliability;*

Status: Fully implemented.

Details

We found in our 2018 audit that in February 2018, Metrolinx had released an updated analysis of the 17 shortlisted stations, concluding that the 12 stations that had been recommended in June 2016 (including Kirby and Lawrence East) were justified. The reanalysis introduced three new assumptions to three newly planned initiatives not included in the 2016 analysis: fare integration, express service and station platforms that are level with train doors (known as "level boarding"). These initiatives were said to increase the economic

benefits of the 12 stations by a total of \$5.3 billion over the first 60 years after the stations were built. However, the economic benefits of the 12 stations were overstated by about \$2.9 billion because of two out-of-date assumptions used in Metrolinx's calculations.

In our follow-up, we found that in March 2019, Metrolinx had reviewed the existing inputs and assumptions used in business cases, and using information such as census data and academic research, it had created guidelines for the frequency of review for each input and assumption used in its business cases. For example, there is now a requirement to refresh the “value of time” variable every 12 months.

- *use the most up-to-date inputs and assumptions in its future business-case analyses.*

Status: Fully implemented.

Details

In our follow-up, we found that in early 2019, Metrolinx had established a formal refresher cycle. As one part of this refresher cycle, in collaboration with its advisory panel it will review and if necessary update inputs and assumptions used in its future business-case analyses, so that these use the most up-to-date inputs and assumptions.

Recommendation 4

To help decision-makers and stakeholders understand the expected benefits of proposed investments, we recommend that Metrolinx:

- *use language that is clear and understandable in its reports to the Board and those it posts on its website for the public;*

Status: Fully implemented.

Details

Our 2018 audit found that throughout the station evaluation process, Metrolinx revised both the published analyses and supporting documentation. This obscured the net economic costs estimated in

the original business cases, making the results of the business-case analyses—both on Metrolinx's website and in the published report to the Board—much less clear and transparent. Metrolinx did not post the Summary Report on its website until September 2017. When it did, it posted an edited version of the Summary Report originally provided by its consultants. These edits included changing the names of the groups into which the consultants had classified the proposed stations: “recommended” stations were changed to “best performing,” and “not recommended” to “low performing.” Metrolinx's renaming of the groups and removal of the word “recommended” made the results of the consultants' analyses less clear to the reader and obscured the negative evaluations of the Kirby and Lawrence East stations arrived at by the consultants. The report to the Metrolinx Board used the same revised group names and, having been revised twice from its original June 10, 2016 version, went even further in obscuring the consultants' negative analyses of the Kirby and Lawrence stations.

In our follow-up, we found that in late 2018, Metrolinx began to include a cover note at the front of all of its business cases presented to the Board. The cover note is written in language that is clear and understandable and provides a summary of the business case and Metrolinx's recommendation. The cover note also includes details on how other considerations outside the business case will factor into the final decision on whether the project will be pursued.

- *include and clearly disclose sensitivity analyses in its published business-case results.*

Status: Fully implemented.

Details

In our 2018 audit, we found that Metrolinx had released an updated analysis of the 17 shortlisted new stations in February 2018. This public 2018 re-analysis report is available on Metrolinx's website as Technical Report: GO Expansion RER New Stations Business Case Analysis. However, we noted

that the re-analysis report presented only a best-case scenario and lacked sensitivity analyses, which would have presented a range of estimates of the economic benefits of the stations.

In our follow-up, we found that in November 2019, Metrolinx implemented a new policy that requires its staff to conduct and include a sensitivity analysis in all published business cases. Since that time, we have found that all business cases published by Metrolinx have contained a sensitivity analysis.

Recommendation 5

To help Metrolinx effectively carry out its duties as a regional transportation planner, we recommend that the government of the day review the Metrolinx Act, 2006, and determine whether greater clarity regarding Metrolinx's roles and responsibilities in the planning of the regional transportation system would benefit Ontarians.

Status: Fully implemented.

Details

In our 2018 audit, we noted that Metrolinx has the power to plan and propose projects, but it must depend on collaboration with municipalities to put them into effect. That is, Metrolinx relies on municipalities for permits, approvals and transit-supportive land use in order to deliver projects. Without the support of the local municipality, implementing regional transit projects in the GTHA is extremely difficult.

In its leadership role in regional transportation planning, Metrolinx is mandated to plan and achieve what is best for the region. What is best for the region may not always align with the desires of certain stakeholders and interested parties. That is why in our 2018 report we recommend that the government review the *Metrolinx Act, 2006*, and determine whether greater clarity regarding Metrolinx's roles and responsibilities in the planning of the regional transportation system would benefit Ontarians.

In our follow-up, we found that in December 2018, the government made amendments to the *Metrolinx Act, 2006* through Bill 57, the *Restoring Trust, Transparency and Accountability Act, 2018*, to clarify the roles and responsibilities of the Ministry of Transportation (Ministry) and Metrolinx with respect to transit planning and decision-making. The amendments clarified that the Ministry will continue to be the provincial lead for multimodal transportation planning and delivery, while Metrolinx will play a leadership role in transit delivery and the integration of transit with other modes, including multimodal station access planning. The amendments also extended Metrolinx's planning area to the Greater Golden Horseshoe to align it with the geography of provincial plans for the region and made the Regional Transportation Plan subject to approval of the Minister of Transportation.

Chapter 1

Section 1.07

Metrolinx—LRT Construction and Infrastructure Planning

Follow-Up on VFM Section 3.07, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1		1			
Recommendation 2	2	2				
Recommendation 3	5	2			3	
Recommendation 4	1		1			
Recommendation 5	4		1	3		
Recommendation 6	1		1			
Recommendation 7	2			2		
Recommendation 8	1		1			
Recommendation 9	4		2	1	1	
Recommendation 10	3	2		1		
Recommendation 11	3	3				
Recommendation 12	2	2				
Recommendation 13	1	1				
Recommendation 14	1	1				
Recommendation 15	1	1				
Recommendation 16	2	1	1			
Total	34	15	8	7	4	0
%	100	44	24	21	12	0

Overall Conclusion

According to the information that Metrolinx and Infrastructure Ontario have provided to us, as

of October 16, 2020, 44% of actions we recommended in our 2018 Annual Report have been fully implemented, 24% are in the process of being implemented, 21% have little or no progress, and 12% will not be implemented.

Overall, Metrolinx has done the following:

- developed an action plan to identify and address the growing connectivity needs of the GTHA regional transportation network as a whole, given that previously envisioned connections in the network have been lost due to changes in its light rail transit (LRT) project plan, and updated its prioritization framework to guide the delivery of the projects identified in the *2041 Regional Transportation Plan*;
- introduced a gating process to evaluate evidence and ensure that progressively detailed business cases are prepared and approved for each project prior to it proceeding to the next stage of project development and receiving related investment;
- improved accountability for payments made to consultants, requiring greater detail in defining deliverables, including formal invoice approvals, and monitoring compliance with new policies;
- improved oversight of consultants through direct invoice review, new performance indicators and penalties for poor performance.

However, some significant areas that still require work include:

- During our follow-up, we discovered that Metrolinx and Infrastructure Ontario were again negotiating with the Eglinton Crosstown consortium for a multi-million-dollar settlement, with no substantial changes in Metrolinx's process to document the validity of allegations and evidence to demonstrate the value of the claims made by the consortium and to inform Metrolinx in its negotiations. The fact that this negotiation was occurring was not transparently disclosed to us during our follow-up work but instead came to our attention through other means.
- Metrolinx has been unable to resolve issues regarding the Eglinton Crosstown designs that do not meet project requirements or specifications, or minimize the number of partial design submissions received. Although

Metrolinx could have issued non-conformance reports and insisted that the defects be rectified, we noted that Metrolinx had not done this and only issued one design-related non-conformance report since our 2018 audit.

- Metrolinx continued to spend over \$51 million on subconsultants through its existing contract with its primary consultant and did not assess if a separate open procurement was warranted.

The status of actions taken on each of our recommendations is described in this report.

Background

Metrolinx is the agency responsible under the *Metrolinx Act, 2006* (Act) for planning an integrated regional transit system for the Greater Toronto and Hamilton Area (GTHA), overseeing transit capital projects, and operating GO Transit trains and buses, the Union Pearson Express and the PRESTO fare payment system.

In November 2008, Metrolinx formally adopted its first Regional Transportation Plan setting the priorities, policies and programs over the next 25 years for a GTHA regional transportation system. Its top transit priorities included five “rapid transit” projects to allow people to travel quickly in special transit vehicles that have “exclusive right of way” (other vehicles are not allowed on the lanes). The high capacity of these special vehicles and the exclusive right of way make them faster than traditional buses and streetcars, which are smaller and travel on lanes shared with other vehicles.

Our 2018 audit looked at Metrolinx's regional planning responsibilities and work, and its oversight of capital projects designated as “light rail transit” (LRT): Eglinton Crosstown, Finch West, Sheppard East, Scarborough Rapid Transit, Hamilton and Hurontario. We focused on the Eglinton Crosstown LRT, as this was the only project under construction.

Among our specific findings:

Eglinton Crosstown

- The consortium building the Eglinton Crosstown LRT fell significantly behind schedule in 2017. Under the alternative financing and procurement (AFP) contract for this project, Metrolinx had limited remedies to hold the consortium responsible for delays so long as the consortium certified it would still finish the project on time even though Metrolinx knew in 2017 that the consortium was experiencing problems and would likely not achieve the scheduled completion date. Then in February 2018, the consortium filed a claim against Metrolinx for compensation and a deadline extension. Metrolinx negotiated and settled with the consortium, to again hold it to the original contracted completion date of September 2021 by paying the consortium \$237 million. Of the \$237 million, \$100 million was classified as incentive and acceleration compensation subject to clawback if the AFP consortium does not achieve substantial completion on or before September 29, 2021. This settlement was based on negotiations by the CEO of Metrolinx and the CEO of Infrastructure Ontario with the consortium. We found no detailed documentation to support the consortium's initial claims or settlement. Negotiations were based on theoretical risks.

2009–2018 Sunk and Additional Costs

- Metrolinx incurred about \$436 million in sunk and additional costs between 2009 and 2018—\$125 million for cancelling and delaying two projects, \$286 million for costs over and above contract values, and \$25 million to manage issues with the company contracted to supply vehicles for the Eglinton Crosstown.

Consulting Work by One Firm

- Metrolinx contracted with one consulting firm under three separate contracts totalling \$272 million to provide project management

services between 2010 and 2022 for all LRT projects and certain other projects. Before issuing the requests for proposal prior to the selection of this consulting firm, Metrolinx had not formally assessed the extent of work it would require or what would constitute reasonable costs for work.

- For two of those consulting contracts totalling \$145 million, over 50% (about \$97 million) had already been spent only two years into five-year contract periods. At the time of our audit, Metrolinx staff overseeing these contracts did not adequately check that the consulting firm had performed the work to support the hours charged on their invoices and did not address concerns with the consulting firm's poor performance in a timely manner.
- The one consulting firm used by Metrolinx to provide project management services for all LRT projects and certain other projects between 2010 and 2022 often used subconsultants to perform work under its contracts with Metrolinx. Metrolinx may have been able to obtain better value for money if it used competitive bidding for consulting services that were being provided by subconsultants.
- Metrolinx assigned approximately \$1.5 million of additional work to the consulting firm that did not relate to the projects specified in the consulting contracts noted above without issuing an RFP for those services. For example, Metrolinx paid \$1.2 million for unrelated program management services for the Union Pearson Express and about \$367,000 for advice on reorganizing Metrolinx's capital projects group.

LRT Vehicle Purchase

- Metrolinx committed to purchase LRT vehicles for the Eglinton Crosstown, Sheppard East, Finch West and Scarborough Rapid Transit with specific delivery dates without construction contracts in place to build the

LRT projects. The LRT vehicle purchase contract did not contain provisions to address the risk that construction plans could change. The number of vehicles and when those vehicles were needed did change, costing Metrolinx an additional \$49 million for contract changes (included in the \$436 million noted above).

We made 16 recommendations, consisting of 34 action items, to address our audit findings.

We received commitments from Metrolinx and Infrastructure Ontario at the completion of the audit that they would take action to address these recommendations.

Status of Actions Taken on Recommendations

We conducted assurance follow-up work between April 2020 and September 2020, and obtained written representation from both Metrolinx and Infrastructure Ontario on October 16, 2020, that they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Metrolinx Was Not Effectively Fulfilling Its Mandate to Lead Transportation Planning

Recommendation 1

To effectively fulfill its mandate to implement the transportation plan for the GTHA, we recommend that Metrolinx consider securing provincial and municipal approval for the Regional Transportation Plan and work with the provincial government to agree on long-term funding for the projects in the Plan in order to minimize the risk of project delays and cancellations.

Status: In process to be implemented.

The Office of the Auditor General of Ontario continues to believe that obtaining both provincial and municipal approval for the Regional Transportation Plan, along with securing long-term funding for the projects, is key to minimizing the risk of project delays and cancellations.

Details

During our 2018 audit, we found that while Metrolinx's Regional Transportation Plan guides its decisions and actions, there was no legislative requirement for the provincial government and municipalities to follow the plan. As well, the transportation plan was not linked to long-term funding and only serves to identify projects that need to be funded to achieve the goals set out in the plan. The cancellation of the Scarborough Rapid Transit project and the delay of the Sheppard LRT project cost \$125 million. These projects were cancelled and not finished.

Since our audit, in December 2018, the province tabled legislation, Bill 57 (*Restoring Trust, Transparency and Accountability Act, 2018*) that will require the Minister of Transportation to approve Metrolinx's Regional Transportation Plan. Based on this legislation, any future amendment, update or new version of the plan will now require provincial approval. Although municipal approval of the Regional Transportation Plan is not a legislated requirement, Metrolinx's updated business case guidance published in April 2019 enables it to work more closely with municipalities. For example, in the development of business cases for bus rapid transit across the province, municipalities have been involved as part of the project working group in developing and analyzing options and identifying preferred ones.

As a Crown corporation, Metrolinx continues to be governed by the provincial budget process through the Ministry of Transportation, which submits its budget request to the Treasury Board Secretariat on Metrolinx's behalf. As such, the process to secure long-term funding is not in Metrolinx's control. Metrolinx indicated that its transit projects are now being advanced and

prioritized using a regional consultation framework. This involves triannual meetings of the Regional Roundtable of Chief Administrative Officers, city managers, and CEOs of municipalities and transit agencies to discuss projects. Metrolinx established and first convened the Regional Roundtable in July 2018 to discuss regional transit issues, confirm transit priorities, and seek buy-in. The Regional Roundtable is supported by a quarterly Municipal Planning Leaders Forum of municipal commissioners of planning and transportation, and a monthly staff level technical advisory committee. The Ministry of Transportation is represented on each of these forums, and Metrolinx confirmed that it holds monthly co-ordination meetings with the Ministry's Transportation Planning Branch.

Province and Municipal Governments, Not Metrolinx, Decided on Light Rail for Five Transit Projects

Recommendation 2

To ensure that future transit projects meet needs cost effectively and that maximum value is obtained from the money spent, we recommend that Metrolinx:

- *objectively evaluate evidence to recommend—and obtain provincial and municipal government support for—transit projects and options that most cost effectively address the identified transit needs of Ontarians (e.g., ridership demand);*
- *undertake these analyses in a timely manner to provide the best advice to decision-makers before significant investments are made on the projects.*

Status: Fully implemented.

Details

Our 2018 audit found that, in February 2010, the City of Toronto, the province and Metrolinx reached a consensus to proceed with LRTs in Toronto requiring provincial funding of \$8.15 billion. Metrolinx proceeded with planning the projects from that point on as LRTs without analyzing whether LRT

was the best option. In 2014, Metrolinx conducted further analyses to update the business cases for four of the LRT projects in the GTHA: Finch West, Sheppard East, Hurontario and Hamilton. We found that, despite the fact that the draft analyses clearly showed the need to further review whether it was appropriate to proceed with the LRT option for three of the four projects, Metrolinx took no action to address the results of its analysis. We also noted that Metrolinx staff recommended in late 2014 that an intermediate business case, considering the changing context and alternative options, should be completed before an investment decision was made. The results of these analyses were discussed internally with the then Metrolinx CEO in late 2014. However, Metrolinx did not do any further analysis before the province committed to funding the LRTs. In other words, Metrolinx did not act on its findings to then critically assess whether it was planning and building the transit projects that would best serve the region.

Since our 2018 audit, in April 2019, Metrolinx publicly released an updated business case guidance which is used to evaluate transit options. In addition to feedback from municipalities and provincial ministries, the new business case guidance was peer reviewed by a panel of external experts, consisting of professionals, academics and members of the public service in transportation, economics and public policy. However, as previously noted, municipal approval of the Regional Transportation Plan is not a legislated requirement. Metrolinx did implement a new capital approvals policy, effective April 2019, to have progressively detailed business cases prepared for each project and approved prior to the next stage of project development and related investment. The process has five decision stages to be performed by a newly formed Investment Panel. This panel is composed of senior ministry staff who review and provide approval at each stage. For example, the initial business case is required to articulate the options and recommendations for panel consideration. The panel is to challenge the assumptions made

in the submission in order to approve or endorse the initial business case as being fit to go the next stage. In the design and procurement stage, the panel evaluates the project framework, designs and requirements used as the basis for procurement. In addition to the panel, the process also requires approval by senior management within the Capital Planning and Strategic Planning Department at Metrolinx, including the Chief Financial and Executive Officers and by the Assistant Deputy Minister (Agency Oversight and Partnerships Division) at the Ministry of Transportation.

Metrolinx's 2041 Regional Transportation Plan Lacked Action Plans for Connecting Needs of GTHA, Prioritization and Project Funding

Recommendation 3

To have transit projects planned and built with the greatest benefit to the Greater Toronto and Hamilton Area (GTHA) as a whole, we recommend that Metrolinx:

- *develop an action plan to identify and address the growing connectivity needs of the GTHA regional transportation network as a whole, given that previously envisioned connections have been lost with changes in light rail transit project plans;*

Status: Fully implemented.

Details

Our 2018 audit noted that the original vision for the LRT projects was to connect major hubs and employment centres. Two key connections were lost in February 2010, when provincial funding was fixed at \$8.15 billion. The province, Metrolinx, the City of Toronto and the TTC reached a consensus to shorten two lines, Eglinton Crosstown and Finch/Sheppard LRT. These changes forced Metrolinx to implement its plan in a piecemeal manner. The 2041 Regional Transportation Plan

issued in 2018 did not have timelines to restore the connections, so it was not known when or even if these projects would reach their full potential in serving transit users.

Since our audit, Metrolinx indicated that it addressed issues with lost connections, including Eglinton Crosstown LRT's westward extension from Weston to Pearson Airport, an east-west rapid transit connection between the Finch West LRT and the Sheppard subway, and the Hurontario LRT's northward extension from Steeles to downtown Brampton. Capital funding for the Eglinton West LRT extension to Pearson Airport (Renforth terminal) has since been announced as part of the province's April 2019 Budget. In February 2020, Metrolinx developed and published a prioritization framework for the unfunded components of the frequent rapid transit network that was identified in the 2041 Regional Transportation Plan. In the prioritization framework, two of eight measures address project connectivity to the existing and future rapid transit network. A new annual prioritization of transit plans is intended to ensure that regional connectivity is regularly evaluated and considered when selecting projects to examine in more detail through business cases. Metrolinx's first annual review of the prioritization work, including connectivity, is scheduled to take place in December 2020.

- *update its prioritization framework to guide the delivery of the projects identified in the 2041 Regional Transportation Plan;*

Status: Fully implemented.

Details

Our 2018 audit identified that Metrolinx had not prioritized projects in the 2041 Regional Transportation Plan. Metrolinx first developed a project prioritization framework in 2010 and later updated it in 2015. This framework was used to rank unfunded projects in the 2008 Plan—*The Big Move*—and then provide advice to the provincial government. However, it has not been used since 2015.

Since our audit, between November 2018 and September 2019, 10 workshops and multi-stakeholder meetings were held with municipal and provincial staff through the Municipal Planning Leaders Forum and Technical Advisory Committee to discuss the evaluation approach, collect and confirm technical inputs, present draft results, and discuss comments and concerns. Metrolinx worked with the Ministry of Transportation through these forums, holding monthly co-ordination meetings and producing a presentation for the Metrolinx Board. The evaluation groups projects into three categories: High Scoring, Medium Scoring, and Refine and Monitor. Each project was given an overall score to determine its level of priority. The final results of the 2019 evaluation identified nine projects in the High Scoring category, 33 in Medium Scoring, and 27 in Refine and Monitor. These were presented to Chief Executive Officers, including the TTC and regional Chief Administrative Officers at the Regional Roundtable on February 25 and August 14, 2019, and the Municipal Planning Leaders Forum on September 30, 2019. The evaluation, published in February 2020, resulted in a prioritization listing of all unfunded transit projects identified in the *2041 Regional Transportation Plan*, which will now be used to inform which projects Metrolinx should consider next for more detailed business case analysis. Metrolinx expects to conduct its first annual review of the updated prioritization in December 2020.

- *prepare and propose a funding strategy for approval by the Province and municipal governments;*
- *prepare an action plan with execution timelines correlated with the funding strategy; and*
- *publicly report on its status in meeting its action plan.*

Status: Will not be implemented.

The Office of the Auditor General of Ontario continues to believe that long-term planning would benefit from a long-term funding plan and with public progress reporting.

Details

During our 2018 audit, we noted that one of the reasons for the lack of prioritization was that dedicated funding for the transit that Metrolinx proposed in 2013 was never put into place. Metrolinx had proposed that the provincial government pass legislation to provide a steady stream of funding for transit (e.g., a share of the HST), but none of the proposed funding streams was enacted.

Since our audit, Metrolinx has completed prioritization work, listing all unfunded transit projects identified in the *2041 Regional Transportation Plan*, which will now be used to inform which projects Metrolinx should consider next for more detailed business case analysis. However, as noted previously, as a Crown corporation, Metrolinx continues to be governed by the provincial budget process under which the Ministry of Transportation submits Metrolinx's budget request to the Treasury Board Secretariat on Metrolinx's behalf. As such, the process to secure long-term funding is not in Metrolinx's control.

Metrolinx Needs to Better Manage Financial and Completion Timeline Risks for the Eglinton Crosstown LRT Project

Recommendation 4

To better control the risk that AFP projects are not completed on time and within budget, we recommend that Infrastructure Ontario develop tools and remedies for incorporation into AFP contracts to address early indications of project delays.

Status: In process to be implemented. The effectiveness of changes made is not yet clear.

Details

Our 2018 audit found that Metrolinx had limited remedies available to hold the AFP consortium constructing the Eglinton Crosstown LRT responsible for project delays as long as the consortium certified it would still finish the project on time. The AFP consortium began falling behind schedule in

2017. However, Metrolinx had the right under the AFP contract to ask for additional information from the AFP consortium in order to perform a detailed assessment of the work schedule if the AFP consortium indicated that project completion would be delayed. However, Metrolinx said that it did not do so because the AFP consortium represented that it could still finish on time. In December 2017, the AFP consortium was still certifying it would meet the contracted completion date of September 2021 and indicated that, in February 2018, it would provide solutions to mitigate schedule delays. The AFP consortium then itself filed a claim against Metrolinx in February 2018 for extension of the project completion date to October 2022.

Since our audit, Infrastructure Ontario introduced new provisions into AFP contracts that build on existing mechanisms in these contracts to allow for assessment of the progress of construction and, in certain circumstances, to require the contractor to accelerate construction in order to complete the project by the scheduled date. These provisions include the review of regular schedule submissions and any failures to maintain the schedule. Since our 2018 audit, Infrastructure Ontario and Metrolinx have included the new provisions and used these mechanisms on, for example, the Highway 427 Expansion, Highway 401 Tunnel, Groves Memorial Hospital and Etobicoke General Hospital.

In addition, in April 2020, Infrastructure Ontario reworked its dispute resolution process to be included on new projects. The new process is intended to provide a quicker resolution of disputes, including, for example, having smaller disputes be resolved through an early binding process rather than being subject to arbitration. Infrastructure Ontario also eliminated the requirement that a dispute resolution process be completed before Metrolinx could exercise its contractual right to terminate its relationship with a contractor and select a new one.

Infrastructure Ontario indicated that it set up a Commercial Resolutions Group (CRG) in June 2018 comprising a team of lawyers specializing in dis-

putes who work closely with each project lawyer and delivery team to more proactively identify project delays and risks, and to respond to claims in a consistent manner. In addition to providing centralized advice and training project delivery teams implementing the projects, the CRG rolled out a protocol on all projects in October 2019 to provide direction related to claims across the portfolio. The CRG has provided guidance on delays and other claims across the Infrastructure Ontario portfolio, including several GO Expansion projects, Highway 427, Michael Garron Hospital, Eglinton Crosstown LRT, Finch West LRT and Hurontario LRT. Infrastructure Ontario has also hired additional specialized individuals to support the implementation of industry standards and more consistent cost and schedule controls on projects. Similarly, the joint Metrolinx and Infrastructure Ontario project delivery teams received additional training on claims and increased expertise in project management.

Although these steps have been taken, it is unclear whether they will be effective going forward.

Recommendation 5

To hold the AFP consortium to the requirements of the AFP contract that the Eglinton Crosstown Light Rail Transit project be completed on time and on budget, we recommend that Metrolinx:

- *take prompt action as soon as it becomes aware of delays and hold the AFP consortium accountable for the contract requirement to submit action plans to eliminate or reduce delays;*
Status: In process of being implemented.

The Office of the Auditor General of Ontario notes that while some reporting improvements were put in place, the consortium is still experiencing delays and will be unable to meet contract requirements.

Details

Our 2018 audit found that the AFP consortium began falling behind schedule in 2017. Metrolinx

had the right under the AFP contract to ask for additional information from the AFP consortium in order to perform a detailed assessment of the work schedule if the AFP consortium indicated that project completion would be delayed or if, in Metrolinx's opinion, the consortium had fallen significantly behind the work schedule; however, Metrolinx did not do so because the AFP consortium represented that it could still finish on time. The AFP consortium continued to submit schedules with increasing delays throughout 2017, and Metrolinx staff communicated its concerns about the delays. However, the AFP consortium did not adequately address them. Our audit also noted that in August 2018, Metrolinx then paid \$237 million to settle delay-related claims that were launched by the AFP consortium. Of the \$237 million, \$100 million was classified as incentive and acceleration compensation subject to clawback if the AFP consortium did not achieve substantial completion on or before September 29, 2021.

Since our audit, Metrolinx has relied on measures introduced as a result of the claim settlement agreement with the consortium. The settlement included new requirements for the consortium to submit a detailed schedule each month, measure deterioration of or improvement in the schedule, provide a critical path assessment, and hold monthly executive staff meetings with Metrolinx. However, from March to December 2019, Metrolinx staff "rejected" all monthly submissions on the basis that there were substantial deficiencies present. Metrolinx sent numerous letters to the consortium throughout 2019 indicating that performance was deteriorating. In November 2019, Metrolinx issued another letter noting that a recovery plan must be submitted as the target date of September 2021 no longer appeared achievable. In March 2020, Metrolinx told the consortium that it must submit a compliant work schedule. At the time of our follow-up, the consortium had not submitted either a compliant work schedule or a recovery plan. Metrolinx's CEO made a public statement in February 2020 indicating that the "Eglinton Crosstown LRT will

not be operational in September 2021." No steps were taken to claw back the \$100 million incentive and acceleration compensation because Metrolinx cannot access the clawback until September 2021.

- *properly validate all future claims and only pay for costs that have been found to be its responsibility;*
- *in future instances where a claim is filed against it:*
 - *document its analysis linking the allegations in the claim to what actually happened and obtain evidence to support the claim, before entering into negotiations with the claimant; and*
 - *document the analysis and support associated with all aspects of the settlement arrived at.*

Status: Little or no progress. Another settlement negotiation process was occurring at the CEO level at the time of our follow-up.

Details

During our 2018 audit, we noted that in the claim, the AFP consortium identified areas where delays had occurred, holding Metrolinx responsible for them. However, the claim did not include support for the AFP consortium's position that Metrolinx was responsible for the delays. For example, for delays relating to design submissions, the consortium did not provide evidence of how it had been ensuring that it was meeting TTC design standards. Our 2018 audit also found that Metrolinx noted that the AFP consortium had not followed appropriate procedures in case of delays, such as submitting information about each individual delay event as it occurred, to allow Metrolinx to investigate any problems associated with delays, monitor the AFP consortium's progress and take action where appropriate. Metrolinx agreed to pay the consortium a settlement amount of \$237 million that it determined to be a portion of the estimated total risk exposure but did not ask the AFP consortium for documentation to support

the claim amount. In addition, we also noted that, where Metrolinx had assessed that delays might have been of its own making, it did not have sufficient documentation to justify the amount of the settlement paid by Metrolinx.

Since our audit, Metrolinx has received 132 new claims from the consortium, and all were unresolved. Metrolinx noted the reason for this is that the consortium ought to have reasonably known that the issues in the claims existed prior to the 2018 settlement agreement or due to the fact that evidence in support of its claims had not been submitted in accordance with their contractual requirements or in the timely manner that is contractually required. Nevertheless, we discovered that Metrolinx was again engaged directly in negotiating a settlement agreement, with no substantial changes in its process to document the validity of allegations and evidence to demonstrate the credibility and the value of the claims made by the consortium and to inform Metrolinx in its negotiations. Although the settlement was not finalized, this situation was not disclosed to us by Metrolinx as of September 2020. We obtained information that this was occurring through our own means.

Recommendation 6

To provide for clarity and a shared mutual understanding of risk responsibility between public-sector and private-sector parties to AFP contracts, we recommend that Infrastructure Ontario ensure AFP contracts are drafted reflecting the maximum feasible transfer of risk to the private sector established in the initial value-for-money assessment justifying the use of AFP for the project.

Status: In process to be implemented. The effectiveness of changes made is not yet clear.

Details

Our 2018 audit noted that as part of the government's decision to use the AFP approach on the Eglinton Crosstown LRT project, Metrolinx, in conjunction with Infrastructure Ontario, completed a value-for-money assessment that detailed the many

risks (such as contamination and permit delays) the project could encounter. In its agreement with the AFP consortium, it retained responsibility for some, but not all, of these risks. At the time that the assessment was performed (before the contract was signed), Metrolinx and Infrastructure Ontario estimated that Metrolinx was retaining about \$563 million of risks. When we reviewed this assessment in light of the claim, we similarly estimated, with input from Infrastructure Ontario, that approximately \$66 million worth of those risks could relate to factors identified in the claim prior to the awarding of the contract. We confirmed the \$66 million with Infrastructure Ontario. However, the August 2018 settlement of \$237 million significantly exceeded this amount.

Since our audit, the province has introduced Bill 171 (the *Building Transit Faster Act, 2020*), which received royal assent in July 2020. Some of the measures in the Bill seek to reduce risks to Metrolinx raised by development adjacent to transit corridors by the private sector. For example, prior to the Bill, a third party could receive development permits from a municipality for development work on property adjacent to a Metrolinx project. If the work impacted Metrolinx's construction, Metrolinx would have to go through a municipal process to change or stop the permit, which could lead to months of delay. However, Metrolinx indicated that it is now in control of issuing permits that fall within the transit corridor.

During November and December 2019, Infrastructure Ontario and Metrolinx jointly conducted a series of consultations regarding risk transfer under previous project agreements. It also consulted with the project team of the Montreal LRT project, the Edmonton LRT program and the Sydney, Australia Metro program. Metrolinx heard from Infrastructure Ontario that there is a decreasing willingness by contractors to assume responsibility for risks that could not be accurately priced or controlled, such as site conditions, geotechnical risks and utilities. The result of Infrastructure Ontario's review were draft terms and conditions published

in March 2020 to change the risk transfer framework. These changes had been included in all of the more recent subway projects, such as Eglinton West Tunnel, Scarborough Subway Extension, and the Ontario Line. For example, Infrastructure Ontario and Metrolinx indicated that they decided to retain more risk in AFP projects than before. It explained that it now needs to retain certain risks, such as those related to geotechnical and site conditions, utilities, permits and licences due to the unpredictable nature of these elements. However, Infrastructure Ontario and Metrolinx indicated that they introduced enhanced due diligence with respect to site conditions in order to better manage the risk. For example, it introduced a more detailed geotechnical report with a set of assumptions or baselines for interpreting the geotechnical data that a contractor can assess and price accordingly. This report has parameters for geotechnical conditions. If geotechnical conditions are outside those parameters, the risk is supposed to be the province's; otherwise the risk is supposed to be with the contractors, with the intention to limit opportunities for disputes. Infrastructure Ontario has indicated that it implemented these contract changes for RFPs starting in August 2020. The impact of the above-noted change is still unclear and unproven.

Recommendation 7

To rectify the design submission and content problems being experienced so that there are no undue delays in the future and to ensure that the Eglinton Crosstown Light Rail project is built according to agreed-upon requirements, we recommend that Metrolinx work with the AFP consortium to:

- promptly resolve issues identified by Metrolinx's technical advisors and the TTC regarding designs that do not meet project requirements and specifications;

Status: Little or no progress.

Details

Our 2018 audit found that the majority of the designs being submitted for review by the consortium were incomplete or missing technical details. For example, we found that by September 2018, of the 2,655 designs submitted, 1,663 (63%) had issues requiring the AFP consortium to either resubmit (for 254, or 10%, of the designs) or provide more information showing how it is addressing a noted problem (for the remaining 1,409, or 53%, of the designs).

Since our audit, Metrolinx technical advisors noted that the consortium was continuing to experience design issues. In October 2018, Metrolinx wrote to the AFP consortium to restate the need going forward to ensure that project designs meet project requirements and specifications, and requested that a working group meeting be convened with them related to improving their design submissions process. The consortium responded saying that Metrolinx's requests were above and beyond existing obligations and that it would meet the substantial completion date of September 2021. Metrolinx continued to note issues with the quality of designs, sending eight letters between January and November 2019. In October 2019, Metrolinx's letter to the consortium included a summary of potential delays that were identified in the consortium's work schedule, pushing substantial completion to October 2021. At the end of November 2019, Metrolinx received a work schedule that pushed substantial completion to May 6, 2022. In March 2020, Metrolinx wrote to the consortium noting that it had failed to submit detailed narratives to support the work schedule as required by the contract since November 2019. It said that the consortium would be at risk if it was assessed that it had built the infrastructure in a manner that was not in compliance with the design or the requirements of the project agreement. For example, site instructions are expected to be submitted once the final design has been approved; however, these were being submitted prior to reaching full design approval or "reviewed" status. This was occurring

due to the consortium proceeding to “build at risk” in the absence of finalized designs. At the time of our follow-up, there were 380 rejected design submissions, with the consortium continuing construction at risk of non-conformance. Although Metrolinx can also issue a non-conformance report and insist that the matter at fault be rectified, we noted that Metrolinx has not acted on this and has only issued one design-related non-conformance notice since the time of our last audit.

- *minimize the number of partial designs submitted to facilitate design review and approval by Metrolinx’s technical advisors and the TTC.*

Status: Little or no progress.

Details

During our 2018 audit, we found that in order to expedite construction on the project, the AFP consortium decided to and routinely submitted partial designs to Metrolinx for review. The technical advisors noted that the submissions were sometimes provided in an illogical sequence or were too fragmented. This necessitated inefficient extra reviews by Metrolinx staff, which were undertaken without all the required information having been provided. For example, the AFP consortium submitted some station designs before submitting designs for excavation and shoring work (work to temporarily support or prop up structures in danger of collapse during construction), which precedes station construction. The AFP consortium had also submitted station designs before providing a complete hazard log, so the Metrolinx technical advisors could not evaluate if the station designs were safe and controlled the risk of hazards.

Since our audit, no improvements have occurred as Metrolinx’s project agreement with the AFP consortium was not renegotiated to include provisions that would allow Metrolinx to restrict partial submissions. Metrolinx can encourage the AFP consortium to submit its designs in a size and sequence that optimizes the design process and conserves the resources of all parties. However,

as noted earlier, under the project agreement, the consortium can and did choose to proceed “at risk,” that is, proceeding knowing that it was assuming responsibility should it later be assessed that it has built the infrastructure in a manner not in compliance with the design or with the requirements of the project agreement. This has not changed since our 2018 audit.

Recommendation 8

To support accurate and transparent budgeting of costs on all transit projects, we recommend that Metrolinx continually consult with relevant stakeholders on cost estimates as part of the budget-setting and cost-monitoring processes.

Status: In the process of being implemented by September 2022.

Details

Our 2018 audit found that Metrolinx agreed to pay the TTC additional operating costs incurred because of disruptions, requiring the TTC to run buses on alternative routes. However, we found that Metrolinx did not consult the TTC when it initially budgeted these costs at \$19 million in December 2014. By the time of our audit, this initial budget had been fully used up. In August 2016, Metrolinx asked the TTC to provide an estimate for the remainder of the project. The TTC projected costs of \$72.5 million.

Since our audit, Metrolinx has continued to work with the TTC on the question of cost reimbursement related to bus services. In March 2020, Metrolinx indicated that it implemented an enhanced process and oversight mechanism to ensure collaboration with relevant stakeholders. The new framework, which was developed in collaboration with the City of Toronto, TTC and Ministry of Transportation, relates to a number of regional transit programs in delivery, such as GO Expansion and LRT and subways programs. For example, the framework was used to determine an appropriate fare collection solution for the Eglinton Crosstown LRT, with particular focus on where

and whether to make use of fare gates. This matter was managed within the governance framework through a newly formed Rapid Transit Steering Committee. Based on deliberations there, a working group was assembled involving relevant staff from Metrolinx and the TTC that allowed Metrolinx to propose an option with an associated budget estimate intended to address the TTC's operational preferences. This approach intends to provide budget certainty to both parties; timely resolution of a critical scope question prior to a point when resolution might have entailed significant impact on the project's cost or schedule; and alignment between the TTC, as future operating partner, and Metrolinx, the asset owner and electronic fare system provider. However, on the question of cost reimbursement related to bus services, Metrolinx noted that arbitration was initiated by the TTC in November 2019 regarding the issue and is due to start in late 2020 or early 2021. Metrolinx also noted that cost negotiations related to the arbitration started in March 2020 and are ongoing.

Metrolinx Continues to Use the Same Primary Consultant and Sub-consultants for Consulting Services without Issuing Public Requests for Proposal

Recommendation 9

To ensure that value for money is obtained from contracted services, we recommend that Metrolinx:

- *evaluate if its current use of consultants in their current capacities is justified and adjust where appropriate to reduce the dependency on one consulting firm;*

Status: In progress of being implemented.

Metrolinx still has a dependency on one consulting firm since 2010.

- *conduct a request-for-proposal process to procure defined program management services;*

Status: Will not be implemented. The Office of the Auditor General continues to believe that this would be a reasonable process to undertake given that the same primary consultant has benefited from Metrolinx's business since 2010 without conducting an open Request for Proposal.

- *before extending contracts, evaluate and document whether it would be more appropriate to retender;*

Status: Little to no progress. Metrolinx only justified the continued use of its current contractors versus conducting an open-market RFP given the large value of the contract.

Details

Our 2018 audit noted that Metrolinx procured a consulting firm in 2010 to provide program management services for the LRT projects without adequately detailed documentation to demonstrate that it had assessed the extent of the required services against the level and type of resources required to deliver the projects.

Since our audit, in October 2018, Metrolinx undertook an internal evaluation exercise to justify its extensive use of the same contractor staff it has been using for many years prior to extending the consultant's contract. Metrolinx conducted an examination of overall spending on consulting in its capital program as compared with international comparators and assessed the consultant's hourly rates in hindsight against similar recently procured contracts. Management reached the conclusion that Metrolinx would get the best value by continuing with its present consultant, and should extend its contract to December 31, 2022, at a cost of \$293 million. This analysis, including other alternatives, was presented to the Metrolinx Investment Panel on January 22, 2019, and to the Metrolinx Board of Directors, which endorsed management's recommendation in February 2019. As part of the assessment, Metrolinx also plans to reduce its reliance on consultants over the contract period, ending on December 31, 2022. The strategy also

determined that there should be a planned gradual transition as certain duties are transferred to Metrolinx, Infrastructure Ontario or other suppliers.

- *establish the scope of work and budget before procuring consultants and use this to assess proposals from bidders.*

Status: In process of being implemented.

Metrolinx continues to use the same consultant and has had the consultant commence work prior to formal work approval.

Details

During our 2018 audit, we noted that by June 2014, Metrolinx was on track to spend all of the \$44 million it had budgeted for a consultant providing program management services on five rapid transit projects. Metrolinx explained that it had spent the originally contracted amount faster than anticipated because of extra costs incurred when the TTC withdrew from the day-to-day management of the LRT projects in mid-2012. When we tried to confirm the nature and reasonableness of those extra costs, Metrolinx could not provide us with detailed evidence to show us what had been done to justify paying for them. We also noted that Metrolinx extended the original \$44-million value of the consultant contract by \$75 million in 2014. Metrolinx did not re-tender for these extensions competitively as it wanted vendor continuity and believed that, at that point, introducing a potentially new consulting firm would cause delays. Metrolinx indicated to us that it had assessed workforce planning to determine the configuration of in-house and consultant resources, but it was unable to clearly show us how this work led to an amount of \$75 million for the extension.

Since our audit, as noted above, Metrolinx determined that it will continue its dependence on this sole management consultant. Metrolinx introduced an amendment to the contract in April 2019, which states that the consultant shall not proceed with work unless authorized by Metrolinx in the form of a “Work Plan Release.” The plan must include

information on services or work to be performed; an itemized quote for the performance of the task, including the estimated hours for each position to perform the required services or work; a schedule identifying key milestones and deliverables; any requirement for specialized services or subconsultants, and any other information Metrolinx may require. Metrolinx senior management approved the work plan on July 22, 2019. However, Metrolinx notes that work commenced on projects outlined in the plan on April 1, 2019, before it was finalized. In order to meet the contractual requirement of having an approved work plan before the start of the fiscal year, and to continue critical support from the consultant for the capital program, Metrolinx formally requested the consultant to continue its services for a period of three months (April through June 2020) with the condition that no changes would be made to existing resource levels from the previous year without Metrolinx approval. This was conveyed through a formal letter issued on March 30, 2020. In addition to the primary consultant contract, Metrolinx updated its procurement policy for all other consultant contracts in September 2019 to include requirements for detailed submissions of work deliverables and estimates of costs represented in statements of work and related budgets.

Recommendation 10

To ensure cost-effective planning for, and acquisition and management of, consulting services, we recommend that Metrolinx:

- *thoroughly assess the nature of the work requirements under these contracts to determine whether a separate procurement, as per its policy, is warranted;*

Status: Little or no progress.

Details

During our 2018 audit, we noted that, in some cases, Metrolinx requested its primary consultant to engage subconsultants and had used a number

of them regularly for several years. In one example, the consultant paid \$7.4 million over five years to a subconsultant for engineering-related advice. In these cases, Metrolinx could not provide documentation showing why competitive procurement was not considered. We also found that the primary consultant also charged Metrolinx a mark-up of 2.5% of the subconsultants' charges for it to administer subconsultant agreements, which represented \$1.4 million in charges by June 2018,

Since our audit, in April 2019, Metrolinx amended the contract with the program management consultant, removing the 2.5% mark-up and implementing a new process called "Subconsultants Approval Process for Project Management Services Contracts." The new process contains three key controls: a requirement that there be a detailed review to determine whether in-house expertise is already available among current consultant staff for the proposed subconsultant work; senior management approval; and a validation of charge rates and time. Metrolinx notes that no new subconsultants were procured since our audit and therefore no thorough assessments were conducted. However, over the period of December 2018 to June 2020, Metrolinx still spent an additional \$51 million on subconsultants through its existing contract with its primary consultant. Metrolinx did not assess the nature of the work requirements for these subconsultants under these contracts and did not assess whether a separate procurement was warranted as per its new policy.

- review the rates of subconsultants to ensure they are reasonable;
- document its review and approval that payments are only being made for work completed within the scope of the contract.

Status: Fully implemented.

Details

Metrolinx implemented a process for assigning remuneration rates to consultants and subconsultants at the time of their hiring as part of the

April 2019 contract amendment with the primary consultant. At the time of adding a contractor, its remuneration rate is established based on internal benchmarking to the same or similar positions already established under the main contract, and the new staff's qualification and experience. This process establishes the required qualifications and experience, as well as maximum remuneration rates, for all contractor and subcontractor roles. Furthermore, in August 2019, Metrolinx implemented an invoice approval process to ensure that consultants are only paid for work that they were hired to complete. Metrolinx notes specific tasks to assigned work, undertakes bi-weekly timesheet review and approval, and analyzes the reasonableness of the costs. The analysis includes checking overtime hours to ensure that they are reasonable and that a contractor has not erroneously entered time spent on an unrelated project, and also conducting a payroll-over-payroll hourly analysis to identify any anomalies.

Recommendation 11

To improve accountability for payments made and work requested under the contracts, we recommend that Metrolinx establish rigorous and disciplined processes that:

- explicitly detail all deliverables for work requests before the requests are formally approved;
- require formal approval of work requests be documented before any work begins;

Status: Fully implemented.

Details

Our 2018 audit found that Metrolinx did not always specify the scope of and rationale for work in its work requests. The work done ranged from attending meetings to providing input on different topics as requested by Metrolinx. In cases where Metrolinx brings a subconsultant on board to advise, there are no physical deliverables. Tracking the work done can occur only by tracking the time the subconsultant spends on key deliverables

and assessing the subconsultant's performance. However, our 2018 audit found that Metrolinx had not done this adequately. Our 2018 audit also found that work was not approved before it began. In a number of instances, we noted that Metrolinx issued requests for subconsultants to do work they had already started or even completed. For example, Metrolinx revised a work request on September 14, 2017, for work the subconsultant did between April 1, 2017, and September 30, 2017. In another example, Metrolinx issued a work request on December 17, 2015, for work the subconsultant did between August 2015 and October 2015.

Since our audit, Metrolinx has introduced an amendment to the primary consultant contract in April 2019, which states that the consultant shall not proceed with the work unless authorized by Metrolinx in the form of a "Work Plan Release." The plan must include information on services or work to be performed; itemized quote for the performance of the task, including the estimated hours for each position to perform the required services or work; a schedule identifying key milestones and deliverables; any requirement for specialized services or subconsultant; and any other information Metrolinx may require. Metrolinx senior management approved the work plan on July 22, 2019.

- *monitor compliance with the new policy on approval limits for spending.*

Status: Fully implemented.

Details

During our 2018 audit, we noted that although Metrolinx had a policy that defines the approval limits for signing new contracts, it did not have a policy on the limits for authorizing spending under contracts once they were approved. As such, we found no approval limits for spending on subconsultant contracts. Under Metrolinx's policy for new contracts, a director, for example, could approve a new contract only if it was worth less than \$250,000, but the same director could authorize spending for work requests under an existing

approved contract for any amount. In December 2017, changes were made to the approval policy for new contracts whereby individuals less senior than the Chief Capital Officer are held to the same maximum-dollar limits in approving work under existing contracts as they must follow in signing new contracts.

Since our audit, Metrolinx confirmed that all commitments above \$250,000 must now be approved by the Vice President. Metrolinx also provided certificates of payment for invoices between June 2018 and June 2020 which confirmed that the approval policy was followed accordingly.

Recommendation 12

To provide for effective oversight of the work done by consultants, we recommend that:

- *Metrolinx enforce the requirement that annual work plans contain complete details on time estimates, key milestones and deliverables;*

Status: Fully implemented.

Details

Our 2018 audit noted that under three consulting contracts for program management services, Metrolinx listed tasks for the consultant to perform, and the consultant was to use that list to provide Metrolinx with a detailed annual work plan. However, our audit found that only the first annual work plan for the original contract, from August 10, 2010, to March 31, 2011, had these details. The subsequent annual work plans did not. Rather, they described tasks to be completed with no breakdown of the budgeted hours and costs per person, and no start and end dates.

Since our audit and as described in **Recommendation 11**, Metrolinx introduced an amendment to the contract in April 2019, which states that the consultant shall not proceed with the work unless authorized by Metrolinx in the form of a "Work Plan Release" that contains time estimates, key milestones and deliverables. In addition, work plans external to the annual work plan are to be

reviewed and approved according to the “Task Approval Process,” which requires that all work completed by the consultant is detailed (including a scope of work, budget, personnel and rate details) and formally approved before work begins.

- *Metrolinx staff directly overseeing the work of consultants verify invoices against the specific requirements of the detailed annual work plans and assess the reasonableness of the hours charged before payments are approved.*

Status: Fully implemented.

Details

During our 2018 audit, we noted that contracts required consultants to submit invoices and a progress report on the annual work plan every month. However, we found that the contract administrators reviewing the monthly invoices for payment were not directly responsible for overseeing the consultant’s work. The person consultants directly report to did not review whether the consultant had done the work satisfactorily and that the hours charged for the work were reasonable. Contract administrators’ review of invoices was limited and mainly checked for compliance with contract terms and that the amounts were within the approved budgets. We did note that, during our audit, Metrolinx improved its review of invoices. Starting with the June 2018 invoices, Metrolinx personnel directly oversaw the consultants’ work review and approved invoices for payment.

Since our audit, Metrolinx introduced several revisions into contracts to help oversee and verify hours charged. Starting in June 2018, the consultant was required to submit invoices with a detailed report of staff hours and work performed. Through the implementation of the task approval process and the timesheet approval process in April 2019, Metrolinx is able to monitor consultants to ensure that all work completed is directly tied to an approved work plan. At the start of every contract year, work releases (similar to a work order) are created based on budgets in the Annual Work Plan.

These work plans provide details on key milestones, an estimated budget and timelines. Consultants and subconsultants must book their hours to a work release that has been approved according to the Metrolinx approval limits. As such, when Metrolinx reviews the hours charged to a specific work release, it is able to verify that the work completed directly ties to requirements outlined in either the Annual Work Plan or to an approved external task.

Recommendation 13

To help Metrolinx hold its consulting firms accountable for high-quality services delivered in a timely manner, we recommend that Metrolinx develop and include in all its contracts provisions to address and mitigate, in a timely manner, issues arising from poor performance of contractors.

Status: Fully implemented.

Details

Our 2018 audit found that Metrolinx did not formally assess the quality of services provided by a consulting firm with contracts valued at \$44 million before it allocated another \$83 million to the consultant. We also found that in fall 2017, a member of Metrolinx senior management observed that the consulting firm was underperforming. We noted that it could not be demonstrated that the consultant had done the work to fully meet Metrolinx’s needs, and no formal evaluations of the consulting firm were being conducted by Metrolinx.

Since our audit, following direction from its Board of Directors made in April 2019, Metrolinx incorporated enhanced contract terms to ensure vendor performance. To comply with the Board’s direction, Metrolinx renegotiated terms with the primary consultant and obtained a formal agreement that allows Metrolinx to measure the consultant’s performance and impose financial penalties at the end of year, if applicable. The new mechanism for imposing penalties, with which the primary consultant agreed, took effect on April 1, 2020. In addition, in March 2020, the primary consultant agreed to a set of key performance indicators to

monitor performance, including the timely drafting of invoices, submission of task plans and completion of deliverables. Metrolinx will be able to hold back payment of the primary consultant's invoices if its performance is not satisfactory.

Metrolinx Procured Vehicles Early, without Fully Addressing the Risk that Plans Could Change

Recommendation 14

To help ensure that future transit projects are delivered as smoothly and cost-effectively as possible, we recommend that for each project Metrolinx produce a detailed, integrated plan that identifies the project's infrastructure and vehicle needs, and adequately addresses uncertainties around the project, before fixing the timelines and starting procurement.

Status: Fully implemented.

Details

Our 2018 audit found that a Metrolinx study completed in October 2009 noted significant uncertainties related to the purchasing of vehicles for its LRT projects. These uncertainties included the type of vehicle required, the diameter size of tunnels, and the engineering challenges of an LRT intersecting with GO trains, TTC subway lines and buses. We noted that, although uncertainties related to vehicle specifications (such as the low-floor requirement, the size of the vehicles, and the technology to be used) were resolved before the vehicle contract was signed, procurement for the main AFP contracts to design and build the LRT lines had not yet begun when the vehicle contract was signed. Despite not having the main AFP contracts in place to design and build the LRT projects, Metrolinx contracted with Bombardier for the vehicles in June 2010 without adequate provisions in the contract to address the risk of changes to plans. Due to provincial and municipal government decisions, including the cancellation of the Scarborough LRT, the lack of adequate provisions led to about \$49 million in additional costs for vehicles.

Since our audit, Metrolinx has incorporated vehicle needs assessment as part of its Investment Panel process, in which senior ministry staff review and provide approval at several stages. (See **Recommendation 2.**) For vehicle procurement, documentation presented to the panel must pass through three stages, with each stage requiring several different assessments. For example, the Investment Panel declined a vehicle purchase due to incomplete information on lifecycle maintenance, the option of refurbishing existing vehicles, and costs of leasing versus buying. The process now requires all transit investments to include a component where infrastructure and vehicle needs for a project must be reviewed and approved before fixing timelines and going to procurement.

Recommendation 15

To encourage suppliers to meet their contract commitments, we recommend that Metrolinx include additional provisions in contracts to protect it from incurring additional costs because of delays.

Status: Fully implemented.

Details

Our 2018 audit found that in October 2014, Metrolinx's then CEO wrote Bombardier that "we are losing confidence in Bombardier's ability to deliver service-ready vehicles without a substantial change in approach." In 2015, Bombardier missed its deadline to provide a functional pilot LRT vehicle for testing because of quality and manufacturing issues. With problems and delays continuing, Metrolinx tried to cancel the Bombardier contract in 2016. However, Bombardier chose to dispute the proposed termination. It was only by the end of 2017, two years after the initial deadline, that pilot vehicles were ready for testing. We noted that, as of June 2018, Metrolinx had incurred about \$25 million in external costs (for consultants and lawyers) in dealing with Bombardier's delays.

Since our audit, Metrolinx has amended contracts or introduced provisions in contracts intended to protect it from additional costs because

of delays. For example, Metrolinx introduced a new provision for the Hurontario LRT project that is supposed to transfer the risk and responsibility for design, manufacturing, delivery, testing and commissioning of vehicles to the selected contractor. Metrolinx negotiated the terms of this agreement with the vehicle provider, Alstom, between August 2017 and April 2019, finalizing the agreement in October 2019. This agreement intends to protect Metrolinx from the risk of additional costs that might arise from possible communications problems between systems on the LRT line (the responsibility of Mobilinx, the winning AFP consortium) and systems on the trains (the responsibility of Alstom, the vehicle supplier) since the risk is transferred in the procurement process. Metrolinx confirmed that penalties for delays were also included in the Finch LRT Alstom contract. Metrolinx also indicated that it had transferred the risk of and responsibility for design, manufacturing, delivery, testing and commissioning of vehicles the GO Expansion and Ontario Line projects to the winning contractors.

Recommendation 16

To effectively manage the increased risks and costs from Metrolinx's procurement of vehicles from the second supplier Alstom, we recommend that Metrolinx:

- *assess the benefits and costs of transferring the responsibility of managing the delivery of Hurontario's light rail vehicles to the winning bidder for the Hurontario AFP contract;*

Status: Fully implemented.

Details

Our 2018 audit found that when the Ontario Superior Court of Justice ordered Metrolinx into dispute resolution with Bombardier in April 2017, Metrolinx was not convinced that Bombardier could meet the deadline for the Eglinton Crosstown LRT. We noted that, in May 2017, a month after the court order, Metrolinx made a single-source

procurement of 60 vehicles from a second supplier, Alstom, for \$530 million; 43 vehicles were intended for the Eglinton Crosstown and 17 for Finch West. If Bombardier met the Eglinton Crosstown deadline, the 43 Alstom vehicles would be used for the Hurontario LRT.

Since our audit, Metrolinx is now using a risk-transfer agreement, also known as “drop-down,” which is incorporated into the request-for-proposal (RFP) notice issued to potential bidders. Per Metrolinx, this drop-down agreement transfers to the winning bidder for the Hurontario AFP contract as much responsibility for delivering light rail vehicles as is commercially feasible. In such an agreement, bidders agree to assume the relationship with the vehicle supplier and commit to providing the owner (in this case, Metrolinx) with a finished system with the vehicles fully integrated by the completion date. The RFP was formally amended in March 2018, incorporating the assumption that a drop-down process would be used. Two proponents submitted pricing for delivery, operations and maintenance of a line with working Alstom vehicles, including assumption of any risk involved in integrating these vehicles. The Project Agreement with the winning bidder, Mobilinx, was executed in October 2019.

- *work with the Toronto Transit Commission to manage the cost of operating two types of vehicles on its light rail transit lines.*

Status: In the process of being implemented by December 2020.

Details

During our 2018 audit, we noted that the Alstom vehicle procurement meant that the TTC would have to operate two types of vehicles on its LRTs—Bombardier on the Eglinton Crosstown and Alstom on Finch West. The TTC had not yet determined what additional costs would result from this. Its operational costs could increase as a result of having to run two different training programs and maintaining two different pools of operators.

Since our audit, Metrolinx has worked with the TTC as the Eglinton Crosstown LRT has moved closer to its commissioning phase. At the time of our follow-up, discussions and drafting were ongoing between Metrolinx and the City of Toronto/TTC on a draft operating agreement, which includes the two types of vehicles for the Eglinton Crosstown and Finch West lines, building on existing agreements on cost-sharing between the City and the province. Metrolinx expects to complete the work on the operating agreement in December 2020.

Chapter 1

Section 1.08

Ministry of Health

MRI and CT Scanning Services

Follow-Up on VFM Section 3.08, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	4			4		
Recommendation 2	4		4			
Recommendation 3	4		2	2		
Recommendation 4	4			4		
Recommendation 5	3			3		
Recommendation 6	2			2		
Recommendation 7	2			2		
Recommendation 8	2			2		
Recommendation 9	2	0.75	1.25			
Recommendation 10	1	0.50	0.50			
Recommendation 11	1			1		
Recommendation 12	2		2			
Recommendation 13	2			2		
Total	33	1.25	9.75	22	0	0
%	100	4	29	67	0	0

Overall Conclusion

According to the information the Ministry of Health (Ministry), formerly part of the Ministry of Health and Long-Term Care, and Ontario Health and the hospitals have provided to us, as of June 30, 2020, little or no progress has been made on the majority, or 67%, of actions we recommended in our 2018

Annual Report. A further 29% of the actions were in the process of implementation, and only 4% were fully implemented.

The Ministry has made little progress, for example, in analyzing and identifying the reasons why wait times vary significantly between LHINs or in taking necessary action to reduce the wait-time inequities across the province for MRI and CT scanning services. The Ministry, together with

Ontario Health, has established a panel consisting of clinical, data and service delivery experts to evaluate the existing MRI and CT service delivery model. It expected that by the end of 2021 the panel would recommend improvements in areas such as scheduling, operational efficiency and patient outcomes.

With respect to our recommendation on redistributing scan referrals among hospitals, we found that the LHINs, now under Ontario Health, were in the process of expanding the use of centralized intake of patients waiting for MRI and CT scans. For example, the LHINs developed a provincial eReferral strategy, known as the Transitions-in-Care Strategy, in March 2019, to assist with the further development and integration of eReferral in the province. As well, the Ministry is working with local and provincial delivery partners to develop and implement a provincial eServices program that integrates and expands eReferral and eConsult, which is expected to be fully implemented by March 31, 2023.

The status of actions taken on each of our recommendations is described in this report.

Background

Magnetic resonance imaging (MRI) and computed tomography (CT) scans provide important information for diagnosing and monitoring patients' conditions. Timely and quality medically necessary scans help doctors accurately diagnose and treat many diseases earlier in their course, which can improve patient health outcomes.

In the five years between 2015/16 and 2019/20, the number of MRI scans performed increased by 8% and CT scans by 24% (17% and 31% respectively, between 2013/14 and 2017/18), excluding emergency scans.

The Ministry of Health (Ministry), formerly part of the Ministry of Health and Long-Term Care, is responsible for capacity planning, policy develop-

ment and overseeing the funding and performance of MRI and CT services in Ontario. Of the 137 public hospitals in Ontario, 82 facilities had at least one MRI or CT machine as of May 2020 (79 of them reporting to Ontario Health through the Wait Time Information System). The Ministry also had contracts with seven independent health facilities (IHF's) to provide MRI and/or CT services (the same number as in April 2018).

Ontario's Wait Time Strategy has four priority levels for MRI and CT scans, with a wait-time target for each: emergency (within 24 hours), urgent (within two days), semi-urgent (within 10 days) and non-urgent (within 28 days). These targets were set at the 90th percentile—the time within which 90% of patients in each category should have received their scan from the date of referral for the scan. This means that no more than 10% should have waited longer.

Our audit found that, overall, Ontario's wait times for MRI and CT scans were the lowest when compared to five provinces where 90th-percentile wait-time data was available. However, many Ontarians who needed scans had significantly long waits in comparison to the Ministry targets, particularly for semi-urgent and non-urgent cases.

Among our findings:

- Almost two-thirds of semi-urgent and non-urgent MRI patients and one-third of semi-urgent and non-urgent CT patients waited longer than their targeted wait times. Long wait times for these patients delayed diagnosis and treatment and could have resulted in deterioration of the patients' condition.
- Wait times for MRI and CT scans varied depending on where in Ontario the patient lived. The Ministry had not analyzed why wait times varied significantly among regions.
- MRI and CT machines could have been operating more hours per day to reduce wait times, but the hospitals were unable to fund increased operating hours. The 108 MRI machines in Ontario's hospitals were used at only 56% capacity in 2017/18. If all 108 MRI

machines operated for 16 hours, seven days a week, hospitals would have outperformed the Ministry's wait-time targets. In addition, the province's 165 CT machines were used at approximately 37% capacity in 2017/18.

- The Ministry had not reviewed its funding method for either MRI or CT services for more than a decade, and it had not incorporated into its funding method the actual cost-per-scan information, hospitals' demand and capacity, and the complexity of scans required by patients.
- Hospitals lacked user-friendly communication systems (such as email and text messaging) that would allow patients to confirm their appointments, contributing to patient no-shows. This resulted in scanning machines sitting idle unless hospitals were able to fill the time slots quickly. None of the four hospitals we audited routinely tracked reasons for no-shows.
- Province-wide peer review of MRI and CT scan results was not mandatory across Ontario hospitals. Lack of a peer review program exposed patients and hospitals to the risk of misinterpretation of MRI and CT images and/or misdiagnosis of a patient's condition.

We made 13 recommendations, consisting of 33 action items, to address our audit findings.

We received a commitment from the then Ministry of Health and Long-Term Care, Local Health Integration Networks (LHINs) and hospitals that they would take action to address our recommendations.

Event Subsequent to Our 2018 Audit

The existing Ministry of Health (Ministry) was part of the Ministry of Health and Long-Term Care when we conducted our audit in 2018.

In June 2019, Ontario Health was created under the *Connecting Care Act, 2019*, as a provincial

agency that assumes centralized responsibilities for most of the functions of at least 20 health agencies. As of April 31, 2020, the following organizations had been transferred to become part of Ontario Health:

- Cancer Care Ontario;
- Health Quality Ontario (now Quality);
- Health Shared Services Ontario (now Shared Services);
- eHealth Ontario (now Digital Services);
- HealthForceOntario Marketing and Recruiting Agency; and
- Ontario Telemedicine Network.

The 14 Local Health Integration Networks (LHINs) have been clustered into five interim and transitional geographic regions—West, Central, Toronto, East and North. However, due to the COVID-19 pandemic, the transfer of the health system funding, planning and co-ordination functions of these LHINs to Ontario Health has been postponed to a later date.

Status of Actions Taken on Recommendations

We conducted assurance work between May 2020 and June 2020. We obtained written representation from the Ministry of Health, Ontario Health and the hospitals that effective October 2, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

65% of MRI Patients and 33% of CT Patients Had Long Waits for Their Scans, in Excess of the Ministry's Targets for Semi-urgent and Non-urgent Priority Patients

Recommendation 1

To help ensure patients have equitable access to MRI and CT services across the province, we recommend

that the Ministry of Health and Long-Term Care work with Local Health Integration Networks (LHINs) and hospitals to:

- *analyze and identify the reasons why wait times vary significantly between LHINs:*
 - *for MRI services; and*
 - *for CT services; and*
- *take necessary actions to reduce the wait-time inequities across the province:*
 - *for MRI services; and*
 - *for CT services.*

Status: Little or no progress.

Details

In our 2018 audit, we found that while Ontario hospitals were mostly able to provide timely services to patients who required either an emergency or urgent MRI or CT scan, they were unable to do so for semi-urgent and non-urgent patients. We also found that wait times for MRI and CT scans varied significantly depending on where patients live. The disparity for non-urgent patients was the most significant. Cancer Care Ontario was collecting information on wait times at the LHIN level, including total number and type of scans performed, type of hospital, use by patients from outside the LHIN, number of MRI and/or CT machines, and length of time machines were run. The Ministry had not used this data, however, to analyze the reasons for the significant differences in wait times among LHINs that may result in inequitable experiences in the health-care system for patients living in different regions.

In our follow-up, we found that the Ministry had made little progress in analyzing and identifying the reasons why wait times vary significantly between LHINs or to take necessary action to reduce the wait-time inequities across the province for MRI and CT scanning services. The disparity for non-urgent scans continued to be significant in 2019/20. The 90th percentile wait time in 2019/20 for a non-urgent MRI ranged from 78 days in the Central East LHIN to 169 days in Central West LHIN. The 90th percentile wait time for a non-

urgent CT scan for the same year ranged from 27 days in the Central East LHIN to 135 days in North East LHIN.

We also found that, overall, wait times for both MRI and CT scans in 2019/20 have not improved since 2017/18:

- **MRI scans:** For emergency patients, only 5% (the same as in 2017/18) waited longer than 24 hours. For urgent patients, 16% (17% in 2017/18) waited longer than two days (up to five days). Semi-urgent and non-urgent patients accounted for 90% (91% in 2017/18) of the total MRI scans in 2019/20. Overall, only 33% (slightly worse than 35% in 2017/18), not 90%, of semi-urgent and non-urgent patients received MRI scans within the Ministry's targets of 10 days and 28 days, respectively. The remaining 67% (slightly worse than 65% in 2017/18), not 10%, waited longer than these targets.
- **CT scans:** For emergency patients, less than 1% (the same as in 2017/18) waited longer than 24 hours. For urgent patients, 4% (the same as in 2017/18) waited longer than two days (up to four days). Semi-urgent and non-urgent patients accounted for 46% (about 49% in 2017/18) of the total CT scans in 2017/18. Only 57% (worse than 67% in 2017/18), not 90%, of semi-urgent and non-urgent patients received CT scans within the Ministry's 10-day and 28-day targets for these two groups. The remaining 43% (worse than 33% in 2017/18) of patients, not 10%, waited longer.

The Ministry, together with Ontario Health, has established a panel consisting of clinical, data and service delivery experts, to evaluate the existing MRI and CT service delivery model. The Ministry expected that by the end of 2021 the panel would recommend improvements in areas such as scheduling, operational efficiency and patient outcomes. The Ministry expected that the panel would fully implement this recommendation by March 31, 2023.

Patients in Teaching Hospitals Wait Significantly Longer for Scans than Those in Community Hospitals

Recommendation 2

To help ensure timely and equitable access for semi-urgent and non-urgent MRI and CT services, we recommend that Local Health Integration Networks (LHINs) continue to work with hospitals to:

- *offer referring physicians and patients the option of having scans performed in hospitals with lower wait times, and having the results interpreted with guidance from specialized radiologists and physicians in teaching hospitals, where needed:*
 - for MRI services; and
 - for CT services; and
- *where applicable, redistribute the incoming referrals between teaching and community hospitals within a LHIN by using an effective tool such as a centralized intake or referral process:*
 - for MRI services; and
 - for CT services.

Status: In the process of being implemented by March 31, 2023.

Details

We found in our 2018 audit that patients classified as semi-urgent or non-urgent had to wait significantly longer for their scans in teaching hospitals than those in community hospitals. Ontario placed no restriction on where a patient can obtain a scan. It also had no standard or set of consistent practices in place to process and distribute physician referrals for MRI or CT scans among hospitals, especially for semi-urgent and non-urgent cases. As a result, semi-urgent and non-urgent cases were frequently referred to teaching hospitals, where these patients were assigned low priority and had significantly longer wait times.

In our follow-up, we found that the LHINs, now under Ontario Health, were in the process of expanding the use of centralized intake of patients waiting for MRI and CT scans. For example:

- Champlain and Central LHINs have incorporated local obligations into their existing Hospital Service Accountability Agreements that aim at improving wait times, including management of limited diagnostic imaging resources, through strategies such as centralized intake.
- Six LHINs—Champlain, Erie St. Clair, North East, South East, South West, and Waterloo Wellington—have implemented a tool for delivering secure, EMR-integrated electronic referrals. (EMR is Ontario's electronic medical records system.) This includes a tracking tool and the development of best practice guidelines aimed at improving access to diagnostic imaging services in these regions.
- Hospitals within the Champlain region have developed a central intake service for out-patient MRI to provide more equitable access for patients by reducing the variability in wait times between local sites.
- Several other LHINs have supported business cases that would expand MRI services in their geographical areas. At the time of our follow-up, the Ministry was reviewing the business cases and had not yet approved them.
- However, the Ministry informed us that it had yet to address the challenges faced by other LHINs, such as the North East, Hamilton Niagara Haldimand Brant and Central LHINs, in implementing central-intake-related strategies, due to geographical and resource constraints in these LHINs.

As well, the LHINs developed a provincial eReferral strategy, known as the Transitions-in-Care Strategy, in March 2019, to assist with the further development and integration of eReferral in the province. To this end, the Ministry continues to provide support for the expansion of the eReferral or System Coordinated Access program in five geographic regions across the province. eReferrals are electronic referrals from primary care providers to specialists, rather than the traditional fax-and-paper referrals, and can be processed

through the System Coordinated Access program. This work includes establishing centralized referral and booking processes for MRI and CT scanning services. The Ministry is working with local and provincial delivery partners to develop and implement a Provincial eServices Program that integrates and expands eReferral and eConsult. The Ministry expects that the panel would fully implement its recommendations by March 31, 2023.

Patients Wait Unnecessarily Long for Scans Because Machines Are Not Operating Sufficient Hours despite Available Capacity

Recommendation 3

To better utilize the existing MRI and CT machines and reduce wait times for services, we recommend that the Ministry of Health and Long-Term Care work with Cancer Care Ontario and hospitals to:

- *assess whether the existing unused capacity at each hospital can be used to address existing backlogs from prior years and new requests for scans received by the hospital:*
 - *for MRI machines; and*
 - *for CT machines;*

Status: In the process of being implemented by March 31, 2021.

Details

Our 2018 audit found that existing MRI and CT machines could be used for more hours per week, thereby reducing wait times, but the hospitals were unable to fund increased operating hours for these machines to meet patient demand. The Ministry's MRI and CT Expert Panel (Panel) recommended in 2005 setting a minimum standard for MRI and CT operations at 16 hours a day, seven days a week. We noted that if all 108 MRI and 165 CT machines in the province followed the Panel's recommendation, hospitals would have been able to outperform the Ministry's wait-time targets.

Since our audit, Cancer Care Ontario has assessed the capacity of MRI and CT machines in

Ontario. It prepared a report for the Ministry in January 2020 that covered:

- an assessment of the existing backlog of MRI and CT scanning services;
- estimates of three-year future demand for MRI and CT scanning services;
- an initiative to assess and validate the capacity of MRI and CT scanners with hospitals across the province; and
- estimates of the funding needed to enable hospitals to reduce wait times for MRI and CT scanning services.

At the time of our follow-up, Cancer Care Ontario was in the process of improving the quality of data used in its assessment, through methods such as including in the data the machines that are obsolete and validating efficiency data with hospitals. However, the ramp-down of MRI and CT operations during the COVID-19 pandemic responses has led to a longer patient queue. The Ministry expected that Cancer Care Ontario would need to update its analysis of the short-term (three-year) demand for MRI and CT services to incorporate the impact of COVID-19 and finalize the assessment by March 31, 2021.

- *prepare a detailed action plan to better utilize the existing machines to improve wait times:*
 - *for MRI services; and*
 - *for CT services.*

Status: Little or no progress.

Our follow-up found that the Ministry had made little progress in preparing a detailed action plan to better utilize the existing machines to improve wait times for MRI and CT services. At the time of our follow-up, the Ministry, together with Ontario Health, has established a panel consisting of clinical, data, and service delivery experts to evaluate the existing MRI and CT service delivery model. It is expected that by the end of 2021, this panel would make recommendations on a clinical engagement strategy to assess gaps in capacity planning, advise Cancer Care Ontario on

methodology for modelling future demand for MRI and CT services, and provide a detailed action plan to better utilize existing machines to improve wait times. The Ministry also expected that the panel would recommend improvements in areas such as scheduling, operational efficiency and patient outcomes. It would also provide a detailed action plan by March 31, 2022, and recommend new funding and service delivery models, and machine replacement/upgrade cycles, by March 31, 2023.

Ministry Unable to Justify Funding Method for Scans That Has Remained Unchanged for Over 10 Years

Recommendation 4

To help ensure the method used to fund hospitals for their MRI and CT machines is appropriate, we recommend that the Ministry of Health and Long-Term Care work with Local Health Integration Networks to:

- *collect complete and relevant information on demand, capacity and types of scans performed by each hospital:*
 - *for MRI services; and*
 - *for CT services; and*
- *use the information collected to regularly assess the reasonableness of the funding rates and allocations to each hospital and make any necessary adjustments:*
 - *for MRI services; and*
 - *for CT services.*

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry's funded hourly rates for MRI and CT services had remained unchanged for over a decade. It had not formally reviewed or revised the hourly rates since 2006. We also found that although hospitals self-reported costing information that would allow the Ministry to calculate the average cost per scan, the Ministry had not used this information, together with other attributes such as demand, capacity and

complexity of scans, to analyze and assess whether the hourly rate was appropriate.

In our follow-up, we found that the Ministry had made little progress in implementing this recommendation. As mentioned in **Recommendation 1**, the Ministry, together with Ontario Health, has established a panel consisting of clinical, data and service delivery experts, to evaluate the existing MRI and CT service delivery model. It is expected that by the end of 2021, the panel would recommend improvements in areas such as scheduling, operational efficiency and patient outcomes. The panel would also review and complete the assessment of the existing funding models and make recommendations by March 31, 2023.

Wait Times for Patients to Receive an MRI or CT Scan Are Higher than Publicly Reported for Selected Hospitals

Recommendation 5

To better assist patients and physicians in making informed decisions, we recommend that the Ministry of Health and Long-Term Care:

- *assess the advantages and disadvantages of various wait-time reporting methods;*
- *publicly report complete and relevant wait-time information by hospital, such as the percentage of patients scanned within various wait-time ranges and the next available appointment date a patient who is on a hospital's wait list would expect to receive a scan; and*
- *work with other health providers to increase public awareness of the availability of the wait-time information on Health Quality Ontario's website.*

Status: Little or no progress.

Details

Our audit conducted at the selected hospitals in July 2018 showed that wait times were higher than publicly reported for patients who were referred to receive an MRI or CT scan at these hospitals.

To better assist patients and physicians in making informed decisions, our audit identified an alternative to the reporting methods that were in use. This alternative is to state wait times in day ranges by number and percentage of patients on the list. This method has the advantage of representing every patient who has received a scan in a hospital. Therefore, it provides a more complete picture of how many patients waited in the past and for how many days than either the average wait time or the 90th-percentile result.

Further, our survey at the four hospitals we visited in 2018 found that very few patients were aware that hospitals' wait-time information for MRI and CT scans is publicly available.

In our follow-up, we found that the Ministry had made little progress in all three actions listed in this recommendation. The Ministry indicated that it would work with Cancer Care Ontario to examine whether it needs to expand the scope of its current Wait Times Information System and reporting to improve public reporting of MRI and CT wait times. It informed us that its work would include plans to identify data collection and reporting gaps, options to increase public awareness of the availability of wait-time information, and examination of how this information may be used to reduce wait times for MRI and CT scanning services. The Ministry expected to implement this recommendation by March 31, 2023.

Use of Scanning Machines Past Their Expected Service Life Could Affect Patient Safety as Well as Quality and Efficiency of Scans

Recommendation 6

To help ensure that CT machines are safe for producing images of the required quality, we recommend that the Ministry of Health and Long-Term Care work with hospitals to:

- *establish provincial guidelines to help hospitals consistently plan in replacing or upgrading CT machines that are approaching the end of, or are past, their expected service life; and*

- *regularly monitor and analyze the impact on patient safety of using CT machines that are past their expected service life.*

Status: Little or no progress.

Details

In our 2018 audit, we found that as of March 2018, of the 165 CT machines in hospitals, 49 of them, or 30%, were past their expected service life as determined by the guidelines developed by the Canadian Association of Radiologists. Cancer Care Ontario, on behalf of the Ministry, keeps track of the age of each CT machine; however, it did not know how many of these 49 CT machines might have been upgraded and therefore might have had their service life extended or their radiation dosage reduced.

At the time of our follow-up, the Ministry had not established provincial guidelines to help hospitals consistently plan in replacing or upgrading CT machines that are approaching the end of, or are past, their expected service life. The Ministry expected to establish provincial guidelines by March 31, 2021.

Our follow-up also found that, in 2019/20, the Ministry's x-ray inspectors inspected only five of the 78 hospitals that had CT or MRI machines, mainly due to limited resources. These inspections covered only 12 CT machines. The inspections conducted in 2019/20 were to confirm whether the CT machines met legislative requirements under the *Healing Arts Radiation Protection Act*; however, they did not confirm the age of the CT machines in order to address our recommendation.

The Ministry indicated that it planned to verify the age of CT machines during x-ray inspections in all 78 hospitals by March 31, 2021. This data would be used to confirm whether the age of CT machines can be correlated with patient safety.

However, given that the Ministry inspected only five hospitals in 2019/20, and considering the challenges related to the COVID-19 pandemic, the overall implementation date of March 31, 2021, for both action items seems overly optimistic and will likely be delayed further.

Recommendation 7

To help ensure that MRI machines produce quality images and operate efficiently, we recommend that the Ministry of Health and Long-Term Care work with hospitals to:

- establish provincial guidelines to help hospitals consistently plan to replace or upgrade MRI machines that are approaching the end of, or are past, their expected service life; and
- analyze the impact in areas such as quality and efficiency of using MRI machines that are past their expected service life.

Status: Little or no progress.

Details

In our 2018 audit, we found that, as of March 2018, of the 108 MRI machines in hospitals, 50 of them, or 46%, were past their expected service life as determined by the Canadian Association of Radiologists guidelines. Although Cancer Care Ontario, on behalf of the Ministry, captured the number of MRI machines past their service life, it did not know how many of these 50 MRI machines might have been upgraded to extend their service life.

In our follow-up, we found that the Ministry had made little progress in implementing this recommendation. As mentioned in **Recommendation 1**, the Ministry, together with Ontario Health, has established a panel consisting of clinical, data and service delivery experts, to evaluate the existing MRI and CT service delivery model. It is expected that by the end of 2021 the panel would recommend improvements in areas such as scheduling, operational efficiency and patient outcomes. The panel would also review the impact on quality and efficiency of using MRI machines that are past their expected service life, and would make recommendations.

The Ministry expected that the panel would set provincial guidelines to help hospitals consistently plan to replace or upgrade MRI machines that are approaching the end of, or are past, their expected service life, and would analyze the impacts of these machines on scan quality and efficiency, by March 31, 2023.

Hospitals' Tracking of CT Scans' Frequency of Use and Radiation Dosage per Patient Has Been Insufficient

Recommendation 8

To minimize the overall health effects on patients, and especially pediatric patients, from CT radiation, we recommend that the Ministry of Health and Long-Term Care work with hospitals to:

- evaluate the cost-effectiveness and feasibility of creating a CT dosage registry to track and monitor the radiation dosage patients receive during their lifetime; and
- use the dosage registry information to assess the impact of the variation across hospitals in dosage received from similar body scans.

Status: Little or no progress.

Details

In our 2018 audit, we noted that cumulative radiation dosage levels per patient in Ontario were not being tracked. Under the *Occupational Health and Safety Act*, occupational dosage limits are set for workers, including hospital staff, from any source of x-rays, including CT machines. However, no similar legislative requirement exists for patients in Ontario. We also noted that although CT machines capture the radiation dosage from each scan, neither the Ministry nor the four hospitals where we conducted audit work track each patient's cumulative dosage.

In our follow-up, we found that the Ministry had made little progress in implementing the two actions in this recommendation.

The Ministry indicated that, as part of its work to review the *Healing Arts Radiation Protection Act*, it would consider options for ensuring patient safety in the use of medical radiation devices, such as the effectiveness and feasibility of establishing a dose registry. However, the Ministry was unable to provide an expected implementation date for these actions.

Hospital Booking and Scheduling of Appointments Could Be Improved

Recommendation 9

To help improve efficiency of booking and scheduling of MRI and CT scanning appointments and minimize patient no-shows, we recommend that hospitals:

- *formally track the reasons for patient no-shows and develop strategies to reduce their prevalence;*

Status:

St. Joseph's Healthcare Hamilton: In the process of being implemented by March 2021.

Health Sciences North: In the process of being implemented by March 2021.

The Ottawa Hospital: In the process of being implemented by March 2021.

Mackenzie Hospital: Fully implemented.

Details

In our 2018 audit, we noted that no-show rates across hospitals, as reported to Cancer Care Ontario, ranged from 0.1% to 13.4% of scheduled MRI scan appointments, and 0.6% to 13% of scheduled CT scan appointments for 2017/18. As well, we found that all four hospitals where we conducted audit work did not routinely track the reasons for no-shows. Thus, even though the hospitals recognized the problem, they did not fully understand the reasons behind it and could do little to influence the trend.

Since our audit in 2018, we noted the following actions taken by the hospitals:

- **St. Joseph's Healthcare Hamilton:** In December 2019, this hospital updated its scheduling system to be able to track the reasons for no-shows. Every three days, the system automatically generates a list of no-show patients, and hospital staff follow up with these patients to determine why they missed their appointments. For each patient, the system enables staff to record the reasons for no-shows using a drop-down menu. Based on requests by the hospital's manager, sum-

mary reports can be generated for reviewing purposes. However, the hospital has not yet used the data to develop strategies to address prominent reasons for no-shows. The hospital plans to fully implement this recommended action by March 2021.

- **Health Sciences North:** In March 2019, this hospital implemented new procedures to track reasons for no-shows. Staff now follow up with no-show patients to determine why they have not kept their appointments and record the reasons on a shared spreadsheet. On a monthly and quarterly basis, hospital staff compile the data to produce charts showing counts of no-shows by types of reasons. However, the hospital has not yet performed an assessment of the data to develop strategies and address prominent reasons for no-shows. The hospital plans to fully implement this recommended action by March 2021.
- **The Ottawa Hospital:** In April 2020, this hospital updated its scheduling system to be able to track reasons for no-shows. Each day, the system identifies and uploads a list of no-show patients to staff work queues so they can follow up with the patients to determine the reasons for their no-shows. A built-in drop-down menu lets staff select and record the appropriate reasons. Because the process was implemented in April 2020, the hospital has not gathered sufficient data to identify prominent reasons for no-shows. Once it has collected more data, the hospital plans to assess the data and develop strategies to address the reasons by March 2021.
- **Mackenzie Health:** This hospital has been able to minimize its no-show rate, which steadily decreased from 10.8% to 6.8% over the period from March 2019 to May 2020, as compared to the 5.5% benchmark set by Cancer Care Ontario. Instead of formally tracking reasons for patient no-shows, the hospital's strategy was to double-book appointment

slots and allocate less time than needed to on-site patients requiring scans (since they can be moved to no-show slots) and also to scans conducted for research purposes. The hospital informed us that this booking and scheduling process let it use its resources as efficiently as possible.

- *track confirmation rates to assess the effectiveness of the existing notification and reminder systems to determine if a more user-friendly technology, such as automatic confirmation through email or text messaging, should be used.*

Status:

St. Joseph's Healthcare Hamilton: In the process of being implemented by March 2021.

Health Sciences North: In the process of being implemented by June 2021.

The Ottawa Hospital: Fully implemented.

Mackenzie Health: Fully implemented.

Details

In our 2018 audit, we found that none of the four hospitals where we conducted audit work routinely tracked the appointment confirmation rate. Based on our audit testing of data available at three of the four hospitals, we noted that only 25%–36% of the MRI patients and 21%–41% of the CT scan patients who received phone call reminders confirmed their appointment before the day of their scan. In comparison, 50% of the MRI patients and 54% of the CT scan patients who received text messages confirmed their appointments. As well, based on the no-show data compiled by Cancer Care Ontario, we found that patients aged 19–29 had a higher no-show rate in 2017/18 than other age groups, at 12%. This group might be more reachable with alternative communication methods or technology such as email and text messaging.

Since our audit in 2018, we noted that the following actions had been taken by the hospitals:

- **St. Joseph's Healthcare Hamilton:** This hospital has staff phone each patient a few days before their scan date to confirm the

appointment. In January 2020, the hospital updated its scheduling system to begin tracking the outcome of these calls. It added to its system a drop-down menu for staff to record confirmations for all patients with upcoming appointments. Hospital staff are required to record the outcomes of their reminder calls and indicate whether the appointments are confirmed, cancelled or rescheduled. The system then enables reports to be generated showing statistics on patient confirmations. However, the hospital has not yet used this data to assess the effectiveness of its system in reaching out to patients and to determine if more user-friendly technology, such as email or text messaging, would prompt a higher response rate and should be used. The hospital planned to review the available data and determine if more user-friendly technology should be used by March 2021.

- **Health Sciences North:** This hospital uses an automated phone call reminder system that prompts patients to confirm their attendance by pressing the appropriate key on the phone pad. In April 2019, the hospital began to track patients' confirmation rates. Each day, scheduling staff are required to print a report listing all the patients the system has called that day, along with their confirmation responses. Formerly, staff phoned to request a confirmation from all patients on the list who did not provide a confirmation. Through this process, the hospital learned that incorrect patient contact information was often leading the system to call outdated phone numbers. Since then, the hospital has implemented additional procedures to remove outdated phone numbers and update patient contact information on a continuous basis.

The hospital assessed the patients' confirmation rate and determined that its existing automated-phone-call-reminder system is effective in reaching out to 75% of its patients and obtaining confirmation responses from

them. For the remaining 25% of patients, the hospital is able to obtain confirmations when staff phone them manually. The hospital decided to assess the need for other advanced technology in advance of June 2021, when its scheduling system is due to be upgraded.

- **The Ottawa Hospital:** In June 2019, this hospital integrated its scheduling system and automated-phone-call-reminder system, and began to track patients' confirmation rates. Each day, the scheduling system tracks all automated calls made to patients and confirmations received. The system identifies all patients who failed to confirm their appointments a day in advance. The system uploads these patients' names to staff work queues so that staff can manually follow up with the patients. The system automatically links each patient listed on the work queues to the patient's profile and appointment details for staff's reference when they make follow-up calls.

The hospital has assessed its technology and determined that it does provide patients with the option of being contacted through email rather than by phone. It contacts patients by email if this is their stated preference. The hospital determined that no other advanced technology was needed at the time of our follow-up.

- **Mackenzie Health:** This hospital uses automatic phone calls, the patients' on-line portal and text messages to remind patients of upcoming appointments and receive confirmation. As mentioned in the first action item of **Recommendation 9**, the hospital has been able to steadily decrease its no-show rate from 10.8% to 6.8% over the period from March 2019 to May 2020, as compared to the 5.5% benchmark set by Cancer Care Ontario. Therefore, it determined that its existing notification and reminder systems were sufficient to minimize its no-show rate to an acceptable level.

Recommendation 10

To help ensure that patients receive the dates of their MRI appointments as soon as possible, we recommend that hospitals establish an effective process to monitor incoming scan requests and schedule appointments on a timely basis.

Status:

St. Joseph's Healthcare Hamilton: Fully implemented.

Health Sciences North: In the process of being implemented by March 2021.

The Ottawa Hospital: In the process of being implemented by December 2020.

Mackenzie Health: Fully implemented.

Details

In our 2018 audit, we noted that during 2017/18, while schedulers at hospitals were able to schedule urgent and semi-urgent MRI requests within two days, they took an average of 18 calendar days to schedule non-urgent requests and notify the patients of their appointment date and time. The average of 18 calendar days is over twice as long as the seven calendar days recommended by Cancer Care Ontario. Of the four hospitals where we conducted audit work, three had a significant number of patients who were waiting to receive MRI appointments; they averaged 15, 28 and 197 days for scheduling incoming non-urgent scan requests for 2017/18. The same three hospitals indicated that they lacked sufficient resources, such as staffing, to schedule appointments on a timely basis.

Since our 2018 audit, we noted that the following actions were taken by the hospitals:

- **St. Joseph's Healthcare Hamilton:** This hospital hired part-time staff starting in December 2017 to ensure that when full-time staff are absent, incoming requests continue to be scheduled on a timely basis. Since then, the hospital has reduced the average time for scheduling these requests from 15 days in 2017/18 to five days in 2019/20, thereby achieving Cancer Care Ontario's recommended seven-day target.

- **Health Sciences North:** This hospital informed us that it was not able to reduce its backlog in scheduling incoming requests, as it continues to face a large gap between its capacity and the demand for MRI scans. Appointment slots are often not available when MRI requests are received. As a result, the average time it took to schedule incoming requests increased from 28 days in 2017/18 to 33 days in 2019/20. The hospital has expedited its plan to purchase an additional MRI machine in 2020/21 to meet patient demand. In February 2020, it received the Ministry's approval to purchase the additional MRI machine, and expected that the procurement and installation of the machine would be finalized by March 2021. Once the machine is installed, the hospital anticipates that it will be able to immediately reduce its backlog in scheduling incoming requests.
- **The Ottawa Hospital:** This hospital no longer schedules and notifies patients of their appointments a month before the next available open date. It schedules patients as soon as possible when the requests are received, for up to 13 months in advance. As a result, the hospital considerably reduced the time it took to schedule non-urgent MRI scan requests, from 197 days in 2017/18 to 57 days on average in 2019/20. The hospital mentioned that sometimes it receives more non-urgent requests than there are available slots in its 13-month calendar, and it has been unable to book the remaining requests beyond the 13-month period. For these patients, the hospital is working toward creating a notification system by December 2020. Notices would be mailed to patients and uploaded to the hospital's online patient portal, to let patients know that the hospital has received their requests for an MRI scan and they will be notified of their appointment date as soon as one is available. At the time of

our audit in 2018, this hospital was not contacting these patients to let them know their requests had been received and they should expect a long wait.

- **Mackenzie Health:** The hospital has fully implemented this recommendation, as it continued to take on average three days to schedule non-urgent MRI requests in 2019/20, remaining well within the seven-day target recommended by Cancer Care Ontario.

Province-wide Peer Review Program Not Mandatory across Ontario Hospitals

Recommendation 11

To help improve quality of diagnostic results across Ontario hospitals, we recommend that the Ministry of Health and Long-Term Care work with Health Quality Ontario to clarify their expectation and timeline for hospitals to implement a formal and regular peer review program of diagnostic results in hospitals.

Status: Little or no progress.

Details

As of June 2018, the then Health Quality Ontario had developed a toolkit to support implementation of peer review programs in five community hospitals for their staff radiologists, and planned to expand this pilot program to 14 hospitals by the end of 2018/19. Health Quality Ontario indicated to us that the Ministry stated no expectation that the program would be mandatory for hospitals, and that it does not have the authority to require all hospitals to participate in this program.

At the time of our 2018 audit, the Ministry still did not have a complete list of the hospitals with regular peer review programs among those that provide scanning services.

Three of the four hospitals where we conducted audit work had peer review programs in place for reviewing both MRI and CT scans and the associated radiologist reports. The fourth had conducted

several trial peer reviews but was not doing them on a regular basis.

Since our audit, Health Quality Ontario has become the Quality business unit (unit) of Ontario Health, and in 2018/19 it took the lead in creating a province-wide diagnostic imaging peer learning initiative. From this initiative, two key infrastructure supports were created for hospitals: the Diagnostic Imaging Peer Learning Toolkit and the Ontario Diagnostic Imaging Peer Learning Community.

At the start of the initiative, the unit conducted a survey of 151 hospitals and found that 43 did not have a peer learning or peer review program. All these 43 hospitals were then invited to participate in the initiative. Only 13 of the 43 hospitals invited, representing 32 hospital sites, were interested. As of March 2020, of the 13 participating hospitals, four have successfully launched peer learning programs, seven were in the process of implementing a program, and two programs were on hold indefinitely with the explanation that this was mainly due to lack of support from hospital radiology and administrative leadership.

Overall, our follow-up found that hospital participation in a formal and regular peer review program of diagnostic results is still voluntary. At the time of our follow-up, the Ministry had neither communicated any expectation nor set a timeline for hospitals to implement the program. The Ministry indicated that it needs to conduct a larger discussion with Ontario Health about the future of the program and how to make it mandatory—which it stated is dependent on availability of resources. The Ministry also indicated that it planned to work collaboratively with Ontario Health to explore opportunities for the ongoing implementation of a province-wide, mandatory peer review program by March 31, 2022.

Hospitals Did Not Consistently Assess Whether All Referrals for MRI and CT Scans Were Clinically Necessary

Recommendation 12

To better ensure that referrals for MRI and CT scans are clinically necessary, we recommend that the Ministry of Health and Long-Term Care work with Local Health Integration Networks and hospitals to:

- *develop effective tools such as standardized requisition forms with applicable checklists to minimize the number of inappropriate requests for scans; and*
- *ensure that radiologists at hospitals assess and track MRI and CT requests, and implement practices that improve adherence to the appropriateness guidelines.*

Status: In the process of being implemented by March 31, 2023.

Details

Research organizations and stakeholder groups we interviewed during our 2018 audit, including the Ontario Association of Radiologists, estimated that inappropriate scan referrals in Ontario—meaning, those that are not clinically necessary—range from 2% to 12%. At the four hospitals where we conducted audit work, the chief radiologist or other radiologists are responsible for deciding the level of priority for each incoming referral, rejecting those they deem inappropriate, or obtaining further clarifications from the referring physicians on the need for a scan. However, none of the hospitals kept track of the number of referrals they rejected as inappropriate.

Our follow-up found that the Ministry was in the process of expanding the eReferral or System Coordinated Access program in seven legacy LHINs—Waterloo-Wellington, Champlain, Erie St. Clair, North East, South East, South West and Hamilton-Niagara-Haldimand-Brant—of a total of 14 legacy LHINs across the province. (eReferrals are electronic referrals from primary care providers to specialists.) The work includes centralized referral

and booking processes for MRI and CT scanning services.

As of January 2020, over 106,000 eReferrals had been processed through the System Coordinated Access program. Ministry priorities for 2019/20 included the integration, expansion and scaling of central intake for diagnostic imaging. The Ministry indicated that it would continue to work with local and provincial delivery partners to develop and implement an eServices program to integrate and expand eReferral and eConsult to replace fax-and-paper processes of sharing information between health-care providers, thereby improving efficiency, timeliness and accuracy. This is expected to result in standardized electronic referrals across many clinical pathways. The Ministry expected to fully implement this recommendation by March 31, 2023.

Standardized Hourly Rates and Performance Measures Are Lacking in Ministry Agreements with Independent Health Facilities

Recommendation 13

To help ensure that payments to independent health facilities (IHF) for MRI and CT services are cost-effective, we recommend that the Ministry of Health and Long-Term Care:

- *review the existing hourly rate paid for scanning services delivered by each IHF and determine whether the rates are appropriate based on the types of scans, cost per scan and the service volume each IHF performs; and*
- *establish performance measures, such as wait-time targets, and incorporate these measures into future contracts with all IHFs.*

Status: Little or no progress.

Details

In our 2018 audit, we found that, for both MRI and CT scans, standardized hourly rates and wait-time performance measures were lacking in Ministry agreements with independent health facilities (IHF).

In our follow-up, we found that the Ministry had made little progress toward acting on the two actions in this recommendation.

The Ministry indicated that a review of the existing hourly rate for scanning services delivered by IHFs and the establishment of performance measures would require internal consultation within the Ministry as well as external consultations with the IHF licensees. The Ministry expected to fully implement this recommendation by March 31, 2022.

Chapter 1

Section 1.09

Ministry of the Attorney General

Office of the Public Guardian and Trustee

Follow-Up on VFM Section 3.09, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	3	1	2			
Recommendation 2	1	1				
Recommendation 3	2		2			
Recommendation 4	2		2			
Recommendation 5	2	1	1			
Recommendation 6	2	1	1			
Recommendation 7	2	1	1			
Recommendation 8	1		1			
Recommendation 9	2	1	1			
Recommendation 10	1		1			
Recommendation 11	2	2				
Recommendation 12	2	1	1			
Recommendation 13	1	1				
Recommendation 14	3	2	1			
Recommendation 15	2		2			
Recommendation 16	2	1	1			
Total	30	13	17	0	0	0
%	100	43	57	0	0	0

Overall Conclusion

As of September 24, 2020, the Office of the Public Guardian and Trustee (Public Guardian) of the

Ministry of the Attorney General (Ministry) had fully implemented 43% of the actions we recommended in our *2018 Annual Report*. The Public Guardian had made progress in implementing an additional 57% of the recommendations.

The Public Guardian has developed processes to track assets and track which community assessors are producing capacity assessments with repeated quality concerns. It also is working with stakeholder groups to identify people who are at higher risk of being incapable of managing their finances with no other supports. This work is intended to protect as many mentally incapable Ontarians as possible from financial mismanagement. The Public Guardian has also developed benchmarks for a reasonable caseload of guardianship cases; provided additional training to staff, including how to verify the validity of identification documents; and identified performance indicators that measure its activities throughout the duration of guardianship cases.

The Public Guardian was in the process of implementing other recommendations such as procuring services separately for the appraisal and auctioning of client assets; reviewing and updating its visit policy to state when other parties can be relied upon to reduce the frequency of visits by its own staff; reviewing its investment policies to confirm they meet prudent investor standards; improving its case management system; and establishing standard referral procedures and tools with other health partners to help psychiatric facilities meet legislative requirements to assess patients' capacity to manage their property and refer to the Public Guardian when appropriate.

The status of actions taken on each of our recommendations is described in this report.

Background

The main mandate of the Office of the Public Guardian and Trustee (Public Guardian) is to protect the rights, property and well-being of people who lack the mental capacity to do it for themselves. This includes managing the finances of about 12,800 people (about 12,000 people in 2017/18), acting as the personal-care guardian of about 47 people (about 30 people in 2017/18), and

administering the estates of Ontarians who have died without a will and without next of kin residing in Ontario.

In 2019/20, the Ontario government allocated \$44 million (\$40 million in 2017/18) to fund the Public Guardian, which also charged about \$33 million in service fees to its clients (\$31 million in 2017/18), the people under its guardianship and estate heirs.

Our audit found that the Public Guardian had not ensured it was safeguarding the interests of its clients.

We also found that though the Public Guardian had invested funds according to its own rules, these rules had not been reviewed by the Public Guardian's external investment consultant or the panel the government appointed to provide it with strategic investment advice. The rules may have been so restrictive that they limited returns.

Our more significant audit findings included:

- The Public Guardian did not require staff to visit the people whose property they managed. Although they were required to conduct initial visits when individuals first came under guardianship, these initial visits were usually not performed due to Public Guardian policies that exempted staff from conducting visits if, for example, a client was violent or aggressive, or resided in a supportive setting. Our review of a sample of people who had been with the Public Guardian for as many as 28 years indicated that half had not been visited since they had come under guardianship.
- Legal staff had missed critical deadlines because of weaknesses in the case-management system. For example, the Public Guardian's legal staff missed deadlines to apply for benefits on behalf of clients in certain cases, which resulted in the Public Guardian becoming liable for an estimated \$5 million to pay clients involved in motor-vehicle accidents.
- Public Guardian staff had detected about \$1 million in financial transaction errors between April 2015 and March 2018. About

half the total related to missed opportunities to collect income for clients such as disability benefits and extended health-insurance benefits. Although these errors were identified, others may have gone undetected given the systemic risks identified.

- The Public Guardian had paid an auction house commissions on behalf of clients to appraise and sell their belongings. Although it had begun using the auction house's services in the 1980s, there was no formal agreement, and the services had not been competitively procured.
- About \$28 million from about 260 estates was eligible to be turned over to the Crown because the Public Guardian had not identified heirs or distributed assets of these estates to heirs within 10 years of the clients' deaths. The Public Guardian's actions had contributed to delays in distributing assets. For example, estate staff could not consistently locate contact information for deceased clients' next of kin because caseworkers did not always obtain and document this information while the clients were still alive.

We made 16 recommendations, consisting of 30 action items, to address our audit findings.

We received commitment from the Public Guardian that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020, and July 2020. We obtained written representation from the Ministry of the Attorney General that effective October 8, 2020, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Risks Exist of Misappropriation and Loss of Client Assets

Recommendation 1

To help fully account for clients' assets, and to secure the highest possible proceeds for valuables of guardianship clients, we recommend that the Office of the Public Guardian and Trustee:

- *develop processes to track assets, including those from safety deposit boxes and properties, from point of being secured to point of safekeeping or sale, and follow up on any exceptions identified;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the case management system did not support consistent tracking of the disposition of assets. For smaller valuables, the system did not indicate whether assets were eventually stored and sold and that proceeds were fully deposited into an incapable person's account. Further, we noted that senior Public Guardian staff had no way to determine whether assets from clients' safety deposit boxes were fully accounted for when brought back by inspectors.

At the time of our follow-up, the Public Guardian had developed new instructions to track assets, including those from safety deposit boxes and properties, from point of being secured to point of safekeeping or sale. The new process, which is documented in flowcharts, includes defining asset management functions, events and delivery processes for all asset types. As well, the Public Guardian had moved its asset management and quality assurance unit into the investment and asset management unit, so all assets—such as real estate, life insurance, jewellery and personal effects—could be managed within one unit.

Finally, the Public Guardian has confirmed that data is accurate in 35 system reports related to assets' tracking in its existing information systems. The Public Guardian expects that these newly developed processes will be incorporated in its new financial and case management system.

- *procure for the services of appraisal and auctioning separately;*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian had used the services of the same auction house since the 1980s to both appraise valuables and to sell them.

At the time of our follow-up, the Public Guardian had selected an appraisal vendor from an invitation to quote that was issued in June 2019; the contract was finalized and was awarded in June 2020. As well, it had selected a successful auction vendor—unique from the appraisal vendor—from an invitation to quote that was issued in February 2020 and was reviewing the contract. The Public Guardian expected to finalize this contract by November 2020. These two vendors are different from the vendor the Public Guardian was using since the 1980s.

- *specify in contractual agreements the responsibilities of the auction service provider regarding its efforts in getting the best value for assets to be sold and its responsibility for damaged, lost or stolen goods.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian did not have an agreement with the auction house that appraises and sells clients' assets, exposing the Public Guardian to a number of risks. These risks include not obtaining the highest possible value on the sale of clients' assets and not clarifying which party—the Public Guardian or the auction house—retains financial responsibility if items removed by the auction house are damaged.

At the time of our follow-up, the Public Guardian had incorporated clauses to address general liability insurance, errors and omissions insurance, and security and privacy liability insurance into the draft contract with the auction service provider

as discussed in the above action item; the contract was not finalized when we completed the follow-up. The Public Guardian expected to have a signed contractual agreement with the auction service provider by November 2020.

Recommendation 2

To reduce the risk that employees abuse their positions of guardianship power, we recommend that the Office of the Public Guardian and Trustee confirm that its guardianship services staff have all obtained required security clearance.

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Public Guardian could not produce any record of clearance checks for 36% of its employees who work extensively with clients' finances and property.

At the time of our follow-up, the Public Guardian indicated that it still could not locate clearance checks for 43 employees after the Ministry of the Attorney General's (Ministry) human resources services searched for them over three months in 2019. The Public Guardian identified these 43 employees after sorting through an initial list of over 100 employees and eliminating those who have exited the organization, who are not guardianship services staff, and where documents were found in Public Guardian regional offices' files.

The Public Guardian considered this action fully implemented because the Ministry's human resources services provided written assertion to the Public Guardian that an employment offer would only be made after criminal record checks are obtained, and this process was consistently followed between 2003 and 2014. Since 2014, the clearance checks responsibilities were transferred to another ministry (Ministry of Government and Consumer Services), but the Public Guardian indicated that none of the 43 employees were hired after the other ministry took over the process. As well, even though two other checks—vulnerable sector checks and credit checks—were required in

addition to the criminal record check for employees hired after 2012, the Public Guardian indicated that none of the 43 employees were hired after 2012 and therefore only the criminal background check was applicable to them.

The Public Guardian further indicated that the two unions that represent these 43 employees have agreed to the Employment Security Screening Checks Policy Operational Guidelines as being reasonable and the Grievance Settlement Board has ordered the Ontario Public Service to implement these guidelines. These guidelines speak to when rescreening is permitted but the Public Guardian assessed that these circumstances were not present and therefore will not rescreen these employees. We reviewed these guidelines and noted they include circumstances including if the individual is an employee in a position for which the employer has established the requirement for periodic re-screening and the employee is due for rescreening; the individual is an employee in a position requiring an employment security screening check and self-reports charges that have been laid against them under the offence provisions of federal statutes, where such charges occur subsequent to their last check; and the individual is an employee in a position requiring an employment security screening check and where the manager or ministry contact has reason to believe that a check is required for cause.

Client Needs Not Well Understood to Support Provision of Quality Services

Recommendation 3

To monitor and responsibly manage individuals under property guardianship, we recommend that the Office of the Public Guardian and Trustee:

- *review and update its visit policy to state when other parties, such as doctors or social workers, can be relied upon to reduce the frequency of visits by its own staff;*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that about half of the caseworkers who responded to our survey felt that they could rely on other individuals, such as social workers and doctors, to oversee the well-being of some of the clients under guardianship. However, in our random sampling of client files, we found little evidence that caseworkers had communicated with such professionals, increasing the risk that caseworkers may be wrongly assuming that the clients would not benefit from a visit from Public Guardian staff.

At the time of our follow-up, the Public Guardian was updating its client visit policy, including adding a section detailing circumstances that would warrant an exemption from conducting initial client visits. Such circumstances include communications with client supports such as family and social workers and with staff members of a residence where the client lives, such as a long-term-care home or a group home. The policy also stipulates that Public Guardian staff should review the client's circumstances every three years to determine whether a client visit is warranted. In addition, the Public Guardian developed a client visit form where these exemption reasons are to be documented; the form is expected to be approved by a manager after its completion. The Public Guardian was reviewing the revised policy and draft form and expected to have these approved for implementation by November 2020.

- *monitor to ensure its staff document dates and details of visits, as well as communications with supportive contacts.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that there was little evidence of recent contact that Public Guardian staff made with individuals under guardianship to determine their status or well-being. As well, we identified circumstances where the caseworker had

placed unwarranted reliance on supportive people or settings, such as by community health agencies. For instance, we found cases of clients who came under guardianship 14 to 28 years ago with no indication when the most recent contact occurred.

At the time of our follow-up, the Public Guardian was developing training materials to staff and had requested an update to the case management system so that communication with clients or client supports would be counted as client visits due to ongoing communication, even though there may not be an actual visit. The Public Guardian expected that all staff would be trained by November 2020.

Recommendation 4

To prudently manage the assets of incapable adults without missing opportunities for higher returns, we recommend that the Office of the Public Guardian and Trustee:

- *monitor that caseworkers obtain and document current health information of clients, including when this information was obtained, and make this information readily available to financial planners;*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that while Public Guardian financial planners need to consider a client's health and age to form their decision on how to invest clients' assets, they are not in a position to obtain health information and must rely on caseworkers to obtain such information. However, caseworkers often did not document health information or when such information was last updated in the case management system. We also found that financial planners rarely asked for current health information from caseworkers.

At the time of our follow-up, the Public Guardian had reviewed and amended the health questionnaire and was training staff on the use of the new form. As well, Public Guardian staff had been

informed to label and file all medical information as health information in the case management system. The Public Guardian expected that by the end of September 2020 this information will be separately filed for easier retrieval, and by November 2020 system reports to monitor the completion of client health information will be completed.

- *review its investment policies, with expert input from, for example, the Investment Advisory Committee or its investment advisor, to confirm they meet prudent investor standards and revise as necessary.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian financial planners had, in 2005, developed internal investment policies to guide their decisions to invest clients' assets. These policies contained several specific rules that financial planning staff indicated were based on industry practice. The policies had never been reviewed outside of the financial planning unit; financial planning staff could not produce any industry practice evidence of the basis for the policies; and, in some cases, the policies could result in an overly cautious investment strategy not sufficiently diversified for clients.

During our follow-up, we found that the Public Guardian had engaged in discussions with its investment advisory committee on several occasions during 2019 and early 2020 related to investment trends, practices and policies, and to determine a benchmark suitable for its clients. Based on these discussions, the Public Guardian indicated it will revise its investment policies and implement changes by November 2020.

Recommendation 5

To best serve the financial interests of guardianship clients and heirs of estates, we recommend that the Office of the Public Guardian and Trustee:

- *assess the appropriateness of its current investment strategy, which currently consists of three separate funds of varied risks, for its clients' investment needs and develop a plan to revise the strategy if needs are better met through other investment options;*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian invests clients' assets in a mix of three funds that were established between 2000 and 2006. Two of these funds offer capital growth; one does not. Public Guardian financial staff had not assessed whether these three funds provide the most appropriate investment opportunities for clients to meet their current and future needs, or whether other funds could yield better returns or improve capital preservation.

At the time of our follow-up, the Public Guardian had engaged in discussions with its investment advisory committee on several occasions during 2019 and early 2020 related to investment trends, practices and policies, and to determine a benchmark suitable for its clients. Based on these discussions, the Public Guardian indicated it will revise its investment policies and implement changes by November 2020.

- *periodically evaluate the use of the Investment Management Corporation of Ontario or other existing Ontario government investment service providers.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Public Guardian made initial contact with the Investment Management Corporation of Ontario in summer 2017 to explore opportunities to use the Corporation's investment management services for the Public Guardian's investment funds. At the time of our audit, the investment funds were managed by external fund managers.

At the time of our follow-up, the Public Guardian indicated that it had met with the Corporation and determined that there was no alignment to use the Corporation as its investment service provider. As well, an executive of the Corporation joined the Public Guardian's investment advisory committee in late 2019. The Public Guardian indicated it would continue to assess in the future when there is a need to procure investment management services.

Little Assurance that Guardianship Services Are Provided to Those in Need

Recommendation 6

To identify and protect incapable people who may be suffering from harm and abuse, we recommend that the Office of the Public Guardian and Trustee (Public Guardian):

- *work with the Ministry of the Attorney General to clearly communicate to the public through updates to its website and social media the ways to report possible abuse cases and the Public Guardian's role as personal care guardian;*

Status: In the process of being implemented by December 2023.

Details

In our 2018 audit, we noted that the dedicated public telephone line is not easy to locate on the Public Guardian's website, which resides within the Ministry of the Attorney General's website. As well, the Public Guardian did not use other digital means such as social media to inform the public about its services. In comparison, the Office of the Public Guardian in the United Kingdom used social media to communicate with the public.

At the time of our follow-up, the Public Guardian was posting regularly on social media through the Ministry of the Attorney General (Ministry) to educate the public about powers of attorney, the resources available on the Public Guardian webpage, and how the government might need to step

in if no suitable person is found to be someone's property or personal care power of attorney. The Public Guardian also indicated that it was in the process of refreshing educational brochures and partnering with stakeholders to increase education and awareness around how to report cases of abuse and understanding the Public Guardian's role as a personal care guardian. In addition, the Public Guardian and the Ministry were working together to make changes to existing web content as part of the migration of the Ministry's website to Ontario.ca. This will also provide more online visibility for the Public Guardian. The migration is expected to be completed by 2021. As part of a modernization strategy, which is expected to be finished by December 2023, the Public Guardian was planning to revise its communication strategy to the public on reporting possible abuse cases and on its role as the personal care guardian of individuals in need of this service.

- *refresh training of its property guardianship staff to clarify how staff can refer cases of suspected abuse or those in need of protection to personal care guardianship.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that even though the Public Guardian caseworkers of property guardianship cases were mostly aware that they could internally refer cases from property guardianship to personal care guardianship, they had referred only about eight such cases a year on average. We further noted that Public Guardian senior management generally held the view that being a personal care guardian to someone imposes a highly restrictive level of control on a person's freedoms, and therefore did not actively seek out those who might benefit from personal care guardianship.

At the time of our follow-up, the Public Guardian had delivered training to its property guardianship staff at team meetings held in February and March 2019 to clarify how staff can refer cases to

personal care guardianship. This training outlined when cases may warrant referral to personal care guardianship and what steps staff could take, including notifying the police or community supports, and discussing with other Public Guardian staff such as team leaders and legal counsel. The training also described the role of the Public Guardian's investigations unit, which conducts additional work to obtain further information and recommend to the Public Guardian and Trustee to apply to court if incapacity or serious personal risk is confirmed.

Recommendation 7

To help capacity assessors in the community comply with required standards so that only those persons correctly assessed as incapable are referred for guardianship, we recommend the Public Guardian and Trustee instruct the Capacity Assessment Office to:

- *track which community assessors are producing capacity assessments with repeated quality concerns (for example, assessments lacking a well-documented basis for incapacity);*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Capacity Assessment Office, which reports to the Public Guardian and Trustee, did not track how many community assessors had repeated quality concerns identified through quality reviews that were conducted by external expert consultants. We analyzed these reviews and found that three-quarters of the assessors with more significant quality concerns in the 2016–2017 review cycle also had concerns in the 2014–2015 cycle.

Our follow-up found that the Public Guardian started a tracking spreadsheet effective December 1, 2019, to track reviewed cases and assessors with concerns. Examples of concerns include depth of assessment and unclear wording of assessment report, and instances where the assessors were found by the reviewer to have repeated concerns over the years.

- *develop criteria to determine when a community assessor should be referred to the relevant regulatory college and/or removed from the roster of community assessors, and apply these criteria appropriately to address systemic quality concerns.*

Status: In the process of being implemented by October 2020.

Details

In our 2018 audit, we noted that since the Capacity Assessment Office was established over 20 years ago, it had never removed a community assessor from the roster that it maintained. As well, it had never filed a complaint with any community assessor's regulatory college and had no criteria or guidelines to help it determine when to file such a complaint. Similar to the findings of a review conducted by senior Public Guardian staff that noted this shortcoming about 20 years ago, the Capacity Assessment Office still did not obtain assessors' reports or files to allow it to evaluate the complaint against file information.

At the time of our follow-up, we found that the Public Guardian in February 2020 had contacted the College of Nurses of Ontario, the College of Physicians and Surgeons of Ontario, the College of Psychologists of Ontario, the College of Occupational Therapists of Ontario and the Ontario College of Social Workers and Social Service Workers to develop criteria for referral of assessors and review policies and processes around disqualification of assessors. In May 2020, it met with four of the five regulatory colleges. After meeting with all colleges, the Public Guardian indicated it will complete an action plan by October 2020 to identify next steps.

Recommendation 8

To help psychiatric facilities meet the legislative requirements under the Mental Health Act to assess patients' capacity to manage their property and refer to the Office of the Public Guardian and Trustee (Public Guardian) when appropriate, we recommend that

the Public Guardian work with the Ministry of Health and Long-Term Care, psychiatric facilities, or any other relevant health partners as required to establish standard referral procedures and tools.

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we found that although specific cases have not been tracked, senior Public Guardian staff informed us that they noted an increase in recent years of hospitals inadvertently discharging patients assessed as incapable before filing the required paperwork with the Public Guardian to continue guardianship. Psychiatric facilities that responded to our survey noted that they developed and used their own tools, such as training and checklists, to help ensure they appropriately refer cases to the Public Guardian. The Ministry of Health, which funds these facilities, had not developed any common tools for these hospitals to use, and informed us that other partners, such as the College of Physicians and Surgeons of Ontario and the Ontario Hospital Association, might also be responsible for establishing standards of professional conduct and competency for physicians and ensuring compliance with legislative requirements, respectively.

During our follow-up, we learned of meetings the Public Guardian had held to address this, one in July 2019 with the Ministry of Health (formerly part of the Ministry of Health and Long-Term Care) and a second in July 2020 with representatives from the Ministry of Health, the Ministry of the Attorney General and the Ontario Hospital Association. The parties decided at the July 2020 meeting to create a consistent set of principles and relay the same information and expectations to all involved in this issue. The Public Guardian noted that the Ontario Hospital Association was to hold a webinar on the importance of meeting the legislative requirements under the *Mental Health Act* (Act) in late October 2020. This was to include a presentation by the Public Guardian on the importance of completing the required assessments and submitting the required documents for all cases of referral

to the Public Guardian, and a presentation by the Orillia Soldiers' Memorial Hospital on a tool it has developed to facilitate compliance with the Act. The Public Guardian was anticipating that the webinar would be attended by physicians and other hospital staff with responsibilities in this area. The webinar was to remain online as a reference tool after it took place in October 2020.

In addition, the Public Guardian indicated that the Ontario Hospital Association will prepare a short document underlining the need for timely assessment of patients and the need to inform the Public Guardian of the results of those assessments. The document will also set out a list of procedures to follow when a patient is found incapable. The Public Guardian anticipates this will be a useful tool for physicians and hospitals.

According to the Public Guardian, the Ontario Hospital Association will seek to have all these materials promoted by the Ontario Medical Association, since that is the organization from which physicians are most likely to seek and accept information.

Recommendation 9

To protect all mentally incapable Ontarians from financial mismanagement, we recommend that the Office of the Public Guardian and Trustee (Public Guardian), in conjunction with the Ministry of the Attorney General:

- *work with relevant ministries to identify populations that are at higher risk of being incapable of managing their finances with no other supports;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that outside of psychiatric facilities, Ontario had no standard process to systematically evaluate certain vulnerable populations who may also be incapable of managing their own finances and may not have set up power of attorney for property. Such populations include, for example, people residing in long-term-care homes with condi-

tions such as dementia, and youth receiving social benefits who have some form of mental illness or acquired brain injury or severe disability.

At the time of our follow-up, the Public Guardian had identified the following groups of people as having higher risk of being incapable of managing their finances: people residing in long-term-care homes, people with acquired brain injury, populations at increased risk of being incapable who have a mental impairment, people who are receiving services from Developmental Services Ontario, and children with special needs who are receiving specialized services and supports.

- *develop formal processes to help these individuals access property guardianship services from the Public Guardian.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that outside of psychiatric facilities, Ontario did not have a standard process to systematically evaluate certain vulnerable populations who may also be incapable of managing their own finances and may not have set up power of attorney for property.

At the time of our follow-up, we found that the Public Guardian had met with three stakeholder groups between November 2019 and March 2020 in the health and social services sectors. At these meetings, the Public Guardian and the stakeholder groups identified opportunities for further education of front-line staff in these sectors. The Public Guardian was in the process of developing processes and procedures to assist front-line staff by November 2020.

Recommendation 10

To minimize resources devoted to providing guardianship services and to help suitable family and friends become aware that they can be more involved in managing an incapable person's assets, we recommend that the Office of the Public Guardian and

Trustee (Public Guardian) work with the Ministry of the Attorney General to clearly communicate to the public—such as through updating its website and using social media—their right to replace the Public Guardian as a guardian of an incapable person.

Status: In the process of being implemented by April 2021.

Details

In our 2018 audit, we noted that while the Public Guardian is legislatively established as the guardian of last resort, it did not clearly convey to the public that it does not have to be the permanent guardian. An interested party would need to know to perform a general search for “replace Public Guardian and Trustee” or click through three links from the Public Guardian’s main website to find the instructions.

By the time of our follow-up, the Public Guardian had held discussions with the Ministry of the Attorney General’s Communications Branch to develop a formal communication strategy using multiple media types, but this was not expected to be fully implemented until April 2021. In the meantime, the Public Guardian has developed a letter to be sent to eligible family members reiterating their right to apply to replace it, and plans to send out this letter in a mass mailing by November 2020. As well, the Public Guardian has amended its existing letters to friends and family regarding replacement options to make them more user-friendly. It indicated it has sent these out on a case-by-case basis, typically on new files.

Public Guardian Has Not Reviewed Staff Caseload in Over 20 Years

Recommendation 11

To promote more efficient and effective case management of guardianship cases and to help staff make sound judgments in order to provide quality services to clients, we recommend that the Office of the Public Guardian and Trustee:

- *analyze the time and effort required to manage guardianship cases, determine a suitable staffing model, develop benchmarks for a reasonable caseload, and reallocate resources accordingly;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Public Guardian had not assessed the way it distributed cases among caseworkers, or the most effective mix of staff to support case management, in over 20 years. Some stakeholder groups we spoke to for the 2018 audit indicated that while caseworkers usually were professional and hard-working, some were unreachable and unresponsive to urgent requests to support clients. In addition, with no benchmark of a reasonable caseload, some caseworkers managed about 50% more cases than other caseworkers, even though they are all supposed to be managing files of similar characteristics and complexity.

At the time of our follow-up, we found that the Public Guardian had in December 2019 reallocated caseload among staff based on complexities of the client files. According to the caseload report from February 2020, across all regions, senior caseworkers’ caseloads ranged from 70 to 90 cases, and caseworkers’ caseloads ranged from 126 to 196 cases. The Public Guardian expected to review these cases again in six months.

- *identify areas where staff require additional training and provide effective training to staff, possibly through one-on-one instruction.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that 63% of the caseworkers who responded to our survey felt that they did not receive enough training and would benefit from more one-on-one training to help them make better decisions in a variety of situations.

At the time of our follow-up, the Public Guardian had developed a training calendar after consultation with team leaders and managers on staff training needs in December 2019 and

February 2020. The training calendar for 2020 includes monthly training to new staff, a mix of in-person and online training, and training sessions on specific topics such as disability benefits and family law. Several topics are new to the 2020 training plan, including the art of decision-making, foreign properties and family law. The Public Guardian indicated it had provided training, including effective communication, modular insurance, new staff training, and disability support funding to its staff between January and June 2020 both in-person and via an online video conferencing platform.

Delays in Paying Out Estates and Lack of Training to Detect Fraudulent Heirs

Recommendation 12

To reduce delays in distributing assets to heirs and unnecessary losses to the value of estates under management, we recommend that the Office of the Public Guardian and Trustee:

- *monitor whether caseworkers obtain more complete information about the family members of people under guardianship;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that while about half of estate cases managed by estates staff originated from deceased people who were previously under the Public Guardian's guardianship, caseworkers did not always document information on family members of those people when they were alive, resulting in longer-than-necessary searches for heirs.

At the time of our follow-up, the Public Guardian implemented a revised questionnaire in its case management system to help ensure caseworkers obtain as complete as possible information on family members and contact information. The questionnaire prompts the caseworker to indicate whether information about family and contacts has

been recorded in a specified field in the case management information.

- *assess the time required to complete the various stages of the estates processes, establish or update benchmarks, and monitor the time taken to complete these stages.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian did not have timing benchmarks for each of the steps involved in administering estates, such as identifying and securing assets, identifying and locating heirs, and completing a legal review. As a result, senior staff had not been able to detect and act on the delays in administering estates and distributing funds to heirs.

In our follow-up, we found that relevant staff in the Public Guardian held internal meetings in July and August 2019 to discuss the need to establish clear timelines for estate heirship and research functions, what activities should have their times measured, and how to track and measure these activities. The group identified needed improvements to the information system to accommodate this tracking, such as the ability to generate reports. The Public Guardian indicated it still needed to complete the study of these various stages and develop system-based reports to monitor the time taken to complete these stages. It expected this work to be completed by November 2020.

Recommendation 13

To prevent payouts of estates to fraudulent claimants, we recommend that the Office of the Public Guardian and Trustee provide training, possibly from the Ministry of Transportation, to its staff on verifying the validity of identification documents.

Status: Fully implemented.

Details

In our 2018 audit, we noted that estate staff were not formally trained on how to detect fraudulent identification documents that claimants may produce to claim estate funds. Staff were expected to learn from their peers instead. The Ministry of Transportation informed us in the 2018 audit that it had seen an increase in the volume and quality of fraudulent documents used in attempts to obtain driver's licences and health cards over the years. That Ministry trains ServiceOntario and DriveTest staff on how to identify fraudulent documentation, and provides training sessions for other government staff, but the Public Guardian had not requested nor received any such training.

For our follow-up, we found that the Public Guardian brought in a document verification specialist from the Ministry of Transportation to train its staff in March and May 2019. The training covered topics such as how to detect fraudulent documents and issues with production or issuance of documents commonly reviewed by Public Guardian staff.

Success of Key Public Guardian Activities Not Fully Measured or Publicly Reported

Recommendation 14

To fully measure all significant activities within its mandate, we recommend that the Office of the Public Guardian and Trustee:

- *identify appropriate performance indicators that measure the efficiency and effectiveness of all activities throughout the duration of guardianship cases;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Public Guardian did not measure its performance on ongoing guardianship activities beyond 10 “initial services” that include events such as requesting

an investigation to identify and secure assets, and requesting financial information from various organizations, to safeguard property within 30 days. Ongoing activities could include whether disbursements are processed within a specific period of time, and whether all investment plans that are due for review were reviewed by senior management before the end of the year.

During our follow-up, we found that in May 2019, the Public Guardian had developed 43 key performance indicators that measure activities in various program areas such as client services, estates and legal services. Examples of indicators include the following:

- percentage of new property guardianship services clients whose financial plans are completed as scheduled in order to enhance overall return in investment;
- percentage of complex estate files where the first distribution takes place within two years of issuing the Certificate of Appointment of Estate Trustee; and
- percentage of legal file reviews completed within six months.

- *set performance targets and regularly assess actual results against these targets;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Public Guardian did not measure results it collected on the 10 initial services of guardianship against any targets to improve performance.

At the time of our follow-up, the Public Guardian had developed targets for the 43 key performance indicators, and had collected and assessed actual results each quarter, current to the third quarter of 2019/20. For example, between April 2019 and December 2019, against a target of completing initial client visits within 12 months 100% of the time, the Public Guardian's performance was between 16% and 21%. Similarly, against a target of requesting banking information within

30 days 100% of the time, the Public Guardian's performance was between 85% and 92%.

- *report publicly on the results.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian did not publicly report on any of its performance indicators to demonstrate to the public that it is operating effectively in meeting its mandate. In contrast, the British Columbia Public Guardian annually reported its performance measures in its public report.

At the time of our follow-up, the Public Guardian had identified the following four performance indicators to Treasury Board so it could share them publicly:

- percentage of allegation of abuse of mentally incapable adults responded to within 24 hours;
- percentage of request for medical treatment decisions for mentally incapable adults responded to within one day;
- percentage of critical services initiated to safeguard client property within 30 days of client coming under Public Guardian jurisdiction; and
- percentage of pooled investment funds for which the rate of return exceeds industry benchmarks as set out in the Statements of Investment Policies and Goals.

However, this information was not available on any public website at the time of our follow-up. The Public Guardian indicated that Treasury Board could not determine when the information was last posted publicly. Nevertheless, the Public Guardian indicated it plans to post its performance indicators on its 2019/20 activities on its website upon determining which ones it would publish publicly, by November 2020.

Service Fees Not Reviewed Since 2004, and Not Always Billed

Recommendation 15

To provide reasonable compensation for its work, we recommend that the Office of the Public Guardian and Trustee:

- *review and update its fees schedule;*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that the Public Guardian had not reviewed since 2004 the service fees it charged to guardianship clients and estates under management. The *Public Guardian and Trustee Act* enables the Public Guardian to charge fees and specifies that the Attorney General needs to approve these fees.

At the time of our follow-up, the Public Guardian had reviewed its fees schedule and the Public Guardian and Trustee had approved changes. The Public Guardian expects to submit the revised fees schedule to the Attorney General for approval by November 2020.

- *bill promptly for all services performed.*

Status: In the process of being implemented by November 2020.

Details

In our 2018 audit, we noted that because a lawyer at the Public Guardian retired in May 2017 and did not bill for services provided over the years, the Public Guardian wrote off six invoices for legal services provided between 2012 and 2017. As well, we found that lawyers recorded a wide range of hours in the billing system during 2017/18 and may be foregoing legal fees.

At the time of our follow-up, the Public Guardian had continued to remind legal staff through either email or meetings from June 2019 to June 2020 to promptly record time spent and bill clients, and review and address on a quarterly

basis any client fees deferred due to lack of funds. In addition, the Public Guardian amended its docketing and billing policy in May 2020 to require counsels to review accounts every 12 months and submit a bill where appropriate. The Public Guardian expected to review counsels' compliance with policy by November 2020.

Case Management System Inadequate to Support Staff in Providing Good Services to Clients

Recommendation 16

To help staff efficiently manage clients' property as well as perform other functions within its core mandate, we recommend that the Office of the Public Guardian and Trustee:

- *determine in conjunction with the Ministry of the Attorney General whether the administration fund continues to have value in improving the financial returns for incapable adults, and, if appropriate, reallocate the funds to other operational areas;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Public Guardian had \$122 million in its administration fund as of March 31, 2018. This fund was used to supplement guardianship clients' assets in the investment funds, with the expectation of realizing higher returns from higher levels of capital. Yet over the years, the balance in the investment funds has increased significantly from about \$900 million in 2000 to \$1.7 billion in 2018. The Public Guardian had not assessed whether the administration fund should still be invested to help increase financial returns or reinvested in Public Guardian operations.

At the time of our follow-up, the Public Guardian had determined that the most beneficial use of the administration fund is to allocate it to its modernization project to help replace the current information systems. Senior management at the

Public Guardian and the Ministry of the Attorney General have approved this proposal and Treasury Board approved this proposal in June 2020.

- *improve the functionality of its case management system, incorporating feedback from its program areas.*

Status: In the process of being implemented by January 2024.

Details

In our 2018 audit, we noted that the case management system did not fully support staff in performing their daily functions and could not easily produce useful reports to help senior staff effectively oversee operations. For example, the information technology staff at the Public Guardian had still not resolved over 200 system changes requested by other staff at the time of our 2018 audit, with some requests made five years prior.

At the time of our follow-up, the Public Guardian had completed jurisdictional scans of other countries including the United Kingdom, New Zealand and Western Australia; created a roadmap to implement information technology changes; initiated a project to facilitate data migration efforts; and was in the process of gathering data requirements. Replacing the existing case management system is part of a longer-term modernization project. The Public Guardian expects that by January 2024, it will receive all necessary approvals from Treasury Board and Management Board of Cabinet, complete all procurements and have data migrated and staff trained in the new information technology solution.

Chapter 1

Section 1.10

Ministry of Colleges and Universities

Ontario Student Assistance Program

Follow-Up on VFM Section 3.10, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2		1	1		
Recommendation 2	1	1				
Recommendation 3	1					1
Recommendation 4	1		1			
Recommendation 5	1	1				
Recommendation 6	3	1	1	1		
Recommendation 7	3	2		1		
Recommendation 8	1	1				
Recommendation 9	2	2				
Recommendation 10	2			2		
Recommendation 11	2	1		1		
Recommendation 12	4			4		
Recommendation 13	1		1			
Recommendation 14	3	2	1			
Total	27	11	5	10	0	1
%	100	41	18	37	0	4

Overall Conclusion

As of July 2020, 41% of the actions recommended in our *2018 Annual Report* had been fully implemented, and 18% of recommended actions were in the process of being implemented. Little progress

had been made in implementing 37% of recommended actions, and 4% will not be implemented.

The Ministry of Colleges and Universities (Ministry) had fully implemented recommendations by reviewing and revising its entitlement policy to more accurately reflect students' needs and circumstances, through better recording of Financial Aid

Office inspection information and student investigation information, by increasing sample sizes during inspections that better represent the size of the student population receiving OSAP, and by conducting follow-up on a timely basis of inspections which fail. The Ministry has also begun providing public institutions with inspection ratings, previously done only for private institutions. Additionally, the Ministry of Finance has implemented processes for garnishing income-tax refunds sooner.

The Ministry was also in the process of implementing recommendations to track and report on graduation rates of OSAP recipients relative to all post-secondary school graduates, employment outcomes of post-secondary graduates and average student debt levels following graduation. The implementation of recommendations from the Ministry's 2018 privacy impact assessment was also in the process of being completed as was providing training for privacy breaches and protection of personal information to Ministry staff and Financial Aid Offices.

The Ministry has made little progress in analyzing complaints data on the program. It also has not made much progress in performing timely follow-up inspections with public institutions, nor has it put formal agreements in place with Financial Aid Offices at public institutions requiring compliance with Ministry policies and guidelines. The Ministry has also made little progress in working with the federal government to have the National Student Loans Service Centre initiate collection of defaulted student loans sooner. Additionally, little progress had been made to revise the cost-sharing program with private institutions for defaulted loans.

The Ministry also indicated that it would not be implementing our recommendations to establish processes to verify the number of dependents of an applicant's parents and the value of financial assets owned by a student (and spouse, if applicable).

Background

The Ontario Student Assistance Program (OSAP) provides grants and loans to students pursuing a post-secondary education, usually at a university, college or private career college. The amount of aid depends primarily on educational costs, and family income and size. OSAP is administered by the Ministry of Colleges and Universities (Ministry), formerly the Ministry of Training, Colleges and Universities. In 2019/20, the program cost \$12.5 million to administer (\$22.3 million in 2017/18). The decline in program cost since the time of our 2018 audit is due primarily less spent on advertising, and public relations related to the program, as well as lower rates paid to the National Student Loans Service Centre for loan administration based on a new agreement effective for the 2019/20 academic year. The total amount of financial aid provided to students in the 2019/20 school year, as of July 31, 2020 totalled \$1.0 billion (\$1.7 billion in the 2017/18 school year).

The Ministry had introduced major program changes to OSAP in the 2017/18 academic year starting August 1, 2017, to make post-secondary education more accessible and affordable to students. The Ministry provided a larger percentage of aid in non-repayable grants rather than repayable loans—98% in grants in the 2017/18 academic year, compared to 60% the year before. However, the number of people that received financial aid increased by about 25% while enrolments over the same period increased by only 1% for universities and 2% for colleges, indicating that the number of people accessing higher education had not increased to the same extent.

Furthermore, these changes were expected to have a positive impact on the province's finances, because the elimination of Ontario's Tuition and Education Tax Credits was expected to more than offset the increase in grants. However, the uptake of student grants had exceeded expectations. As a result, the province's March 2018 Budget projected

that OSAP might cost \$2 billion annually by the 2020/21 fiscal year, a net increase of 50% from the 2016/17 fiscal year.

Among the issues we identified in our audit:

- The Ministry had tracked limited data about recipients and could not determine whether program changes had helped more new students access post-secondary education. However, 27% of mature students who had qualified for OSAP for the first time in the 2017/18 academic year had already attended post-secondary studies the previous year without receiving OSAP support.
- One major program change had expanded eligibility to mature students—defined as those who had been out of high school for at least four years. If students had been out of high school for less than four years and were financially dependent on their parents, parental income was used to determine OSAP eligibility. However, if a student had been out of school for four or more years and was still living with their parents, parental income was not used to determine OSAP eligibility. We noted that the number of mature students who had received OSAP aid had increased 33% between the 2016/17 and 2017/18 academic years, and that close to 30% of mature students had said on their applications that they were living with their parents. Although these students were entitled to OSAP support, the Ministry was unable to say whether they actually needed OSAP support.
- Prior to the program changes, grant recipients who had withdrawn from their studies did not have to repay their grants, costing OSAP \$74.4 million from the 2013/14 to 2016/17 academic years. Starting August 1, 2017, recipients were required to repay the full grant amount if they had withdrawn within 30 days of starting school, or a prorated amount after 30 days. OSAP had said it planned to convert these grants to loans on a prorated basis. However, both

before and after the program change, we found instances where students had received grants after withdrawing.

- The Ministry of Finance had not begun aggressive collection activities until student loans were nine months in arrears, and might have been incurring a higher cost than needed to recover overdue loan payments. Private collection agencies that charged a 16% commission (about \$20 million over the last five years) on recovered amounts were used initially. As a last resort, the Canada Revenue Agency (CRA) assisted with collection, charging only about 1% to garnish income-tax refunds. However, it would likely have cost less if the CRA was used before private collection agencies.
- Private career colleges had the highest overall student loan-default rates, followed by public colleges and public universities. The Ministry had operated a cost-sharing program with these private institutions for loans in default. However, in the two years before our audit, the cost-sharing policy required that only \$417,000 be collected from private institutions on \$14 million in default. Therefore, the Ministry had been assuming a higher risk and the related cost of non-collection.

Since our 2018 report, the Ministry has made changes to OSAP introduced by the previous government. Key changes included no longer providing free tuition in the form of grants to those with family income less than \$50,000; decreasing the parental income threshold for provincial OSAP grants from \$175,000 to \$140,000 (assuming a family of four); changing the definition of an independent student from being out of high school for four or more years to six or more years; and increasing the expected contribution for students from \$3,000 to \$3,600. In addition, although the borrower still has six months after they graduate or leave full-time studies to start repaying their OSAP loan, during that six-month grace period the borrower is now charged interest on the Ontario

portion of their loan, whereas at the time of our audit they were not charged interest during the grace period.

We made 14 recommendations, consisting of 27 action items, to address our audit findings.

We received a commitment from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

Major Program Changes

Recommendation 1

To determine whether the objectives of changes to the Ontario Student Assistance Program (OSAP) are being met, we recommend that the Ministry of Training, Colleges and Universities:

- *determine whether there has been an increase in the enrolment of students in post-secondary institutions from under-represented groups;*
Status: Little or no progress.

Details

In our 2018 audit, we reported that the Ministry tracks the number and change in OSAP recipients by student type (such as level of income), but not whether the changes to OSAP led to improved access to post-secondary education for under-represented groups. The Ministry did not know the income levels and other demographic factors of students who had not applied for OSAP. As a result, it did not know if the composition of students enrolled in school had changed and in turn, if more underrepresented people were enrolled in post-secondary education than in the past.

At the time of our follow-up, we found that the Ministry had not determined the change in post-secondary enrolment for students in under-represented groups. As was the case at the time of our 2018 audit, the Ministry does not know the income levels

and other demographic factors of students who have not applied for OSAP, and therefore, does not have all the information about all student enrolment for under-represented groups that it needs to measure this. Instead, the Ministry continues to analyze OSAP uptake by under-represented groups, rather than the total number of students from under-represented groups enrolled in post-secondary institutions. The Ministry stated it will continue to monitor the volume and proportion of each under-represented group within the OSAP recipient population. The Ministry also stated that it had considered linking student addresses with census profile data in order to estimate the proportion of students from low-income households attending college and university.

- *track and publicly report measures such as graduation and employment rates for OSAP recipients in their field of study, and average student debt levels at completion of studies.*

Status: In the process of being implemented by 2023.

Details

Our 2018 audit found that the Ministry had established only one performance measure for OSAP—the percentage of borrowers who are not in default and properly repaying their debt two years into repayment. The Ministry did not have indicators to measure OSAP's goals of helping students get a post-secondary education and then employment in their field of study. Although the Ministry was calculating and publicly reporting graduation rates and graduate-employment rates, by institution and program, for all students in public post-secondary institutions, it was not measuring these rates for OSAP recipients separately to determine whether OSAP is meeting its overall goals.

At the time of our follow-up, we found that little progress had been made to date with measuring graduation rates of OSAP recipients.

The Ministry had determined that it will be able to report graduation outcomes for OSAP recipients through links to the Ontario Education Number currently assigned to students for their K-12 schooling.

This would allow the Ministry to track a student's educational career beyond K-12. Links to this number for post-secondary institutions were being implemented by the Ministry and were expected to be in place in 2022 and 2023 for public colleges and universities, respectively. These data links will allow the Ministry to calculate OSAP graduation rates.

For reporting employment outcomes, the Ministry had developed a question to be added to the annual college and university graduate surveys asking whether the student received OSAP. Alternatively, it is considering requiring college and university Financial Aid Offices to track whether students received OSAP. Either method will allow the Ministry to cross-reference OSAP use with job outcomes on the survey. The current surveys include the Graduate Outcomes and Satisfaction Survey (Ontario college graduates), and the Ontario University Graduate Survey. At the time of our follow-up, the Ministry was finalizing a decision on which approach to take. The Ministry indicated that if the question is added to the 2020/21 surveys, reporting would be possible by October 2022.

We found that the Ministry had made progress in calculating and reporting average repayable debt for OSAP recipients who have graduated. The Ministry had calculated the average repayable debt as of July 31, 2018, as well as the trend for each year from 2000/01 to 2017/18. The Ministry was planning to update the average repayable debt calculation to include 2018/19 and publicly report them in the fall of 2020.

Eligibility to Receive Financial Aid

Recommendation 2

The Ministry of Training, Colleges and Universities should review its Ontario Student Assistance Program entitlement policy with respect to students out of high school for more than four years to ensure that the policy more accurately reflects their actual needs and circumstances.

Status: Fully implemented.

Details

In our 2018 audit, we noted that for students who were financially dependent on their parents, parental income was only taken into consideration for students who had been out of high school for less than four years, but not for those who had been out for four years or more. We found that 27% of mature OSAP recipients who previously attended post-secondary institutions received OSAP for the first time in 2017/18 and had apparently been studying previously without provincial aid. It is unclear whether many of these students needed OSAP support to access post-secondary education.

At the time of our follow-up, we found that for the 2019/20 school year, the Ministry had changed the definition of an independent student from “a student who has been out of high school for four or more years” to “a student who has been out of high school for six years or more.” This change meant that parental income would be included in the OSAP needs calculation for students who graduated from high school less than six years ago. The Ministry told us it selected this option as part of a suite of changes to OSAP to help ensure that the program would be financially sustainable. The Ministry estimated savings realized from this change alone would be about \$90 million in the 2019/20 fiscal year, as 34,555 students who would have been eligible for OSAP under the previous rules were no longer eligible.

Verification of Application Information

Recommendation 3

We recommend that the Ministry of Training, Colleges and Universities establish processes to verify the number of dependents of an applicant's parents and the value of financial assets owned by a student (and spouse, if applicable).

Status: No longer applicable based on assessment work completed.

Details

During our 2018 audit, we noted that the Ministry did not verify some information affecting the financial-needs assessment, including the size of dependent students' families and the value of financial assets owned by a student (and their spouse, if applicable).

At the time of our follow-up, the Ministry informed us that it had engaged with the Canada Revenue Agency (CRA) about verifying this information. However, the CRA confirmed to the Ministry that it did not collect data on dependents and their ages, nor did it collect data on financial assets in a way that would be useful for OSAP verification.

Regarding verification of the number of dependents of an applicant's parents, at the time of our follow-up, we found that the Ministry had developed a message that appears during completion of an online application. If the applicant indicates that their parents have four or more dependent children, including themselves, a message is automatically generated asking them to confirm that is correct. The Ministry launched this within its 2020/21 OSAP application in May 2020.

Although this action does not provide independent verification of the number of dependents in a student's family, it is likely a reasonable way to approach this validation process. The Ministry could be asking parents of OSAP applicants to submit copies of their dependents' birth certificates. The Ministry's legal counsel recognized that the Ministry had the authority to collect this information to determine the applicant's entitlement to OSAP funding, as long as all OSAP applicants were required to submit this information where applicable. However, the Ministry made the decision that it would not collect the supporting documentation required of applicants.

The Ministry stated it would not be taking action to verify the value of financial assets owned by students. As any verification process would only apply to students who self-report assets on their OSAP application, requiring documentation from those who self-report would create a disincentive to report assets on the OSAP application.

Overpayments to OSAP Recipients

Recommendation 4

In order to simplify the income-verification process, we recommend that the Ministry of Training, Colleges and Universities consider the applicant's income in the previous year rather than their estimate of income to be earned during the study period.

Status: In the process of being implemented by September 2021.

Details

In our 2018 audit, we noted that the Ministry had difficulties confirming income earned by the student during their study period, because study periods were usually based on the academic year rather than the calendar year. The amount could not be confirmed with the Canada Revenue Agency (CRA), so the Ministry typically made assumptions when comparing the amount on the OSAP application to the amount reported to the CRA. Only students who would be earning more than \$5,600 per term had to report this income, which in 2017/18 was only 2.7% of students.

At the time of our follow-up, the Ministry noted that it would not use the applicant's prior-year, in-study income as an estimate of income for the study period because it would likely result in an inaccurate projection of income. Instead, the Ministry stated it had plans to conduct spot audits on some OSAP students that were likely to have high study period earnings to verify the income information reported. At the time of our follow-up, the Ministry had not yet drafted procedures for these audits, and had not yet defined which students would be audited.

The Ministry indicated that it had initiated an informal internal working group in early 2020 to determine the framework and criteria of an in-study, income-verification process. The Ministry told us that the internal working group was meeting every three weeks to gather subject matter expertise on income verification processes, but did not yet have a draft framework and criteria established.

The Ministry expected to develop the approach and tools, and conduct a pilot of an in-study

income-verification process, toward full implementation of this recommendation in September 2021.

Ministry Oversight of OSAP

Recommendation 5

To increase the level of assurance provided by the inspection process, we recommend that the Ministry of Training, Colleges and Universities increase the number of student files selected during inspections of Financial Aid Offices, and consider both the risk and the student population receiving Ontario Student Assistance Program aid at the institution.

Status: Fully implemented.

Details

During our 2018 audit, we found that the Ministry examined few student files in overseeing Financial Aid Offices. In general, the Ministry reviewed the same number of files per institution regardless of the size of the institution or how many of its students received OSAP. The Ministry reviewed 10 student files from the most recently completed academic year for private institutions and 20 student files for public institutions. Furthermore, the inspection files we reviewed did not document why the Ministry had chosen those files for inspection.

Beginning in November 2018 for private institutions, and January 2019 for public institutions, the Ministry had adopted a new sampling method when selecting student files in inspections of Financial Aid Offices based on the number of students receiving OSAP at the institution. The Ministry's sample size for public institutions was 25 student files if the number of OSAP awards were less than 2,000, 40 files for 2,000 to 20,000 awards, and 60 student files if the institution had more than 20,000 students receiving OSAP. For private institutions, sample sizes were 10 student files if the number of OSAP awards were less than 250, 20 files for 250 to 500 awards, and 25 student files if the institution had more than 500 students receiving OSAP. We reviewed a sample of reports for inspections at both private and public institutions

completed in 2019 and 2020, and noted adherence to the Ministry's sample size methodology.

The Ministry chose these parameters to attempt to align with risk levels identified by the American Institute of Certified Public Accountants minimum sample sizes for a population of 250 or greater.

The Ministry stated that in order to ensure that the process is fully working, after all public institutions have been inspected once using the new sampling requirements, the Ministry would review the risks and ensure an appropriate sample size for each institution.

Recommendation 6

In order to ensure corrective action is taken by institutions on deficiencies noted in inspections of Financial Aid Offices, we recommend that the Ministry of Training, Colleges and Universities:

- *either provide all types of institutions with a compliance rating following an inspection, or clearly identify the severity of each deficiency identified;*

Status: Fully implemented.

Details

In our 2018 audit, we reported that inspection reports issued to Financial Aid Offices following inspections listed deficiencies noted during the inspections but did not indicate the severity. Only inspection reports issued to private institutions indicated whether the Financial Aid Office passed or failed. The Ministry assigned public institutions a compliance rating of high, medium or low, but was not sharing the rating with them.

At the time of our follow-up, we found that beginning in January 2019, the Ministry had started a compliance rating process for both private and public institutions which results in a rating of a high, medium, or low level of compliance as stated on the inspection report given to the institution. An institution's rating is based on the number of pass or fail ratings for inspection categories according to Ministry inspection criteria for both administrative

impact and financial impact. The Ministry's overall compliance rating is affected more heavily for deficiencies with financial implications rather than administrative ones.

- *perform timely follow-up inspections with public institutions to ensure corrective action has been taken, in the same way it does for private institutions;*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we reported that the Ministry subjected private institutions to a follow-up inspection six months after an initial inspection to ensure corrective action was taken on deficiencies noted. For public institutions, the Ministry ensured corrective action was taken only for those with a low rating.

At the time of our follow-up, the Ministry's policy continued to be that only institutions with a low rating were re-inspected for noted deficiencies.

To aid in their tracking of inspections and required follow-up on those rated as low, beginning in July 2019, the Ministry set up a database for all inspections conducted. The tool includes a follow-up section to indicate if follow-up is required, the follow-up date, and when follow-up has been completed. The database also includes a section for the due date of any required corrective action plan, received date of the plan, description of the plan, and the date the plan is approved by the Ministry. The database is set up to automatically create email reminders to Ministry inspectors of required follow-up inspections and due dates for corrective action plans.

The Ministry stated that staff may follow up with institutions on an as-needed basis depending on the nature of the issue. For inspections conducted between March 2019 and March 2020, we noted one instance where a public college was rated as "medium" in its inspection, but due to the nature of the concerns, immediate follow-up was undertaken. However, for those that received a low rating

on their inspection and submitted action plans to the Ministry, follow-up inspections were not conducted. However, these initial inspections occurred between January and March 2020. As a result of institutions' shutdowns due to the COVID-19 pandemic, the Ministry had not yet had sufficient time to conduct a follow-up inspection. The Ministry expected to complete follow-up inspections of these institutions by December 2020, and to continue timely follow-up as required.

- *put agreements in place with Financial Aid Offices at public institutions regarding compliance with Ministry policies and guidelines for the administration of the Ontario Student Assistance Program.*

Status: Little or no progress.

Details

During our 2018 audit, the Ministry informed us that after discussions with the Ontario Association of Student Financial Aid Administrators, it had ended the practice of providing compliance ratings in its inspection reports to public institutions in 2016/17 because it did not have agreements in place with the institutions requiring that a certain standard be maintained. In contrast, the Ministry had contracts in place with private institutions outlining conditions to be met in order to allow their students to qualify for OSAP.

At the time of our follow-up, the Ministry stated that it was exploring options for agreements with Financial Aid Administrators of public institutions to require them to maintain a certain standard of compliance similar to that in place for private institutions. But it had not yet done any significant work in this area. The Ministry noted that in the interim, it expected to amend user agreements with Financial Aid Offices at publicly-funded institutions, which authorize the institutions to process and manage student OSAP files on behalf the Ministry, by November 2020. The amendment will stipulate that the institutions have agreed to comply with current legislative requirements, and OSAP Policy

and Procedures. However, this interim measure will not establish a standard to be met. At the time of our follow-up, the Ministry did not know when it would have formal agreements in place with public institutions requiring a standard be maintained.

Recommendation 7

To help ensure Financial Aid Offices (Offices) take corrective action on a timely basis on deficiencies noted by a Ministry of Training, Colleges and University inspection, we recommend that the Ministry:

- *ensure inspection reports are provided to Offices within 30 days of the inspection;*

Status: Little or no progress.

Details

In our 2018 audit, we found that for 23% of institution inspections we sampled from 2014/15 to 2016/17, the Ministry had not sent the inspection report to the institution's Financial Aid Office within 30 days as required.

At the time of our follow-up, the Ministry had created automatic email reminders in the inspection tracking database for compliance officers of upcoming inspection report deadlines. The Ministry had implemented this process beginning in July 2019. However, we reviewed a report from the Ministry's database for inspections conducted between July 2019 and March 2020, and noted that inspection reports were provided to only 58% (56 of 97 inspections) of institutions within 30 days.

- *ensure that in all cases the Offices have provided a thorough and timely response to all deficiencies identified in the inspection report;*

Status: Fully implemented.

Details

In our 2018 audit, we reported that in 20% of inspection reports sampled, institutions were late submitting corrective action plans to the Ministry outlining plans to address deficiencies identified. In an additional 13% of cases, there was no evidence

that institutions had provided any management response to the Ministry.

We reviewed a report from the Ministry's database for inspections conducted between July 2019 and March 2020 and noted that corrective action plans had been provided for all inspections conducted. However, 37% (35/94) of these required action plans had been submitted past their due date. Of those plans submitted late, the average was eight days past due.

We also reviewed a sample of corrective action plans submitted and in all cases noted that the plans addressed all deficiencies identified in their inspection reports.

- *conduct follow-up inspections of all institutions that fail an inspection on a timely basis.*

Status Fully implemented.

Details

In our 2018 audit, we reported that for most of the private institutions in our sample that failed inspections, we found no evidence that the Ministry had conducted the required follow-up inspection within one year after the inspection.

In July 2019, the Ministry established an inspection tracking tool which includes a follow-up section to indicate if follow-up is required, the follow-up date, and when follow-up has been completed. The tracking tool is set up to automatically create reminders to the Ministry of required follow-up inspections. This allows compliance officers to keep track of when follow-up inspections are required and account for this in their schedules. We reviewed the Ministry's inspection database as of March 2020, and found that the Ministry had conducted follow-up inspections of all private institutions that had failed an inspection since our 2018 audit.

Recommendation 8

In order to ensure appropriate corrective action is taken following an inspection of Financial Aid Offices, we recommend that the Ministry of Training, Colleges

and Universities record key inspection-related data in a consistent manner. This would include the date and results of both current and previous inspections, deficiencies noted, the corrective action committed to and the date it is performed.

Status: Fully implemented.

Details

In our 2018 audit, we noted concerns with the Ministry's documentation related to the inspection process. For example, we noted there were missing inspection results, missing information related to previous inspections such as dates previous inspections occurred and follow-up required, and issues or deficiencies identified during an inspection. The Ministry also did not record or track required follow-up activities such as the dates the Ministry was to provide its inspection reports to institutions, the dates institutions were to provide corrective action plans to the Ministry, or the dates follow-up inspections were to be completed.

To address these concerns, the Ministry designed and implemented a database to more completely and consistently record inspection information, as discussed in the response to **Recommendation 6**. The database was put into use in July 2019 for all inspections conducted, and information from all previously conducted inspections was uploaded into it.

The database includes information about the institution being inspected, and the date and details of the most recent inspection at each institution, including the compliance officer responsible. The database also includes the previous inspection date and results, as well as the types of deficiencies found, information related to required follow-up actions including due dates for the Ministry to provide inspection reports to institutions, follow-up inspections to be conducted, and the due date for institutions to provide corrective action plans. Further, compliance officers are able to access previous inspection information and the inspection summary through the database.

Recommendation 9

To ensure investigations of students are conducted in a consistent high-quality manner, we recommend that the Ministry of Training, Colleges and Universities:

- include in its schedule/database of investigations the information necessary to analyze trends and patterns.

Status: Fully implemented.

Details

Our 2018 audit found that the Ministry's schedule of investigations did not contain basic information, such as institution type, to allow the Ministry to analyze investigations to determine which types of institutions were vulnerable to certain issues. In addition, neither the nature nor the source of the issue was described in adequate detail.

At the time of our follow-up, we found that the Ministry had upgraded its investigation schedule database to include additional data about investigations, making reporting more useful. This included the type of allegation (such as altered documents or marital status), additional case-specific information (such as completed investigation cases by primary issue, number and type of issue by institution), and the average number of days to complete each case.

The Ministry also stated that it was reviewing other case management systems, which might be more efficient and robust than what it was using.

- create procedural guidelines and checklists for investigations and documentation standards.

Status: Fully implemented.

Details

Our 2018 audit also found that compliance officers responsible for conducting investigations were not provided with policies and manuals to promote consistency and standardization in procedures, processes and documentation.

In April 2020, the Ministry released an operating manual for compliance officers conducting investigations. The manual includes standard procedures and information to request for specific

types of investigations, such as investigations of marital status, sole support parents, dependents, assets and identity. The manual also includes procedures under areas such as initiating a review, information confidentiality, collection and disclosure, tracking cases, and how to complete and use the case management database. It also includes procedures and templates for requesting information from students being investigated, and customer service standards and expected turnaround times.

The manual also provides a description of how to assess the seriousness of an investigation and how to proceed, using a scorecard to be filled out by the compliance officer. The scorecard asks the compliance officer to assess the intent, degree of student cooperation, and financial impact of the misrepresentation. In highly egregious cases of misrepresentation, the scorecard requires the officer to categorize the results of the investigation.

Recommendation 10

In order to take timely corrective action on a system-wide basis as appropriate, we recommend that the Ministry of Training, Colleges and Universities:

- *track and maintain a complaints database on the Ontario Student Assistance Program;*

Status: Little or no progress.

Details

During our 2018 audit, we found that the Ministry was neither tracking or trending complaints about OSAP, nor was it keeping lists of students who called or wrote voice concerns. Therefore, systemic issues raised by students could not be identified or tracked.

The Ministry had lists of complaints from various sources, including the program's call centre, the Deputy Minister's office, MPP offices and the Ombudsman. Information captured on each of the tracking spreadsheets from the different complaint recipients varied. For example, one complaint spreadsheet did not note the reason for the complaint. Beginning in January 2020, the Ministry

began to consolidate complaints into a single document. However, the Ministry did not categorize the complaints to easily identify systemic or emerging issues.

- *analyze the data on a periodic basis.*

Status: Little of no progress.

Details

In April 2020, for the first time, the Ministry began combining complaint information received from various sources described in the prior recommended action, into a single spreadsheet. We reviewed the document prepared for the period January to March 2020 and noted that it attempted to identify common issues only for complaints received by MPP offices, the Ombudsman and the Deputy Minister's Office. The complaints received by the Ministry through email or their call centre were not identified on this spreadsheet by type or frequency, even though the call centre logs this information. In fact, the only comments noted for complaints to the call centre, referred to the percentage of calls which were not actually complaints. Emailed complaints to Ministry staff were not logged, and therefore could not be combined with complaints from other sources and analyzed.

Loan Repayment and Default

Recommendation 11

To improve collection of defaulted loans of the Ontario Student Assistance Program in the most cost-effective manner, we recommend:

- *the Ministry of Training, Colleges and Universities work with the federal government, which contracts with the National Student Loans Service Centre, to initiate collection efforts on student loans sooner after they go into default;*

Status: Little or no progress.

Details

Our 2018 audit found that student loans were considered in arrears after 90 days, but more effective

collection efforts generally did not begin until loans were nine months in arrears. Soft collection efforts, such as sending out notices of arrears and making phone calls, were performed by the federal National Student Loans Services on loans that were overdue between 90 to 270 days. After 270 days, overdue loans were sent to the Ministry of Finance which would first engage private collection agencies for about a year, and then garnish income tax-refunds through the Canada Revenue Agency.

At the time of our follow-up, we found that the Ministry had not taken any significant steps to initiate collections on defaulted student loans sooner through the National Student Loans Service Centre. In March 2020, the Ministry met with representatives of the Canada Student Loan Program to discuss the collection process at the National Students Loans Service Centre, including moving up the timeline for collections. The Ministry informed us that changes would be dependent on the Loan Centre's ability to adjust their existing timelines and whether there is interest on the federal side for such an initiative. The Ministry further stated that changing the process for Ontario borrowers only would result in loss of efficiency and other benefits of the integration the Loan Centre has with the federal government and other participating provinces. Implementing a different process for Ontario borrowers would require extensive efforts at the loan centre at a significant cost to the province.

The Canada Student Loan Program recently underwent an audit by the Office of the Auditor General of Canada, but the report had not been released at the time of our follow-up. The Ministry noted that the Canada Student Loan Program had confirmed its ongoing work with the loan centre on a transformation project that may impact the collection process. However, the federal program did not share details with the Ministry. The recommendations and changes based on the federal audit, as well as the planned transformation, would have an impact on the options available for earlier collection.

- *the Ontario Ministry of Finance renegotiate its contract with the Canada Revenue Agency to enable garnishing of income-tax refunds sooner than at present.*

Status: Fully implemented.

Details

In our 2018 audit, we reported that the use of private collection agencies and garnishing income-tax refunds through the Canada Revenue Agency (CRA) were equally effective ways of recovering overdue student loans. However, the CRA was more cost effective but was used only after the costlier process failed. At the time of our audit, collection agencies charged a 16% commission on recovered amounts, whereas the CRA charged 1%. At that time, the Ministry of Finance transferred uncollected loans to private collection agencies first, and began garnishing income-tax refunds through the CRA approximately one year later if the agency was unable to extract any payments.

At the time of our audit, the Ministry of Finance informed us that its agreement with the CRA required it to first make every reasonable effort to collect the debt prior to garnishing income-tax refunds.

At the time of our follow-up, the Ministry of Finance informed us that it had engaged with the CRA and confirmed that renegotiation of the current agreement was not required to fulfil this recommendation. A new process came into effect May 1, 2019 whereby every month accounts that have not been paid for six months are referred to the CRA for income-tax garnishment. The exception are those accounts that are in bankruptcy proceedings or in the Repayment Assistance Plan. We reviewed the Ministry of Finance database for accounts that have entered the income tax garnishment program since May 2019, and noted that 12,918 accounts were entered. Our analysis showed that 62% of the accounts entered into the program had been in default for 190 days or less.

At the time of our follow-up, the student loan garnishment program had been paused as of March 30, 2020 due to the COVID-19 pandemic, and no enrollments were initiated after this date.

Recommendation 12

To reduce default rates on Ontario Student Assistance Program (OSAP) loans for students at private career colleges, and to recover a greater proportion of defaulted loans, we recommend that the Ministry of Training, Colleges and Universities:

- *revise the cost-sharing program to ensure institutions cover a greater proportion of any defaults;*
- *recover cost-sharing amounts from institutions sooner—within one year, for example, rather than six;*
- *follow up with those institutions that have high default rates in two or more consecutive academic years; and*
- *measure performance standards set for private institutions and take appropriate action regarding their eligibility for OSAP when the standards are not met.*

Status: Little or no progress for all actions.

Details

In our 2018 audit, we reported that under cost-sharing arrangements, post-secondary institutions were only required to cover or share the costs of 3% of the total amount of defaulted loans for 2011 and 2012. The Ministry absorbed the remaining 97% of the loss.

Further, during our 2018 audit, we noted that there was a significant delay between when loans went into default and post-secondary institutions had to pay to cover losses under the cost-sharing agreement. For example, institutions did not have to make payments for student loans that defaulted in 2013/14 until 2017.

Our 2018 audit also found that six post-secondary institutions had default rates greater than 20% for six consecutive years.

At the time of our 2018 audit, the Ministry was measuring only one of the two performance measures required for private institutions for their students to remain eligible for OSAP. The Ministry was measuring student loan default rates by private

institution, but not by graduation and employment rates for graduates of programs approved for OSAP.

During our follow-up, we found that for all four actions in **Recommendation 12**, the Ministry had not yet undertaken any activities. The Ministry stated that it would start an in-depth policy review and sector consultation in the summer of 2020.

OSAP System Access Controls

Recommendation 13

To improve safeguarding of personal information in the Ontario Student Assistance Program system, we recommend the Ministry of Training, Colleges and Universities ensure that action items from the last privacy impact assessment be addressed and documented, and that it promptly evaluate the benefits of doing such assessments yearly.

Status: In the process of being implemented by fall 2020.

Details

In our 2018 audit, we noted that the Ministry performed a privacy-impact assessment in 2016/17 to identify the potential risks to privacy, and for loss or theft of personal student information collected and maintained in the OSAP system. Although findings and action items were outlined in the assessment, the Ministry was unable to provide any formal documented evidence to demonstrate that issues had been addressed. Industry standards suggest these assessments should be performed on a scheduled basis. However, the Ministry informed us that it would not perform a new privacy-impact assessment following the yearly system update for the 2018/19 OSAP application year.

At the time of our follow-up, the Ministry had addressed and documented all but one of the issues from its last privacy impact assessment, completed in February 2017, and reviewed as part of our 2018 audit. The issue that remained related to maintaining an approved records retention schedule. The Ministry expected to receive approval from the Archivist of Ontario by fall 2020. Although the Ministry did not complete a privacy impact assessment in 2018/19 or 2019/20, it implemented a

new process for annual privacy impact assessments starting with the 2020/21 application year. These assessments will be based on changes made to the OSAP application from 2018/19 through 2020/21.

The Ministry expected to have all previous issues identified in its 2016/17 privacy-impact assessment, as well as the assessment for the years 2018/19 through 2020/21 completed by fall 2020, and that it would continue its assessment annually.

Recommendation 14

To mitigate the risk of unauthorized users gaining access to the Ontario Student Assistance Program system and potentially processing unauthorized or fraudulent transactions, we recommend that the Ministry of Training, Colleges, and Universities (Ministry):

- *perform user-access reviews for both Ministry and Financial Aid Office users to determine whether they have the correct level of access;*

Status: Fully implemented.

Details

Our 2018 audit found that the Ministry did not have a formal process in place to review who is authorized to access the OSAP information system, or the level of authorization of each user.

At the time of our follow-up, we found that the Ministry had increased the frequency of access reviews to be conducted semi-annually, in the Spring and Fall each year. These reviews would include confirming access levels for both external users at Financial Aid Offices and internal users at the Ministry. Since the Ministry implemented these processes in October 2018, access reviews have been conducted in fall 2018, spring 2019, and fall 2019 for external users, and in spring 2019 (although this review did not confirm access level) and fall 2019 for internal Ministry staff.

The Ministry also built automatic requirements into its system for users to reset their passwords every 90 days, and an automatic suspension of user accounts after 45 consecutive days of inactivity.

These changes took effect and were communicated to users in March 2019.

- *revoke access immediately for terminated employees of both the Ministry and Financial Aid Offices;*

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry lacked a formal process to revoke system access for employees of Financial Aid Offices at educational institutions. We noted in 40% of the terminated employee files we reviewed that the Ministry specified only that system access had to be removed, but had taken no steps to actually revoke access until we advised it of our findings.

At the time of our follow-up, the Ministry informed us that access is revoked when the Ministry is notified. Financial Aid Offices are required to notify the Ministry in writing when someone quits, is terminated, or should no longer have access for whatever reason. Failing this, the Ministry is notified through its semi-annual access review process. We reviewed the results of the three semi-annual access reviews completed since our 2018 audit and noted that several individuals had been flagged to be deleted from system access. We reviewed system reports for a sample of individuals showing that they had been deleted or had their access suspended from the system. Our sample included both individuals flagged during the semi-annual review process in fall 2019 and through correspondence with financial aid offices and internal Ministry departments. In all cases, the Ministry had suspended or revoked user access as appropriate on the same day notification was received, with the exception of one case in which user access was revoked the following day.

To remind Financial Aid Offices of this process when there is a change in staff, the Ministry developed a checklist for external users to follow. The checklist and the form to be completed by Financial Aid Offices are available on the OSAP portal.

- *provide training to Ministry staff and Financial Aid Offices regarding privacy breaches and protection of personal information.*

Status: In the process of being implemented by November 2020.

Details

Our 2018 audit found that staff at the Ministry and Financial Aid Offices received no formal training on privacy breaches and protection of personal information. Rather, training slides were posted on a secure website and staff were notified that the slides were available. However, the training was not mandatory and the Ministry was not tracking who had read the material.

At the time of our follow-up, the Ministry informed us that it was in the process of updating its privacy breach training presentation and once it was complete, the Ministry planned to post it to the OSAP system for Ministry and Financial Aid Office staff. The Ministry stated that both its own staff and Financial Aid Office staff would be required to complete the training, and the Ministry planned to track the training to ensure that all required individuals had completed it. The Ministry anticipated launching the training and the mandatory requirements for completion by November 2020.

Chapter 1

Section

1.11

Ministry of Children, Community and Social Services

Ontario Works

Follow-Up on VFM Section 3.11, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2			2		
Recommendation 2	4			4		
Recommendation 3	5			5		
Recommendation 4	1			1		
Recommendation 5	3			3		
Recommendation 6	2			2		
Recommendation 7	4		1	3		
Recommendation 8	2		1	1		
Recommendation 9	3	1		2		
Recommendation 10	2			2		
Recommendation 11	1			1		
Recommendation 12	3		1	2		
Recommendation 13	3	1	0.75	1.25		
Recommendation 14	1	0.50	0.50			
Recommendation 15	2	0.75	0.50	0.75		
Recommendation 16	1		1			
Recommendation 17	2		1.25	0.50		0.25
Recommendation 18	2	0.50	0.25	0.75		0.50
Recommendation 19	2	1		1		
Total	45	4.75	7.25	32.25	0	0.75
%	100	11	16	71	0	2

Overall Conclusion

According to the information the Ministry of Children, Community and Social Services (Ministry) and service managers provided to us, as of August 31, 2020, only 11% of actions we recommended in our *2018 Annual Report* have been fully implemented. The Ministry and service managers have made progress in implementing an additional 16% of the recommendations, and 2% of the recommendations are no longer applicable due to changes in government policy.

The Ministry and service managers have fully implemented or made progress in implementing recommendations such as referring to the College of Physicians and Surgeons of Ontario (College) physicians that service managers and the Ministry suspect of approving questionable applications for a special diet. The Ministry completed a review of special diet application forms and identified doctors completing an unusually high number of special diet allowance forms. As a result of this review, the Ministry referred to the College three doctors who had completed over 900 forms each in 2017/18, including one who had completed over 2,000 forms.

The Ministry was also working with Immigration, Refugees and Citizenship Canada (IRCC) and the Canada Border Services Agency (CBSA) on a pilot test to determine whether the Ministry has recorded in its systems the correct immigration status of existing clients, which may impact their eligibility for Ontario Works. The Ministry expected to receive the results of this pilot test in January 2021, and to review the eligibility of cases where there is a change in immigration status relative to that recorded in its systems by June 2021.

All four service managers were also in the process of addressing our recommendation to ensure that they waive the requirement for recipients to participate in employment support activities in eligible circumstances only when supported by the necessary documentation. The four service

managers were all in the process of implementing audits of recipient case files that would assess their compliance in doing so.

However, the Ministry and service managers have made little progress on 71% of the recommendations, including re-instituting Ministry reviews of service managers' compliance with Ontario Works requirements to reinforce to service managers the need to comply with requirements designed to ensure financial assistance is provided in the correct amount and only to eligible individuals, and that recipients progress toward obtaining employment.

The Ministry has yet to enhance its systems and processes to determine and record the cause of overpayments to recipients to enable service managers to analyze and act to minimize their occurrence. In addition, it has yet to review and compare service manager practices in recovering overpayments to determine if they are effective, and to take corrective action where they are not.

The status of actions taken on each of our recommendations is described in this report.

Background

About 241,000 (250,000 in 2017/18) unemployed or underemployed Ontarians and over 200,000 of their family members received financial aid in 2019/20 from the Ontario Works program of the Ministry of Children, Community and Social Services (Ministry) to help with basic living expenses.

Ontario Works provides temporary financial assistance and employment supports to help recipients find work and become self-reliant. To be eligible, applicants must prove that they live in Ontario and that their income and assets are below specified amounts. Applicants are also generally required to participate in activities to help them find work.

The Ministry contracts with 47 service managers (these are large municipalities or groups of smaller municipalities) and 102 First Nations

(101 in 2017/18) to deliver Ontario Works. In 2019/20 the Ministry provided over \$3 billion (almost \$3 billion in 2017/18) to service managers to deliver the program.

Our audit concluded that the Ministry and service managers do not have effective systems and procedures in place to ensure that only eligible recipients receive financial assistance, or that recipients receive the employment supports required to find jobs and become self-reliant. Our audit also concluded that the Ministry does not have effective systems and processes to measure, evaluate and publicly report on the effectiveness of the Ontario Works program.

The following were some of our specific concerns:

- Although Ontario Works is intended to be a temporary assistance program, the length of time people depend on the program had nearly doubled since our last audit of the program, from an average of 19 months in 2008/09 to almost three years in 2017/18. Service managers have identified that 36% of recipients have barriers affecting their employability, such as homelessness and mental health concerns, that they need help to address.
- We found significant differences in employment outcomes for recipients depending on their service managers. In 2017/18, for example, we noted that the percentage of recipients across all service managers who found employment was just 10%—but this ranged from a low of 2% at one service manager to a high of 29% at another. In addition, the Ministry's performance measures did not track whether individuals leaving the program retain employment over time or later return to Ontario Works.
- We found that service managers did not consistently meet with recipients on a timely basis to review their progress in activities designed to help them find employment. In addition, service manager decisions to temporarily exempt recipients from participating in such activities were not always supported with sufficient evidence to confirm that recipients were unable to participate.
- We found that the Ministry's IT system, called the Social Assistance Management System (SAMS), did not have the functionality to allow caseworkers to record recipient skills, barriers to employment or referrals to training or community services in a way that would enable service managers to analyze such factors for their entire caseload. This functionality would help service managers better understand the profiles and needs of recipients in their caseload.
- Ministry contracts with service managers lacked meaningful targets for recipient employment, and mechanisms to hold them accountable for program delivery.
- Service managers often overlooked or did not obtain and review critical applicant information, increasing the risk of errors in determining eligibility for Ontario Works. In addition, we found that not all service managers reassessed recipients every two years as required to confirm their eligibility for Ontario Works, increasing the risk of overpayments.
- The underlying cause of overpayments to recipients was not tracked in the Ministry's IT system. Without data to understand the most common causes of overpayments, service managers were unable to identify which of their processes they needed to improve to prevent or reduce overpayments in the future.
- Service managers across Ontario were approximately one year behind in investigating approximately 6,000 benefit-fraud tips. We noted that service managers investigated about 17,000 fraud tips in the last three years, and more than 25% of these identified overpayments and another 10% resulted in termination of benefits.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and August 2020. We obtained written representation from the Ministry and service managers that effective October 6, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Cost of Ontario Works Increasing but Ministry Does Not Effectively Oversee or Hold Service Managers Accountable

Recommendation 1

We recommend that the Ministry of Children, Community and Social Services (Ministry) re-institute its reviews of service managers' compliance with Ontario Works requirements, or implement a suitable process, to reinforce to service managers the need to comply with requirements designed to ensure:

- financial assistance is provided in the correct amount and only to eligible individuals; and
- recipients progress toward obtaining employment to become self-sufficient.

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry did not conduct inspections of service managers to confirm their compliance with legislation and Ministry policies designed to ensure that the Ontario Works program is effective. The Ministry stopped completing reviews that assess service managers' compliance with Ontario Works requirements in 2011 with the intent of replacing them with a new risk-based program. However, as of 2018, seven years after it stopped completing reviews, it had yet to implement a process to replace these reviews. Our audit found several areas where the Ministry needed to

take steps to improve service managers' compliance to ensure that only those who are eligible for the program receive assistance and that individuals progress toward obtaining employment.

In our follow-up, we found that the Ministry was in the early stages of addressing this recommendation. The Ministry identified that it is working to transform the accountability model for social assistance, and that the new model would include a series of new program-monitoring mechanisms that would be put into operation through revised agreements with service managers by January 2022. The Ministry indicated that in the meantime it planned to introduce new accountability measures, including an interim performance-monitoring strategy. The Ministry had also established a provincial-municipal working group to support the work toward a transformed outcomes-based approach to social assistance accountability.

Recommendation 2

To hold service managers accountable for delivering the Ontario Works program in compliance with the program's requirements, and to improve program outcomes, we recommend that the Ministry of Children, Community and Social Services (Ministry) update its contracts with service managers to include:

- requirements to comply with Ontario Works legislation, Ministry directives and policies;
- additional performance indicators and meaningful targets to measure service managers' progress in assisting Ontario Works recipients find employment and become self-sufficient;
- targets for service delivery, including reducing and preventing overpayments; and
- mechanisms to hold service managers accountable for meeting the terms of the agreements.

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry's contracts with service managers for the delivery of Ontario Works did not include a requirement for

service managers to comply with Ontario Works legislation, Ministry program directives or key Ministry policies. In addition, the contracts did not include measures and targets for service delivery such as reducing overpayments, improved overpayment collection and timely investigation of fraud referrals.

We noted as well that contracts with service managers included a requirement to achieve performance targets for indicators relating to recipient employment earnings and the percentage of recipients who find employment. These contracts allowed the Ministry to recover funds when service managers did not achieve these targets. However, the Ministry advised us that it had never exercised its ability to recover funding from service managers for failing to achieve these targets. In addition, we noted that service managers were required to pick and set targets for only two of the Ministry's four indicators. We found that almost 30% of service managers did not have any targets in their contracts for the number of recipients expected to leave the program for employment.

In our follow-up, we found that the Ministry was in the early stages of addressing this recommendation. It informed us that the new outcomes-based approach to social assistance accountability it was working to develop, noted in **Recommendation 1**, would include a series of new program-monitoring mechanisms that would be put into operation through revised agreements with service managers by January 2022.

Ministry Lacks Targets and Performance Indicators to Improve the Effectiveness of Ontario Works

Recommendation 3

To improve the effectiveness of the Ontario Works program in helping people to obtain employment and become self-sufficient, and to assess the effectiveness of the service managers it funds, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *establish performance indicators and targets for recipients' length of time on assistance;*
- *establish performance indicators and targets to measure whether recipients obtain sustainable employment;*
- *establish performance indicators and targets that provide sufficient information to help the Ministry measure the progress of service managers in helping recipients resolve their barriers to employment;*
- *monitor the performance of the program and service managers to identify and take corrective action where targets and expectations are not being met; and*
- *publicly report on the effectiveness of the Ontario Works program in helping recipients to find and retain employment.*

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry had not set provincial targets for the number of Ontario Works recipients it expects to find employment. We determined that province-wide, only 10% of Ontario Works recipient cases left the program for employment in 2017/18. We also found significant differences between service managers' employment results. However, we found the Ministry did not compare the employment results it collected from service managers to identify best practices and instances that required corrective action. In addition, we found that the Ministry's performance indicators relating to whether an individual has found employment did not measure whether recipients find stable employment. This is because these indicators do not distinguish between those who leave Ontario Works temporarily—such as for seasonal work or a temporary contract—and those who have found long-term employment.

We noted in our 2018 audit that the intent of the Ontario Works program is to provide temporary financial assistance to those in need to help them find employment and become self-sufficient. However, we found that recipient time on Ontario Works

assistance had almost doubled, from an average of 19 consecutive months in 2008/09 to nearly three years in 2017/18. Despite this trend, we found that the Ministry had not established province-wide or service manager-specific targets and performance indicators for recipient time on assistance.

We also noted that the Ministry required service managers to assist recipients on Ontario Works to overcome barriers that hinder their ability to prepare for or search for employment. However, we found that the Ministry did not have performance indicators and related targets to measure the effectiveness of service managers' efforts in assisting recipients to overcome those barriers. According to our analysis of data from the Ministry, about 100,000 individuals, equivalent to 36% of adults receiving Ontario Works as of March 31, 2018, had been categorized as needing to stabilize their life and requiring assistance to overcome their employment barriers.

We noted as well in our 2018 audit that the Ministry reported various statistics on the Ontario Works program publicly on its website. However, we found that the Ministry did not publicly report on the number and proportion of Ontario Works recipients who find employment each year.

In our follow-up, the Ministry informed us, as noted in **Recommendation 1**, that it was working toward putting in place an outcomes-based approach to social assistance accountability. However, we found that the Ministry's progress toward implementing this recommendation was otherwise limited. The Ministry informed us that it was working to transform the accountability model for social assistance, which includes creating an outcomes framework with corresponding performance indicators and related targets that are intended to address our recommendation. However, the Ministry did not have a timeline for the framework's completion. The Ministry also indicated that it planned to incorporate the performance indicators and related targets it would develop into service manager contracts by January 2022, and that it would subsequently monitor service manager results and take

corrective actions where warranted. Finally, the Ministry indicated that it would explore mechanisms to report performance publicly and develop a plan for doing so.

Recommendation 4

To improve the efficiency and effectiveness of the Ontario Works program, which is intended to provide temporary assistance, we recommend that the Ministry of Children, Community and Social Services (Ministry) assess the suitability of the program as it is currently designed and take steps to improve its effectiveness in meeting the needs of recipients who have significant employment barriers and require extensive assistance to become employed, or who received assistance for lengthy periods of time without successfully obtaining employment.

Status: Little or no progress.

Details

We noted in our 2018 audit that the intent of the Ontario Works program is to provide temporary financial assistance to those in need to help them find employment and become self-sufficient. However, as we discuss in more detail in connection to **Recommendation 3**, we found that recipient time on Ontario Works assistance had almost doubled, and the Ministry had not established targets and performance indicators for recipient time on assistance. We also found that the Ministry did not measure the effectiveness of service managers' efforts in assisting recipients to overcome barriers that hinder their ability to prepare for or search for employment.

In our follow-up, we found that the Ministry had not taken specific steps to implement this recommendation, but it advised us it still intended to implement it.

Ministry Does Not Know Whether Service Managers Are Delivering Ontario Works Cost-Effectively

Recommendation 5

To ensure that service managers deliver the Ontario Works program efficiently, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *collect, analyze and compare service manager staffing and recipient caseloads both among service managers and with Ministry guidelines, and then to follow up on significant differences to identify promising practices and instances that require corrective action to improve outcomes;*

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry did not obtain data on service manager staffing levels, such as the number of caseworkers employed, to analyze and assess whether service managers were staffed according to Ministry guidelines, and allocate sufficient staff to deliver the Ontario Works program effectively. We obtained data on service manager staffing and determined that there were significant differences between service managers' caseworker-to-recipient caseloads, and that the caseload at one of the service managers we visited was significantly higher than the caseload at the other three service managers we visited. In addition, we noted that this service manager's caseload—which reached as high as 214 cases per caseworker in 2015—significantly exceeded the Ministry's guideline in each of the last five years. The Ministry's guideline indicates that a suitable caseload is between 90 and 120 recipients per caseworker, and also suggests that for recipients with significant barriers to employment, a ratio of 45:1 may be necessary. We found that, based on the percentage of adults at the service managers we visited who had significant employment barriers, it is possible that all four of the service managers we visited exceeded what the Ministry considers an optimal recipient-to-caseworker ratio.

In our follow-up, we found that the Ministry had not taken specific steps to address this recommendation, but it advised us it still intended to implement it.

- *compare the costs of service managers to deliver the Ontario Works program to understand and identify the reasons for such differences and to take corrective action where necessary; and*
- *evaluate whether the proportion of service managers' program delivery costs that it funds is effective in improving outcomes for Ontario Works recipients.*

Status: Little or no progress.

Details

In our 2018 audit, we found that there were significant differences between administration costs to deliver the Ontario Works program at the service managers. The Ministry funded at least 50% of service managers' administration costs, but it did not analyze the costs to identify whether they were reasonable and if not, what corrective measures were needed. As well, the Ministry had not investigated the impact of these differences on the quality of services provided to Ontario Works recipients. We analyzed and compared service managers' administration costs and found differences between service managers, including significant differences that ought to be followed up by the Ministry. Specifically, we found costs for internal services, such as legal, accounting and human resources averaged less than \$100 per Ontario Works case at 21 service managers, whereas at 12 service managers the cost per case was over \$200, and as high as \$700 at one service manager.

In our follow-up, we found that the Ministry was in the early stages of addressing this recommendation. As noted in **Recommendation 1**, the Ministry was working to develop a new outcomes-based approach to social assistance accountability. The Ministry informed us that this would include a new program delivery funding model intended to ensure the efficient and effective delivery of the Ontario

Works program and the achievement of intended outcomes. It noted that when developed, the funding model would be supported by a new outcomes framework and levers to promote continuous performance improvement. The Ministry indicated that the new funding model, which it expected to develop by January 2022, would also reflect the most effective approach to cost sharing to maximize recipient outcomes.

Ministry Efforts to Prevent Overpayments and Improve Their Collection Is Limited

Recommendation 6

To reduce the number and size of overpayments to recipients, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *revisit its decision that extended the timeframe for reassessing recipient eligibility from every 12 months to every 24 months with a view to selecting a risk-based time period that most effectively prevents overpayments;*

Status: Little or no progress.

Details

In our 2018 audit, we noted that in January 2012, the Ministry revised its policy for how frequently service managers are required to reassess a recipient's eligibility to continue to receive Ontario Works benefits from every 12 months to every 24 months. However, we found that one of the four service managers we visited had its own policy to continue to perform eligibility reassessments every 12 months in order to better prevent large overpayments that could otherwise be made if changes in recipient circumstances went undetected. In addition, in response to our survey, 15% of service managers indicated that their policy for financial reassessments continued to be every 12 months.

In our follow-up, we found that the Ministry had not taken specific steps to implement this recommendation, but it advised us it still intended to

implement it. The Ministry indicated that as a result of COVID-19, it expected a surge in the Ontario Works caseload and was considering its response, including implementing a risk-based approach to address the recommendation.

- *enhance its systems and processes to determine and record the cause of overpayments to enable service managers to analyze and take action to minimize their occurrence.*

Status: Little or no progress.

Details

We found in our 2018 audit that service managers did not have the ability to record in their information systems the reasons for overpayments. The Ministry's IT system determined the reasons, but these system-generated reasons have insufficient detail to understand why an overpayment occurred. Without data to understand the most common systemic causes of overpayments, along with data to analyze how caseworkers or the information system identified the overpayments, service managers were unable to identify how to prevent or reduce systemic overpayments in the future.

In our follow-up, we found that the Ministry had not taken specific steps to implement the recommendation; it advised us that it needed more time to enhance its systems and processes to determine and record the cause of overpayments. The Ministry also indicated that it was planning to review overpayments to determine their primary causes, and to take corrective action to address them by March 2021.

Recommendation 7

To increase the rate at which service managers recover overpayments, and to have the necessary information to assess service manager efforts to recover overpayments, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *analyze and reconsider the default recovery rate from active Ontario Works recipients to the*

extent that it does not cause undue financial hardship;

Status: In the process of being implemented by August 2021.

Details

In our 2018 audit, we found that the Ministry decided not to go ahead with a planned change to increase the default recovery rate for the repayment of overpayments by active Ontario Works recipients from 5% to 10%. The Ministry estimated that if the 10% default recovery rate had been implemented, it would have recovered additional overpayments of at least \$35 million between April 2016 and March 2018 from active Ontario Works recipients.

In our follow-up, we found that in May 2019, the Ministry changed its guidelines to indicate that the standard overpayment recovery rate should be established at 10% when the cause of the overpayment is deemed to have been within the recipient's control to prevent. The Ministry noted that it has been monitoring the implementation of the policy and planned to evaluate the impact and effectiveness of the revised policy in achieving savings by August 2021.

- *expand the use of the Canada Revenue Agency's program to recover overpayments from former recipients through tax refunds;*

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry had not taken steps to implement the Canada Revenue Agency's Refund Set-Off program (Program) across all service managers to help recover overpayments from former recipients. We noted that the Ministry had previously reported to us in 2011 that a working group it had established to review overpayment policies had recommended that the Program be expanded to all service managers because the amounts that were being collected exceeded the costs of the collection efforts. However, during our audit in 2018, only one service manager was using the Program. Between 2013 and 2017, this service

manager had recovered overpayments totalling \$4.5 million from over 6,000 former Ontario Works recipients.

In our follow-up, we found that the Ministry had not taken specific steps to implement the recommendation, but it advised us it still intended to address it. The Ministry indicated that by November 2021 it would complete an assessment of expanding the use of the Program for former Ontario Works recipients and that it would develop recommendations and options based on the assessment by November 2021.

- *implement the necessary changes to its systems to separate overpayments to, and recoveries from recipients recorded in error;*

Status: Little or no progress.

Details

We found in our 2018 audit that in the previous five years, the Ministry's data from its Social Assistance Management System (SAMS) indicated that overpayments to Ontario Works recipients totalled almost \$900 million. However, the Ministry confirmed that there may be overpayments recorded in error and that it was unable to determine what proportion of the \$900 million relates to these erroneous overpayment records.

In our follow-up, we found that the Ministry had not taken specific steps to address the recommendation to implement changes to its systems to separate overpayments to, and recoveries from recipients recorded in error, but it advised us it still intended to do so.

- *review and compare service manager practices to recover overpayments to determine if they are effective, and to take corrective action where they are not.*

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry did not review the effectiveness of service managers' practices for recovering overpayments, despite the fact that service managers recovered overpayments

at rates that differed significantly. In 2017/18, recovered amounts ranged from \$160 per case at one service manager, to an average of \$2,700 at another service manager. This lack of oversight can have an impact on the amount of money recovered and paid back to the government. In addition, starting in January 2018, the Ministry has funded 100% of payments to Ontario Works recipients. As a result, any money owed by current and former recipients is due in full to the province.

In our follow-up, we found that the Ministry had not taken specific steps to address the recommendation, but it advised us it still intended to implement it.

Ministry Efforts to Ensure Only Eligible Applicants Receive Funding for a Special Diet Are Insufficient

Recommendation 8

So that all Ontario Works recipients are treated fairly and only receive allowances for a special diet if they have a medical condition that requires it, we recommend that the Ministry of Children, Community and Social Services (Ministry) review the proportion of recipients that the special diet allowance is provided at different service managers to:

- *identify, investigate, and address improbably high trends in the proportion of recipients who receive the special diet allowance;*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we analyzed data provided by the Ministry and identified that at one of the service managers we visited, which had the largest caseload in Ontario, 26% of Ontario Works cases in 2017/18 were receiving an allowance for a special diet. By comparison, our analysis identified that for the rest of the province's 46 service managers, an average of just 13% of Ontario Works cases received this allowance.

We analyzed the number of special diet applications completed between January 2015 and March 2018 at the service manager with the largest caseload in Ontario and found that 10 individuals (nine doctors and one dietician) approved 23% of all applications at this service manager—including one doctor who approved 6% of all applications.

We found that six of these doctors had been subject to disciplinary action from the College of Physicians and Surgeons of Ontario (College) for a variety of allegations and charges, including one for signing off on special diet applications that recipients did not require. We also identified that another doctor who had signed off on the most special diet applications in the province during this period had a disciplinary hearing notice issued against him dated June 2018, and that some of the charges against him related to special diet applications. We noted that the Ministry was not aware of the disciplinary hearing scheduled for this doctor and had not issued instructions to service managers to flag special diet applications from this doctor pending the outcome of the hearing. Service managers have the option to confirm the need for a special diet by requesting an additional application completed by a different health-care professional.

In our follow-up, we found that the Ministry had completed a review of special diet allowance forms signed off on by doctors from 2015 to 2018. The Ministry identified doctors completing an unusually high number of special diet allowance forms and isolated three doctors who completed over 900 forms each in 2017/18, including one who completed over 2,000 forms. The Ministry referred these three doctors to the College, which subsequently launched an investigation.

The Ministry advised us that by December 2020 it intended to begin repeating its review of special diet allowance forms completed by doctors for anomalies in their prescribing practices twice a year, and where necessary it would refer doctors to the College. The Ministry also advised us that these reviews would include reviewing regional disparities in approved special diet allowances.

- *reinforce with service managers the need to be diligent in providing the special diet allowance, and in the case of unusual trends, request medical records or a second application completed by a different health-care professional.*

Status: Little or no progress.

Details

In our follow-up, we found that the Ministry had not yet taken steps to implement the recommendation, but advised us that it still intended to address it.

Recommendation 9

We recommend that the Ministry of Children, Community and Social Services (Ministry) work with the College of Physicians and Surgeons of Ontario (College) and that the Ministry:

- *refer physicians to the College suspected by service managers and the Ministry of approving questionable applications for a special diet allowance;*

Status: Fully implemented.

Details

In our 2018 audit, we analyzed the number of special diet applications completed between January 2015 and March 2018 at the service manager with the largest caseload in Ontario. As we discuss in more detail in connection to **Recommendation 8**, we found a questionable pattern of approvals.

In our follow-up, we found that the Ministry had completed a review of special diet allowance forms signed off on by doctors from 2015 to 2018. As we discuss in **Recommendation 8**, the Ministry identified doctors completing an unusually high number of special diet allowance forms and isolated three doctors who completed over 900 forms each in 2017/18, including one who completed over 2,000 forms. The Ministry referred these three doctors to the College, which subsequently launched an investigation.

The Ministry also advised us that by December 2020 it intended to begin repeating its review of special diet allowance forms completed by doctors

for anomalies in their prescribing practices twice a year, and where necessary it would refer additional doctors to the College.

- *work with the College to share information with the Ministry on physicians that the College is currently investigating or has previously sanctioned in regard to the special diet application;*

Status: Little or no progress.

Details

In our follow-up, we found that the Ministry had not yet taken steps to implement the recommendation. The Ministry advised us that it still intended to do so but would require more time and had not yet set a timetable for its implementation.

- *distribute to all service managers a list of doctors the Ministry suspects of approving questionable applications for a special diet allowance, including doctors the College is investigating or has previously sanctioned.*

Status: Little or no progress.

Details

In our follow-up, the Ministry advised us that it was exploring the legal implications of sharing doctor information with service managers before determining its next steps toward implementing the recommendation.

Service Managers Offer Different Benefits, Resulting in Inequities Across the Province

Recommendation 10

So that Ontarians in financial need are treated fairly and have access to benefits that support their progression towards employment regardless of where in Ontario they seek assistance from the Ontario Works program, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- review and analyze the differences in discretionary benefits provided by service managers, and their impact on recipient outcomes; and
- based on this analysis, establish guidelines for issuing these benefits to support local decision-making.

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry allows service managers to determine which discretionary benefits they wish to provide and in what amount. However, we found that the Ministry is not aware of the extent of the differences between service managers or the impact of such differences on recipients. At the four service managers we visited, we found that discretionary benefits Ontario Works recipients were eligible to receive varied. For example, we found that two service managers offered orthotics and orthopaedic footwear, one service manager offered orthotics only, and the other service manager did not provide either orthotics or orthopaedic footwear.

In our follow-up, we found that the Ministry had not yet taken steps to implement the recommendation. The Ministry advised us that, to support local decision-making, it planned to analyze the provision of discretionary benefits across service managers to identify local strategies that have a positive impact on recipient outcomes. Based on this analysis, the Ministry would develop best practice guidelines. However, the Ministry had not set a timeline for completing these actions.

Service Managers Not Satisfied with IT System for Recipient Case Management

Recommendation 11

To ensure that service managers are able to monitor and track recipients' progress toward finding employment, we recommend that the Ministry of Children, Community and Social Services (Ministry) improve its systems to strengthen its case management capabilities

for service managers to better track recipients' skills, barriers to employment, referrals to employment and community programs, and recipient progress.

Status: Little or no progress.

Details

We found in our 2018 audit that 45 service managers (96%) reported in our survey that they were not satisfied with the Social Assistance Management System (SAMS) for recipient case management. The service managers indicated that SAMS is not designed to record and track key information they need to effectively manage the progress of their Ontario Works recipients. For example, although service managers can record notes about individual recipients in SAMS, they cannot generate reports on these notes to analyze recipients' skills, barriers to employment, or referrals to training or community services for their entire caseload. This recipient information can only be reviewed in SAMS on a case-by-case basis. Without this data, service managers face challenges to understand the profile of recipients on their caseload, track recipients' progress or design suitable training and employment programs to help recipients work toward obtaining employment.

In our follow-up, we found that the Ministry had not yet made progress toward implementing this recommendation. The Ministry indicated that it plans to enhance functionality in SAMS by January 2021 to support improved tracking of recipients' skills, barriers to employment and referrals.

Information Affecting Recipient Eligibility Is Not Consistently Verified with the Federal Government

Recommendation 12

To confirm that only eligible individuals receive financial assistance from Ontario Works, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *identify recipients with risk factors related to their eligibility and utilize its agreement with the federal government to validate the immigration status of these recipients. Where recipients are determined to be ineligible for Ontario Works, take appropriate action to terminate them and recover any overpayments;*

Status: In the process of being implemented by June 2021.

Details

We found in our 2018 audit that the Ministry had an agreement with the federal government's Immigration, Refugees and Citizenship Canada (IRCC) to obtain information on the immigration status of Ontario Works recipients. However, we found the Ministry did not use this agreement to check that all recipients of Ontario Works (who cannot demonstrate their legal status in Canada) are still eligible.

In our 2018 audit, we also reviewed Ontario Works recipient data in the Ministry's Social Assistance Management System (SAMS), and identified over 500 individuals where there is a risk that they may no longer be eligible for Ontario Works. We asked the Ministry to request that IRCC check the status of these 500 individuals; however, because the process had to be done manually the Ministry informed us IRCC would only be able to check 50 individuals. Although the Ministry received only summary results of these checks, the results identified eligibility concerns for one-quarter of these individuals.

In our follow-up, the Ministry indicated that in 2019 it put in place a new process by which it verifies the immigration status of all new foreign-born applicants with IRCC.

We also found in our follow-up that the Ministry was in the process of conducting a pilot test with IRCC and the Canada Border Services Agency (CBSA) to confirm the technical feasibility of an automated exchange of personal information between the Ministry, IRCC and the CBSA, and to determine whether the Ministry has a record of

the correct immigration status of existing clients, which may impact their eligibility for Ontario Works. A sample of cases was sent to IRCC as part of this pilot where the immigration status in SAMS had been recorded as refugee claimants, family class immigrants, and other/blank. The Ministry expected to receive results from the pilot in January 2021. The Ministry planned to review the eligibility of cases where there was a change in immigration status relative to that recorded in SAMS by June 2021. Based on these results, the Ministry planned to also determine by June 2021 the need for another data-matching exercise for other existing Ontario Works cases.

- *work with the federal government to increase the efficiency of their information sharing to allow for timely checks of the immigration status of all applicable Ontario Works recipients;*

Status: Little or no progress.

Details

In our 2018 audit, we found that while the Ministry had an information sharing agreement in place with IRCC to obtain information on the immigration status of Ontario Works recipients, the process in place to do so involved manually checking the immigration status of individuals on a case-by-case basis.

In our follow-up, we found that the Ministry had made some progress toward addressing this recommendation. As noted earlier, the Ministry was in the process of conducting a pilot test with IRCC and the Canada Border Services Agency (CBSA), one of whose aims is to confirm the technical feasibility of an automated exchange of personal information between the Ministry, IRCC and the CBSA relating to Ontario Works clients' immigration status for the purposes of verifying their eligibility. The intent is to use the results of this pilot to inform analysis on whether and how to move forward with an automated information sharing process to replace the manual information sharing process currently in place between IRCC and the Ministry.

The Ministry expected to receive results from the pilot in January 2021, and to subsequently use the results to determine the cost/benefit of automating the information sharing process. However, it had not set a timeline for when it expects to decide on the automation of this process, or on when it plans to fully implement the recommendation.

- *work with the Canada Border Services Agency to establish an information sharing agreement to obtain information about the travel history of Ontario Works recipients and to identify recipients who are no longer eligible for Ontario Works.*

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry did not have an information sharing agreement with the federal government's Canada Border Services Agency (CBSA) to be able to find out details about the travel history of other Ontario Works recipients and therefore could not check whether Ontario Works recipients were in the country.

In our follow-up, we found that the Ministry had made some progress toward addressing this recommendation. The Ministry was in the process of conducting a pilot test with IRCC and the Canada Border Services Agency (CBSA). Through this pilot, the Ministry expected to receive aggregate information from the CBSA relating to Ministry clients who have departed from Canada. The Ministry advised us that by June 2021 it intended to use results of this pilot to determine whether establishing an information sharing agreement with the CBSA would be beneficial in helping to identify Ontario Works recipients who are no longer eligible for Ontario Works. However, at the time of our follow-up, the Ministry did not have a timeline of when it expected to fully implement this recommendation.

Service Managers Do Not Consistently Assess Recipients' Relevant Information to Ensure They Are Eligible

Recommendation 13

So that only people who are eligible for Ontario Works receive financial assistance and in the correct amount, we recommend that service managers:

- *work with the Ministry of Children, Community and Social Services (Ministry) to confirm and formalize the requirement to use the third-party verification checks that will be most effective in verifying an individual's financial circumstances;*

Status: Little or no progress.

Details

In our 2018 audit, we noted that service managers were required to check whether information provided by applicants regarding their assets and income is accurate by using outside sources, such as the Canada Revenue Agency and Equifax Canada Inc. They were also required to do a similar verification when they reassessed financial information provided by current recipients to ensure that they were still eligible for the program and were receiving the appropriate financial assistance. However, we found that the Ministry did not prescribe which specific third-party verification checks service managers must complete, though it identified the Canada Revenue Agency and Equifax Canada as the most important resources during the application process.

In our follow-up, we found that service managers had not worked with the Ministry to confirm and formalize the requirement to use the third-party verification checks that would be most effective in verifying an individual's financial circumstances.

- *take steps to reinforce the requirement that caseworkers review and document their review of all relevant information required by the Ministry when determining applicant eligibility and financial assistance;*

Status: One service manager has made little or no progress and three service managers are in the process of implementing the recommendation by January 2021.

Details

In our 2018 audit, we found that Ontario Works caseworkers did not always obtain documents that established an applicant's eligibility for the program—such as documents that prove the applicant was legally entitled to reside in Canada. We also found that caseworkers did not always investigate red flags in applications, leading to potential mistakes in determining an applicant's eligibility for the program and the correct amount of financial assistance. At the four service managers we visited, we found that in 20% to 60% of the files we reviewed, caseworkers either did not obtain or did not review relevant application information.

In our follow-up, we found that three service managers were in the process of implementing the recommendation. One service manager advised us that in 2019 it started to complete audits of its files every other month to assess program compliance and facilitate improvement; these audits include eligibility and financial assistance. The service manager advised that it had paused its reviews but was in the process of developing an accountability framework that would include audits to ensure Ministry directives and policies are complied with. The service manager expected to implement its ongoing audits by November 2020 and to achieve 75–80% compliance in this area at that time.

Another service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas including assessing eligibility. This service manager advised us that it began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that all relevant information required to assess eligibility and financial assistance is reviewed and documented—and was targeting 100% compliance by December 2020. A third service manager indicated that its supervisors

conducted audits of files to assess compliance until April 2019, and intended to begin conducting audits again on an ongoing basis by January 2021.

The remaining service manager had implemented a checklist that newer caseworkers are required to complete and supervisors are required to review, to show that they have considered all key areas in determining eligibility. Although this service manager's progress was otherwise limited, it indicated that it planned to put in place a file review process to assess compliance by the end of 2020.

- *reassess the ongoing eligibility of Ontario Works recipients in the time period required by Ministry policy.*

Status: Two service managers have fully implemented the recommendation, and two service managers are in the process of implementing the recommendation by December 2020.

Details

In our 2018 audit, we found that at two of the four service managers we visited, in 20% to 35% of the files we reviewed, caseworkers did not meet with recipients at least once every two years to obtain updated information and assess whether the recipients continued to be eligible for Ontario Works, and the amount of financial assistance they were receiving. The remaining two service managers we visited reviewed the continued eligibility of recipients at least once every two years as required.

In our follow-up, we found that the two service managers we identified concerns at in our 2018 audit were in the process of addressing the recommendation. One service manager indicated it had identified almost 3,000 cases in the spring of 2020 that were overdue for a reassessment, and had completed a review of almost all of them by August 2020. The service manager also indicated it expected to implement ongoing audits by November 2020 that would assess its compliance in completing reassessments on a timely basis.

The other service manager indicated that it had focused on reducing the number of overdue

client reassessments, reducing the number from almost 56,000 in May 2019 to under 24,000 in February 2020. This service manager also conducted a pilot project in December 2019 to assess its compliance in key program areas, including whether it was completing recipient reassessments on a timely basis, and found that based on the pilot it was doing so only 45% of the time. This service manager advised us that it subsequently began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that reassessments are done on a timely basis—and was targeting 100% compliance by December 2020.

Recommendation 14

So that only eligible recipients are provided with Ontario Works financial assistance and in the correct amount, and to prevent overpayments to recipients from increasing, we recommend that service managers complete the eligibility verification reviews assigned to them by the Ministry of Children, Community and Social Services (Ministry) on a timely basis.

Status: Two service managers are in the process of implementing the recommendation by March 2021, and two service managers have fully implemented the recommendation.

Details

In our 2018 audit, we noted that through its Eligibility Verification Process, the Ministry assigns service managers recipient files to review that the Ministry identifies as being most at risk of being ineligible. We found that between April 2017 and March 2018, service managers across Ontario completed only 57% of the 43,650 eligibility verification cases assigned to them within the 2017/18 fiscal year as required. The four service managers we visited completed between 24% and 88% of the cases assigned to them.

In our follow-up, we found that two service managers had completed 100% of the cases assigned to them in the 2019 calendar year, and they met the Ministry's target to complete 90%

of the reviews assigned to them within 60 days in January 2020. Another service manager also completed 100% of the reviews it was assigned in the 2019 calendar year, and it completed 73% of the reviews it was assigned by the Ministry in January 2020 within 60 days. This service manager indicated that it planned to meet the Ministry's target to complete reviews within 60 days by December 2020.

The remaining service manager had made some progress toward implementing the recommendation. The service manager identified that following our 2018 audit, it added an additional 14 staff in December 2018 and managed to complete 48% of the cases assigned to it in 2019. This service manager subsequently added an additional 16 staff in June 2020 to complete eligibility verification reviews, and completed 68% of the cases assigned to it in July 2020 within the Ministry's target of 60 days. The service manager indicated that it plans to meet the Ministry's target to complete 90% of the cases it is assigned within 60 days by March 2021.

Recommendation 15

To ensure that only eligible individuals receive Ontario Works financial assistance and that overpayments to recipients are identified and minimized, we recommend that service managers take steps to:

- *review and investigate allegations of fraud within the Ministry of Children, Community and Social Services' required timeframe;*

Status: Three service managers have made little or no progress and one is in the process of implementing the recommendation by December 2021.

Details

In our 2018 audit, we found that Ontario's 47 service managers had a backlog of more than 6,000 fraud tips that they had not reviewed, including approximately 2,000 fraud tips at the four service managers we visited. Approximately 90% of these tips had not been reviewed within the required

30 days to determine whether further investigation was warranted. (If fraud tips are not reviewed within the 30-day requirement, there is a risk that ineligible people could be receiving payments for a long period of time, leading to the need to recover even larger overpayments when the service manager completes the investigation.) Ministry data indicates that between January 2015 and March 2018, service managers across Ontario completed 17,000 reviews and fraud investigations, and that more than 25% of them resulted in the service manager identifying an overpayment, and 10% resulted in the service manager terminating the recipient.

In our follow-up, we found that, based on Ministry reports of fraud reviews completed between January 2019 and April 2020, three of the service managers reviewed between just 19% and 43% of fraud tips within 30 days as required. We found that the remaining service manager reviewed approximately 80% of fraud tips within 30 days and expected to review 100% of fraud tips within 30 days by the end of 2021.

- *refer cases of suspected fraud to authorities for investigation and prosecution.*

Status: Three service managers have fully implemented the recommendation and one is in the process of implementing the recommendation by March 2021.

Details

In our 2018 audit, we noted that Ministry policies state that if there is sufficient evidence to suspect intent to commit fraud, service managers must refer these cases to the police for investigation and possible prosecution under the Criminal Code. In addition, Ministry policy requires every service manager to develop protocols and procedures with local police services and the Crown Attorney's Office for the effective investigation and prosecution of cases of suspected social assistance fraud. We found that one of the four service managers we visited did not have such a protocol in place, and had not referred any cases of suspected Ontario Works fraud to the police.

In our follow-up, we found that this service manager had developed guidelines for referral of suspected fraud cases to the police in November 2019, and had referred its first case of suspected fraud to police in February 2020. The service manager indicated that it intended to fully implement this recommendation and begin referring all pertinent cases of suspected fraud to authorities for investigation by March 2021.

Decisions to Waive Recipient Participation Requirements Are Questionable When Not Supported with Evidence

Recommendation 16

To help Ontario Works recipients progress toward obtaining sustainable employment, we recommend that service managers take steps to ensure that they only waive the requirement to participate in employment support activities in eligible circumstances when supported by the necessary documentation.

Status: In the process of being implemented by January 2021.

Details

In our 2018 audit, at the four service managers we visited, our review of recipient files found examples where the requirement for individuals to participate in activities to work toward obtaining employment had been deferred without appropriate documentation to support the deferral. This varied from about 5% of the recipient files we reviewed at one service manager to 40% of the files at another.

In our follow-up, we found that three service managers were in the process of implementing the recommendation. One service manager advised us that in 2019 it started to complete audits of its files every other month to assess program compliance and facilitate improvement; these audits included reviewing whether individuals who were waived from participating in employment support activities had supported their eligibility with appropriate documentation. The service manager advised us

that it had paused its reviews but was in the process of developing an accountability framework that would include audits to ensure compliance with Ministry directives and policies. The service manager expected to implement its ongoing audits by November 2020 and to achieve 75–80% compliance in this area at that time.

Another service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas including assessing the appropriateness of deferrals from participating in employment support activities. The pilot project identified that deferrals were appropriate in length and supported by documentation in 74% of the cases reviewed. This service manager advised us that it also began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that individuals are only waived from participating in employment support activities in eligible circumstances with appropriate documentation. The service manager is targeting 100% compliance by December 2020.

The other two service managers had provided training to their caseworkers on participation agreements, including on requirements relating to waiving a recipient's participation in employment support activities. These service managers indicated that between 82% and 100% of their caseworkers attended this training. In addition, both service managers indicated they planned to begin conducting audits of recipient case files by January 2021 that would include assessing whether the requirement to participate in employment support activities is waived only in eligible circumstances and supported by the necessary documentation.

Service Managers Do Not Always Work with Recipients to Help Them Progress Toward Obtaining Employment as Required

Recommendation 17

To help Ontario Works recipients to progress toward becoming self-sufficient and find employment, we recommend that service managers take steps to:

- *meet with recipients regularly in accordance with the Ministry of Children, Community and Social Services (Ministry) requirements to review and update their participation agreements;*

Status: Two service managers have made little or no progress and two are in the process of implementing the recommendation by December 2021.

Details

In our 2018 audit, based on our review of a sample of recipient files at the four service managers we visited, we found that in 20% to 50% of the files we reviewed, caseworkers did not meet with recipients on a timely basis to review and update their participation agreements as recipients progressed toward their goals or their circumstances changed. The participation agreement is a plan that sets out the activities that the recipient will undertake. Ministry policy requires that caseworkers meet with recipients to review their participation agreement at least once every three, four or six months. Periods of four to six months require a documented explanation for extending the review period.

In our follow-up, we found that one service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas including assessing whether participation agreements were updated on a timely basis. The pilot project identified that 72% participation agreements reviewed were current. This service manager advised us that it also began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance, including with respect to

ensuring that caseworkers meet with recipients in the Ministry's prescribed timelines and that participation agreements are reviewed and updated. The service manager was targeting 100% compliance by December 2020.

Another service manager identified that it had reduced the percentage of outdated participation agreements from 83% of all cases in January 2018 to 20% in January 2020. This service manager indicated it was targeting 100% compliance by December 2021.

The third service manager identified that although it had made some progress in this area, as of July 2020 over 40% of participation agreements were still outdated. The service manager indicated that it would implement ongoing audits of recipient case files by November 2020 that would include assessing whether participation agreements are reviewed and updated on a timely basis. However, the service manager noted that it had not yet set a target for compliance in this area.

The remaining service manager indicated that it had assigned a supervisor to address outdated participation agreements and was targeting updating all outdated participation agreements by the end of 2020. However, the service manager could not identify the progress it had made in this area in reducing the proportion of outdated participation agreements since the time of our 2018 audit.

- *assign appropriate employment support activities to all participants.*

Status: Three service managers are in the process of implementing this recommendation by December 2021. The recommendation is no longer applicable for one service manager.

Details

In our 2018 audit, we analyzed data from the Ministry's Social Assistance Management System to identify recipients who were required to participate in employment support activities but did not have such activities assigned to them. As of March 2018, we found that between 5% and 19% of recipients at

the four service managers we visited did not have employment support activities assigned to them as required. As a result, there was also no evidence that these individuals were working toward obtaining employment as required.

In our follow-up, we found that one service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas, including assessing whether recipients were referred to reasonable activities. The pilot project identified that 75% of referrals were reasonable. This service manager advised us that it also began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that recipients are assigned appropriate employment support activities. The service manager was targeting 100% compliance by December 2020, depending on the impact economic conditions may have on its ability to make appropriate referrals to employment support activities.

Another service manager indicated that it had increased the proportion of recipients assigned employment support activities from 92% in January 2018 to 95% in January 2020 and indicated that it was targeting assigning 100% of recipients' employment support activities by December 2021. The third service manager indicated that as of February 2020, it had assigned 94% of recipients' employment support activities. This service manager indicated that it expected to improve in this area with a planned implementation of a stand-alone case management system by the end of 2020 that is intended to improve its ability to match recipients with employment support activities.

Starting in January 2021, the remaining service manager will no longer be responsible for assigning employment support activities to recipients. Instead, this service manager will be responsible for referring those who are ready to participate in employment support activities to the Employment Ontario service system manager in its catchment area who will be responsible for delivering employment services.

Employment Supports and Recipient Employment Results Differ Between Service Managers

Recommendation 18

To increase the proportion of Ontario Works recipients who obtain employment, we recommend that service managers:

- *take steps to identify opportunities to increase the proportion of recipients referred to employment supports that have successfully assisted recipients to obtain employment;*

Status: One service manager has fully implemented the recommendation, two service managers have made little or no progress, and the recommendation is no longer applicable for the remaining service manager.

Details

In our 2018 audit, we found that the four service managers we visited offered between three and 50 employment support programs (employment placement and job-specific skills training). We also found that the percentage of Ontario Works recipients participating in these programs at all four service managers ranged from just 2% to 5%. Across all four service managers we visited, the number of those finishing such programs who found employment ranged from approximately 50% to more than 75%. This was significantly higher than the provincial average for recipients leaving Ontario Works for employment, which in 2017/18 was just 10%.

In our follow-up, we found that one service manager had increased the number of referrals to programs that led to successful employment outcomes between 2017 and 2019 by 15%. Another service manager informed us anecdotally that it had increased referrals to programs with successful employment outcomes, but it had not yet obtained the information to be able to quantify the additional referrals it had made to such programs subsequent to our 2018 audit.

The third service manager had not yet identified the employment supports that have been

most successful in assisting its recipients to obtain employment in order to pursue opportunities to increase referrals to those programs. However, this service manager noted that it planned to implement a stand-alone case management tool by the end of 2020 that is intended to better match recipients with employment support activities and employment opportunities.

Starting in January 2021, the remaining service manager will no longer be responsible for referring recipients to employment support activities. Instead, this service manager will be responsible for referring those who are ready to participate in employment support activities to the Employment Ontario service system manager in its catchment area who will be responsible for delivering employment services.

- *investigate the possibility and assess the merits of becoming a delivery agent for Employment Ontario.*

Status: One service manager has made little or no progress, one service manager is in the process of implementing the recommendation, one service manager has fully implemented the recommendation, and the recommendation is no longer applicable to the remaining service manager.

Details

In our 2018 audit, we found that one of the four service managers we visited was an Employment Ontario delivery agent. This service manager noted several benefits to being a delivery agent, including increased communication between the staff of the two programs, shared cost in training for staff, and a larger network of employer relationships. While this service manager's local area had a similar unemployment rate to the other three service managers we visited, it had the highest percentage of recipients exiting to employment in 2017/18, at 15%.

We also noted in our 2018 audit that the 2012 report from the Commission for the Review of Social Assistance in Ontario,

Brighter Prospects: Transforming Social Assistance in Ontario, recommended that the province expand the number of municipalities designated as Employment Ontario deliverers, where there is interest and capacity.

In our follow-up, we found that one of the service managers had applied to become an Employment Ontario service system manager for its catchment area but was not successful. Another service manager requested to become an Employment Ontario delivery agent but was informed by the Ministry of Labour, Training and Skills Development (MLTSD) that applications were not being accepted at this time. MLTSD indicated that service system managers selected in catchment areas across the province would be responsible for establishing networks with other service providers in their areas. This service manager advised us that once the service system manager was selected in its catchment area, it would apply again to become an Employment Ontario delivery agent.

The third service manager indicated it has not yet determined whether it would seek to become an Employment Ontario delivery agent or a service system manager. As at the time of our 2018 audit, the remaining service manager continued to be an Employment Ontario delivery agent.

Recommendation 19

To help increase the proportion of Ontario Works recipients who obtain employment, we recommend that the Ministry of Children, Community and Social Services (Ministry) work with the Ministry of Training, Colleges and Universities to:

- *share information between Employment Ontario and Ontario Works that would help service managers to monitor the progress of Ontario Works recipients they refer to Employment Ontario services in obtaining employment;*
Status: Little or no progress.

Details

We found in our 2018 audit that, in addition to offering employment support programs funded through Ontario Works, the service managers we visited told us that they referred Ontario Works recipients to Employment Ontario. Employment Ontario delivery agents, funded by the Ministry of Training, Colleges and Universities (now the Ministry of Labour, Training and Skills Development), provide employment and training services and related information for job seekers. However, we found that while three service managers could tell us the percentage of recipients they referred to Employment Ontario, only one was able to provide information on the success of the recipients they referred. Service managers told us that once a client is referred to Employment Ontario, the Employment Ontario delivery agent has no requirement to report to Ontario Works service managers on the client's outcome.

The Ministry advised us that it was developing an interface between SAMS and MLTSD's case management system that is intended to share client-level information between the two systems so that service managers can monitor and track client activities and their outcomes. The Ministry expects this interface to be operational by January 2021. However, the Ministry advised that only nine of the 47 service managers will be able to use the interface at that time. A timeline for the rest of the service managers has not yet been established.

- *investigate opportunities to integrate the employment services offered by Ontario Works and Employment Ontario.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the 2012 report by Don Drummond and the Commission on the Reform of Ontario's Public Services recommended streamlining and integrating employment services, such as those offered by Ontario Works, with Employment Ontario.

In February 2019, Ontario announced a plan to transform employment services. The plan includes a new service delivery model to integrate social assistance employment services into Employment Ontario. In our follow-up, the Ministry advised us that through these changes, the responsibility for the provision of employment supports and services would gradually transition from Ontario Works service managers to Employment Ontario service system managers. Service system managers would be selected by the Ministry of Labour, Training and Skills Development (MLTSD). MLTSD selected three service system managers in 2020 for three different catchment areas where the prototype for the new employment services model will begin. According to the Ministry, these three service system managers were scheduled to begin providing services in January 2021, at which point Ontario Works service managers in these catchment areas would no longer be delivering employment services.

Chapter 1

Section 1.12

Ministry of Education

School Boards—IT Systems and Technology in the Classroom

Follow-Up on VFM Section 3.12, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1		1			
Recommendation 2	2		2			
Recommendation 3	1	0.5			0.5	
Recommendation 4	2	2				
Recommendation 5	2	0.75	0.75	0.5		
Recommendation 6	2	0.5	1	0.5		
Recommendation 7	1			1		
Recommendation 8	2	1.25	0.5		0.25	
Recommendation 9	2	1	1			
Recommendation 10	3		2	1		
Recommendation 11	2	0.67	0.67	0.66		
Recommendation 12	2	0.6	1.4			
Recommendation 13	1		1			
Recommendation 14	3	3				
Total	26	10.27	11.32	3.66	0.75	0
%	100	39	44	14	3	0

Overall Conclusion

As of June 30, 2020, the Ministry of Education (Ministry) and school boards had provided us with

information on the status of recommendations made in our 2018 Annual Report. The Ministry and school boards have fully implemented 39% of our Office's recommendations and have made progress in implementing an additional 44% of our recommendations.

The Ministry and the school boards have fully implemented recommendations such as:

- tracking and reviewing the lists of users with access to the Ontario Education Number application so that the access of unauthorized users is revoked; and
- improving student information reporting processes and providing clear information regarding errors and how to resolve them.

However, the Ministry and the school boards have made little progress on 14% of the recommendations, including providing IT security training to teachers; tracking and measuring cyberbullying incidents in Ontario schools; developing a policy that outlines roles and responsibilities in cybersecurity at both the board and school levels; developing and testing effective disaster recovery plans; and developing and implementing effective business continuity plans in order to achieve the boards' strategic objectives. The Toronto Board indicated that it would not be implementing our recommendation to monitor school-provided equipment to mitigate cyberbullying incidents due to the cost associated with the monitoring software from the vendor.

In response to the COVID-19 pandemic, the Ministry provided online course content, digital tools and learning resources for teachers and students to aid in continuous learning. In order to support this initiative, the Ministry launched an online website (ontario.ca/page/learn-at-home) to help students continue learning remotely. In addition, the Ministry also outlined minimum expectations with respect to students' work time and the courses assigned for all grades. Work in this area was still under way at the time of our follow-up.

The status of actions taken on each of our recommendations is described in this report.

Background

The Ministry of Education (Ministry) funded 72 district school boards in 2019/20 (72 in 2017/18) that provide elementary and secondary education to about two million Ontario students. School boards and individual schools determine how much funding is allocated to school operations and classroom technology.

School boards reported total information technology (IT) spending of \$235.9 million for the 2018/19 fiscal year (\$227.8 million in 2017/18), with \$165.7 million (\$160.6 million in 2017/18) for IT systems and computers (including software and licences), and the remaining \$70.2 million (\$67.2 million in 2017/18) for the boards' own IT operations and administration.

Schools use IT in the classroom for online learning, sharing lessons and math skills training, as well as computer programming, coding and design and other subject areas. IT also gives students quick access to the Internet for research. Teachers use IT to help design and deliver lessons, and for administrative tasks such as tracking attendance and grades.

Overall, we found that the Ministry had no broad IT strategy for curriculum delivery, use of IT by students or administration of IT. In addition, student access to IT varied across the province because each board made its own decisions about equipment acquisition.

The following were some of our findings:

- The availability of tablets, laptops, computers and applications varied among schools, and school boards generally did not formally assess whether classrooms had adequate, up-to-date and consistently allocated IT resources. At some schools, for example, eight students shared a single computer. At others, each student was assigned their own computer.
- Classroom IT equipment ranged from new and modern, to outdated hardware, which

could be slow and incompatible with the latest software. Older technology could also adversely affect the learning experience, and was more vulnerable to cybersecurity threats because vendors were no longer providing regular security updates.

- The Ministry's IT system was used to administer the Ontario Education Number issued to every student in the province, and to collect and store students' personal information and educational records. We found that almost one-fifth of staff user accounts for this system across all school boards in Ontario (971 of 5,229, or 19%) had never been used, meaning that many authorized users do not need their authorization, and that accounts were not always deleted after staff had left their jobs. As these user accounts were accessible by staff and some former staff on the Internet, there was a risk to the security of confidential student information.
- Some school boards provided no formal security-awareness training, and some lacked cybersecurity policies. Fifty-one of the 69 boards that responded to our survey (74% of respondents) indicated that they had not provided formal IT security or privacy training to staff who used technology at boards and schools.
- Although school boards had established policies and guidelines on bullying prevention and intervention according to Ministry requirements, they had not measured the effectiveness and performance of anti-cyberbullying programs. Of the school boards that responded to our survey, 25 (36%) indicated that they did not log cyberbullying incidents and therefore lacked the information to study and address such incidents.
- Two of the four school boards we visited as part of our audit lacked sufficient oversight of their classroom IT assets, such as laptops and tablets. In some cases, board staff were unable to verify whether any equipment was missing.

- We found that most school boards did not have formal business continuity and disaster recovery plans to deal with serious damage to their IT systems from natural or man-made disasters, if such events occurred.
- The Ministry had spent more than \$18.6 million on virtual learning environment (VLE) software in the five years before our audit, which it provided for free to school boards. However, most boards had purchased their own software to make up for gaps in the VLE software, and for ease of use. Approximately 26% of the school boards that responded to our survey indicated they rarely used the VLE software. As a result, value for money was not obtained with the VLE, and was not always obtained from boards' IT purchases.
- The Ministry system that school boards used to report student data to the Ministry was inefficient and lacked performance targets for the preparation and submission of student data. Training and support on the system was insufficient to help resolve errors with data validation issues in a timely manner.

We made 14 recommendations, consisting of 26 action items, to address our audit findings.

We received commitments from the Ministry and school boards that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted our follow-up work between May 2020 and July 2020 for the Ministry of Education and the four school boards—Toronto District School Board (Toronto Board), Waterloo Catholic School Board (Waterloo Catholic Board), Algoma District School Board (Algoma Board) and Peel District School Board (Peel Board). We obtained written representation from the Ministry of Education and the directors of education of the Toronto Board,

the Waterloo Catholic Board, the Algoma Board and the Peel Board that effective October 22, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Ontario Does Not Have an IT Strategic Plan for Its Schools

Recommendation 1

In order to better understand how information technology (IT) resources may be used for curriculum delivery and to guide their allocation of resources, we recommend that the Ministry of Education together with the school boards develop a strategic plan specifying minimum expectations for the use of IT in the classroom.

Status: The Ministry: In the process of being implemented by March 2022.

Details

In our 2018 audit, we found that the Ministry of Education (Ministry) had not developed a strategic plan for IT use in classrooms across the province or provided direction to the school boards in using IT resources for curriculum delivery. The Ministry and the school boards were also lacking current data to guide their spending decisions for IT in the classroom. The school boards we visited informed us that they had not systematically assessed to what extent their students were using IT in the classroom.

In our follow-up, we noted that in November 2019, the Ministry had put in place a requirement for Ontario students to complete two online courses as part of their total course requirements to graduate from secondary school. This requirement increased students' access to the virtual learning environment (VLE) and technology-enabled teaching. The Ministry was planning to engage with the public to ensure that the approach to online learning would meet the needs of students and educators, and to discuss issues related to IT in the classroom, by winter 2020. In addition, the Ministry was working in partnership with school boards on

the Broadband Modernization Program (BMP). The BMP, in progress at the time of our follow-up and expected to be completed by March 2022, is a multi-year initiative led by the Ministry to support access to reliable, fast, secure and affordable Internet services to all students and educators in schools across Ontario, including those in rural and northern communities. As of September 30, 2020, 54% of school boards had completed the BMP implementation.

Recommendation 2

In order to achieve more equitable access to classroom information technology (IT) resources for Ontario students across schools and school boards, we recommend that the school boards:

- *perform an assessment to evaluate students' needs with regard to classroom technology;*

Status: Toronto Board: In the process of being implemented by March 2021.

Peel Board: In the process of being implemented by December 2021.

Details

We found in our 2018 audit that the amount of IT equipment in classrooms varied both among school boards and among schools in the same boards. The Toronto Board, for example, did not have a policy on the ratio of students to computers. At some schools, eight students shared one computer, whereas in other schools, each student was assigned an individual computer. There were different student-to-computer ratios among the nearly 260 schools in the Peel Board as well.

In our follow-up, we found the following:

In response to the COVID-19 pandemic, the Minister of Education announced additional funding of \$15 million to assist school boards in purchasing computers and other IT devices for classroom learning. In addition, the government also advised school boards to provide their existing inventory of computers and IT devices to students who do not have access to technology at home.

Toronto Board: The board was working with a vendor to assess the technological needs for their schools and was meeting regularly to review classroom technology requirements. The board planned to complete the assessment by March 2021. The assessment was expected to address computer-to-student ratios, types of technologies to use in the classroom, the optimal age of technology systems and devices, as well as the refresh cycle of classroom technology.

Peel Board: The board was in the process of developing a framework to assess students' needs for classroom technology, as needs varied among schools within the board. As part of the framework, the board was expecting to review requirements for classroom technology devices and vendor support. The board was planning to continue working with schools to perform the assessment by December 2021.

- *develop and implement a classroom IT policy outlining a computer-to-student allocation ratio, the types of technologies to use in the classroom, the optimal age of the technology systems and devices, and the refresh cycle of classroom technology.*

Status: Toronto Board: In the process of being implemented by March 2021.

Peel Board: In the process of being implemented by December 2021.

Details

We found in our 2018 audit that the average age and the age range of classroom equipment varied widely across schools. At the Toronto Board, the age of the IT equipment among schools ranged from less than one year to 15 years old. The Peel Board was not able to identify the overall age range of the classroom equipment in its schools. We also found in our survey that 13 school boards (19% of respondents), including both the Toronto and Peel boards, did not have classroom technology replacement plans for their schools, whereas 36 school boards (52%),

including the Waterloo Catholic and Algoma boards, replaced their classroom tablets and laptops and/or desktops every three to five years.

In our follow-up, we found the following:

Toronto Board: The board was in the process of developing a classroom IT policy for schools that would address computer-to-student ratios, types of technologies to use in the classroom, the optimal age of technology systems and devices, as well as the refresh cycle of classroom technology. It expected to complete its development of the classroom IT policy by March 2021.

Peel Board: The board had a minimum standard for technology in a classroom. This standard included a supported device (either a desktop computer or a laptop) along with a display device (either an LCD Projector or a TV). Using this standard, the board would perform analyses of classroom device inventories and add more devices to balance the student-to-computer ratio throughout the board. The board planned to have the classroom IT policy in operation by December 2021.

Recommendation 3

In order to reduce the differences in student-to-computer ratios among schools and potentially bring down the cost of acquiring information technology (IT) equipment, we recommend that the school boards assess the benefits of private-sector donations to schools of lightly used IT equipment.

Status: Toronto Board: Fully implemented.

Waterloo Catholic Board: Will not be implemented.

Algoma Board: Will not be implemented.

Peel Board: Fully implemented.

Details

In our 2018 audit, we found that there was no system to encourage and enable private-sector donations to schools of lightly used IT equipment as a way for boards to save costs and to make student access to IT resources more equitable across the province.

In our follow-up, we found the following:

Toronto Board: The board assessed the possibility of allowing donations of laptops from the private sector that would be used in a Bring Your Own Device (BYOD) program by staff and students, and connected to the board's Wi-Fi (wireless Internet) network. The board would accept donations of IT equipment that met its technology requirements for continuous support. In addition, the board had the BYOD program in place at the school level, which helped their students use their personal devices to engage in learning and collaboration in their classrooms. In April 2020, the board also provided devices to approximately 29,000 households that it evaluated as being in need to ensure their students could continue to learn during the COVID-19 school closures.

Waterloo Catholic Board: The board assessed the potential benefits of private-sector donations and concluded that it was not an economically viable option due to its requirements for technology with continuous support. The board indicated that its existing ratio of devices to students was sufficient and reasonable for its classroom technology needs.

Algoma Board: The board would consider new equipment donations that fit its technology requirements. However, IT equipment donated by the private sector may vary in age, make and model, which could introduce a requirement for complex support structures due to different operating systems and security compatibility concerns.

Peel Board: The board has undertaken an assessment of donated IT equipment, including a cost/benefit analysis related to the board's technology requirements for continuous support. The board accepted mobile devices and LCD monitors to replace projectors and TV equipment from private-sector donors through a program that provides refurbished mobile devices (tablets) to students and families who cannot afford them.

Personal Information of Students at Risk of Disclosure

Recommendation 4

In order to ensure that only authorized users have access to the Ontario Education Number application, we recommend that:

- *Ontario's school boards periodically review their lists of users with access to the Ontario Education Number application and notify the Ministry of Education (Ministry) of any changes, so that it can revoke the access of unauthorized users;*

Status: The Ministry: Fully implemented.

Toronto Board: Fully implemented.

Waterloo Catholic Board: Fully implemented.

Algoma Board: Fully implemented.

Peel Board: Fully implemented.

Details

We found in our 2018 audit that Ontario Education Number (OEN) accounts existed for users who did not need access. For example, we found 14 user accounts still assigned to former Toronto Board staff who were no longer employed by the board, two similar cases at the Peel Board and two at the Algoma Board. Of the total of 5,229 user accounts with access to the OEN application, we found that 971 accounts (19%) had never been used. This indicated that many authorized users had no need to access the system. We also found that accounts of inactive users of the Ministry's IT system were not always being cancelled after they left their positions at the boards. These accounts were accessible on the Internet, which meant that there was a risk that confidential student information might be exposed to the public.

In our follow-up, we found the following:

The Ministry: The Ministry implemented a semi-annual account review process for all users who had access to the OEN application. The percentage of the user accounts that had not been used decreased

from 19% to 6.76% through the implementation of the new access review process put in place in November 2019.

Toronto Board: The board was reviewing the list of active users who have access to the OEN application and was notifying the Ministry semi-annually to revoke the access of users who did not require access.

Waterloo Catholic Board: The board was receiving a list of active OEN application users from the Ministry and was reviewing it on a quarterly basis. The board was notifying the Ministry if any changes were required.

Algoma Board: The board was reviewing its system users' active or inactive status with its human resources department annually at end of June. If there was a change in employment status, an IT helpdesk ticket was created to remove the access from the OEN application.

Peel Board: The board was reviewing the list of users who had access to the OEN application quarterly to ensure that only authorized users had access. If a user did not log in for an extended period of time, the Ministry would send an email to the board's IT Security Team to confirm if access should be removed.

- *the Ministry track and review unusual activity in the Ontario Education Number application.*

Status: The Ministry: Fully implemented.

Details

We found in our 2018 audit that the Ministry did not have access to the current employment status of school board staff, and therefore was not able to revoke access to the OEN application in a timely manner when staff left their positions at the boards. Instead, the Ministry relied on the school boards to inform it when their staff no longer required access to the application. It was evident by the large number of inactive accounts we found that some school boards had not been notifying the Ministry of personnel changes consistently and in a timely way.

In our follow-up, we found the following:

The Ministry: The Ministry implemented tracking and reviewing of unusual activity in August 2019, such as OEN user accounts that had not been used for over six months. We noted that the Ministry validated a list of users whose accounts were suspended, revoked or had no activity on the system, to ensure that there was no unauthorized activity. The Ministry also created a standard process for consistent tracking and review of OEN application users.

Recommendation 5

To safeguard students' personal information, we recommend that the school boards in collaboration with their schools:

- *deliver ongoing privacy training to staff who have access to personal data;*

Status: Toronto Board: In the process of being implemented by December 2020.

Waterloo Catholic Board: Fully implemented.

Algoma Board: Little or no progress.

Peel Board: Little or no progress.

Details

We found in our 2018 audit that all four school boards we visited indicated that they did not generally provide formal IT security or privacy training to teachers who had access to technology and third-party websites. Without guidance from the Ministry or training by the boards on the appropriate use of approved online teaching resources, such as e-textbooks, many teachers made individual decisions to use online tools, applications and third-party websites that were not approved by the boards. Registration on these unapproved sites could record personal data. Their use, without proper training, increases the risk of privacy breaches.

In our follow-up, we found the following:

Toronto Board: All staff were required to complete and obtain a passing grade in online training on the

Municipal Freedom of Information and Protection of Privacy Act to demonstrate their understanding of personal data privacy risk. The board was also conducting periodic privacy and cybersecurity awareness campaigns and internal phishing exercises to reinforce privacy awareness both at the school and board levels. The board was planning to complete a formal assessment of ongoing privacy needs by December 2020.

Waterloo Catholic Board: The board provided privacy training to staff through a training website in November 2019. The privacy training required staff to watch a video and complete a test. Training status reports were generated from the website and managers of individuals who had not completed the training were following up with their staff to ensure prompt completion.

Algoma Board: The board was planning for the introduction of privacy training videos on their internal website so that staff could access and complete the required training. The board had engaged a third-party vendor to help deliver this training plan but this had been deferred until March 2021 due to COVID-19.

Peel Board: The board had communicated the importance of student information privacy to all staff and teachers, and had emphasized that staff have a duty and responsibility to ensure that personal data held by the board is kept confidential. Staff and teachers were required to meet expectations outlined in the Digital Citizenship policy and the Safe Schools policy. The board was also working with a vendor to develop a privacy training program for staff, and had planned to implement it by December 2021.

- *perform risk assessments and take necessary actions associated with using non-approved websites or software.*

Status: Toronto Board: Fully implemented.

Waterloo Catholic Board: In the process of being implemented.

Algoma Board: In the process of being implemented by February 2021.

Peel Board: Fully implemented.

Details

Toronto Board: The board performed a cyber-risk assessment on its IT systems in 2019. Based on the results of the risk assessment, the board filtered or blocked websites that were deemed high risk.

Waterloo Catholic Board: The board was in the process of enhancing procedures for reviewing educational web applications in order to use them safely in schools. The board had also planned to have a Privacy Officer perform a privacy impact assessment to verify that applications were safe to use.

Algoma Board: The board had deployed a policy to block unapproved websites at the board and schools. In addition, the Educational Computing Network of Ontario and the Ontario Association of School Business Officials were collaborating on a province-wide web application security initiative to address approved and unapproved software applications and websites. The board planned to implement the result of this project by February 2021.

Peel Board: The board had implemented a process to conduct privacy risk assessments when using third-party software applications or web-based IT systems in schools. This process also ensured that the vendors were complying with the board's privacy standards.

School Boards on Alert for Cybersecurity Risks

Recommendation 6

In order to mitigate the risks of cyberattacks, we recommend that school boards:

- *develop a policy that outlines roles and responsibilities in cybersecurity at both the board and school levels;*

Status: Toronto Board: Fully implemented.

Waterloo Catholic Board: Little or no progress.

Algoma Board: Little or no progress.

Peel Board: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found inconsistencies among school boards regarding their cybersecurity policies. Of the 69 school boards that responded to our survey, 41 boards (59%) indicated that they did not have a formal cybersecurity policy to safeguard sensitive data and assets at the boards and their schools. We also noted that 19 school boards had not updated their cybersecurity and/or information security policies in more than one year.

In our follow-up, we found the following:

Toronto Board: The board had developed policies and procedures to outline roles and responsibilities for cybersecurity, code of online conduct, password management, network security and acceptable use of information technology resources.

Waterloo Catholic Board: The board planned to implement a new administrative procedure and/or policy to include cybersecurity functions by November 2020.

Algoma Board: The board was planning to develop a formal cybersecurity policy with the assistance of a vendor and expected to be issuing the policy in December 2020.

Peel Board: The board was in the process of developing an acceptable-use procedure for information technology resources and exploring cybersecurity training options for staff during onboarding, and on an ongoing basis. This would help define and reinforce roles and responsibilities in cybersecurity. The board was planning to implement the policy by December 2020.

- *provide formal information security including cybersecurity awareness training to teachers and staff who have access to information technology.*

Status: Toronto Board: In the process of being implemented by January 2021.

Waterloo Catholic Board: Fully implemented.

Algoma Board: In the process of being implemented by March 2021.

Peel Board: In the process of being implemented by December 2020.

Details

We found in our 2018 audit that 74% of the boards that replied to our survey indicated that they did not provide formal information security awareness training to teachers and staff with access to technology. As the methods and techniques used by attackers to manipulate school board staff into divulging sensitive information had become increasingly sophisticated, the importance of providing updated cybersecurity awareness training continued to grow. In our follow-up, we found the following:

Toronto Board: In addition to the cybersecurity awareness campaigns and phishing exercises provided to teachers and staff, the board was planning to launch a Cyber-Monday program where cybersecurity and online risks would be taught to students on the first Monday of every month during the school year, starting January 2021.

Waterloo Catholic Board: The board had provided cybersecurity training to staff through a training website. The cybersecurity training required staff to watch a video and complete a short test. The board generated the training status reports from the training website, and followed up with the individuals who had not completed their training for prompt completion.

Algoma Board: The board sent reminder emails about malicious or phishing emails for staff awareness on a periodic basis. For formal information security training for teachers and staff, the board had contracted a vendor to deliver the training by March 2021.

Peel Board: The board was working with a vendor to provide phishing campaigns and information security training to teachers and staff by December 2020.

Recommendation 7

To improve the effectiveness of existing cyberbullying programs in Ontario schools, we recommend that the Ministry of Education track and measure the incidence of cyberbullying in Ontario schools.

Status: Ministry of Education: Little or no progress.

Details

In our 2018 audit, we found that school boards and the Ministry did not track metrics to measure the effectiveness and performance of anti-cyberbullying programs. Without appropriate logging and tracking, school boards were not able to address the root causes of such incidents and reduce the occurrence of cyberbullying at schools.

In our follow-up, we found the following:

The Ministry: The Ministry had initiated a project to enhance its existing strategies and processes for cyberbullying. On November 27, 2019, the Minister of Education announced five new measures to prevent and address bullying, including cyberbullying, in Ontario schools. Three of the five measures were aimed at gathering information and perspectives from students, their parents or guardians and educators on bullying prevention, intervention and reporting. The Ministry had also launched its online bullying survey for students, parents and staff on February 26, 2020. The Ministry planned to use the results to inform changes to its policies on bullying and cyberbullying.

Recommendation 8

To improve the effectiveness of existing cyberbullying programs in Ontario schools, we recommend that school boards:

- *monitor school-provided equipment to mitigate cyberbullying incidents;*

Status: Toronto Board: Will not be implemented. The Office of the Auditor General of Ontario continues to believe that the Toronto Board should, at the very least, monitor school-provided equipment to mitigate cyberbullying incidents.

Waterloo Catholic Board: Fully implemented.

Algoma Board: In the process of being implemented by March 2021.

Peel Board: Fully implemented.

Details

We found in our 2018 audit that school boards and the Ministry did not evaluate whether their prevention strategies were effective. School boards conducted cyberbullying awareness campaigns specifically during an annual prevention week, and many publish materials and surveys for staff, students and parents. Nevertheless, school-provided equipment, such as laptops, tablets and Internet connections, was reported as misused for cyberbullying at 32 boards that responded to our survey.

In our follow-up, we found the following:

Toronto Board: With respect to monitoring school-provided equipment, the board engaged in discussions with the vendors that provided monitoring services for the various communication tools used at schools. After reviewing the initial and ongoing costs for the monitoring service from the vendor quotes, the board stated it would not be implementing this recommendation unless dedicated funding was identified or the initiative was led by the Ministry. The board advised it would work collaboratively with the Ministry on a provincial solution.

Waterloo Catholic Board: The board had implemented an application called Imagine Everything – Student Aware. This application monitored for cyberbullying on all board-provided student accounts. Alerts were sent automatically to IT administrators when alarming subject matter was found, entered or searched, for monitoring and investigation when necessary.

Algoma Board: The board was in the process of investigating a software solution to deal with online safety and cybersecurity. The board had implemented the Safe Schools and Workplace Violence incident tool, where any related incidents or suspicions were reported by students or employees, then reviewed and remediated by the board. The board had also heightened teacher and administrator risk awareness within its schools through email communications. In addition, the board had deployed web filtering on its networks, directing users away from unapproved websites.

Peel Board: The board had implemented an Internet content filter to block unapproved social networking and cyberbullying content when accessed through school-provided equipment by students.

- *formally track, report and review cyberbullying incidents at schools.*

Status: Toronto Board: Fully implemented.

Waterloo Catholic Board: In the process of being implemented by October 2020.

Algoma Board: Fully implemented.

Peel Board: Fully implemented.

Details

Toronto Board: The board had developed an e-solution application to track cyberbullying incidents that could result in suspension or expulsion. The e-solution, allowing the board to track, report and review cyberbullying incidents, was deployed in early 2020.

Waterloo Catholic Board: In addition to its tool that monitors cyberbullying activities when students are connected to the school network, the board provided a link on its webpage allowing individuals to report instances of bullying. The board was working with the vendor of its application Imagine Everything – Student Aware to include additional information on reported cyberbullying incidents to help administrators with their investigations, and was planning to implement this by October 2020.

Algoma Board: Cyberbullying incidents at the board were being reported in the Safe Schools/Workplace Violence incident tool. The principal of the school resolved these issues in most cases. The board's senior management was involved in resolution processes when necessary.

Peel Board: The board had the Safe Schools incident reporting tool for cyberbullying incidents reported by board staff and teachers according to the board's Bullying Prevention policy. Principals in schools were responsible to investigate and resolve cyberbullying incidents, and their progress was tracked in the incident tool.

Not All School Boards Tracking Inventory of IT Assets

Recommendation 9

In order to maintain the security of information technology (IT) assets, and to reduce financial losses due to lost or stolen IT assets at school boards and schools, we recommend that the school boards:

- *develop and implement an IT asset management system defining clear roles and responsibilities of the school boards and schools for efficient IT asset life-cycle management;*

Status: Toronto Board: Fully implemented.

Peel Board: In the process of being implemented by December 2022.

Details

Our 2018 audit found inconsistencies between school boards in Ontario generally in tracking processes for IT assets. At the four school boards we visited, the Algoma and Waterloo Catholic boards had inventory tracking processes and up-to-date computer inventory listings. However, both the Peel and Toronto boards did not track their IT assets and maintain a current and complete inventory listing.

In our follow-up, we found the following:

Toronto Board: The board had implemented an IT asset management tool (ServiceNow) in April 2019

to efficiently manage IT assets at the board and schools by tracking IT equipment from purchase to disposal, along with service warranty information.

Peel Board: The board was in the process of implementing a dedicated IT asset management function to improve inventory management of the many different devices found at the board and schools. This would allow the board to efficiently manage IT assets from purchase to disposal. The board planned to implement this function by December 2022.

- *design and implement formal IT asset tracking and reporting procedures.*

Status: Toronto Board: In the process of being implemented by December 2020.

Peel Board: Fully implemented.

Details

Toronto Board: The board was in the process of finalizing reporting templates from IT asset information compiled in the IT asset management tool by December 2020.

Peel Board: The board had implemented a process for tracking and reporting various types of IT assets used at the board and in schools. Microsoft devices were tracked through Microsoft tools, and iPads and cell phones were managed through a mobile device management system. In addition, Chromebooks were tracked through the Google device management system, and projectors were managed through an online projector database.

School Boards Have Not Formally Identified Key IT Risks

Recommendation 10

To manage risks to key information technology (IT) processes and infrastructure at the school boards and in the schools, we recommend that the boards develop and test effective disaster recovery plans that:

- *define processes for identifying, assessing and managing risks and uncertainties resulting*

from internal and external events that could impede the boards' ability to achieve their strategic objectives;

- *train staff in their roles and responsibilities in disaster recovery; and*
- *put in place effective mitigation measures.*

Status: Toronto Board: Little or no progress.

Algoma Board: In the process of being implemented by April 2021.

Peel Board: In the process of being implemented by December 2023.

Details

In our 2018 audit, we found that many school boards did not have processes in place to identify events or circumstances that could negatively affect their operations and potentially damage their IT systems. For example, among the four boards we visited:

- The Toronto Board did not have a physical location to serve as a disaster recovery site for its IT systems.
- The Toronto and Algoma boards did not have a formal IT disaster recovery plan in place.
- The Waterloo Catholic Board had a disaster recovery plan that it had not yet fully tested.
- The Peel Board did not have a disaster recovery or business continuity plan in place.

We also found that the school boards were not clear on what mitigation measures they should use in which scenarios. Mitigation measures were put in place to foresee the kinds of damage that could potentially occur if disaster struck and to plan for limitation of the damage and recovery. In IT, this could involve plans and exercises for recovering data if servers were physically destroyed, for example.

At the time of our follow-up, we found:

Toronto Board: The board was in the process of developing a business continuity and disaster recovery plan at the board and school levels including the necessary assignment of roles and responsibilities, as well as training and testing exercises. However, the board had encountered financial challenges with budget cuts in the 2019/20 school year

and prioritized COVID-19 emergency measures. As a result, the plan to implement a formal business continuity and disaster recovery plan was delayed. The board expected to start working on specific tasks such as assessing risks, determining prevention and mitigation measures, and performing business impact analyses in the second half of 2020.

Algoma Board: The board had contracted a vendor to develop disaster recovery plans but work has been on hold due to COVID-19. The board's disaster recovery plans, including testing the plan and training staff, were expected to be implemented by April 2021.

Peel Board: The board had started a disaster recovery project and had opened a secondary data centre equipped with IT devices such as Uninterrupted Power Supply (UPS) and computer hardware in 2018. The board was in the process of developing a disaster recovery plan, and had planned to build disaster recovery test cases for testing and training staff by December 2022. In addition, the board was in the process of assessing risks and implementing effective mitigation measures for implementation by December 2023.

Recommendation 11

To manage risks to key information technology (IT) processes and infrastructure at the school boards and in the schools, and to help ensure that in case of disaster, essential information technology (IT) assets continue to function so that the boards are able to achieve their strategic objectives, we recommend that the school boards:

- *develop and put in place effective business continuity plans;*

Status: Toronto Board: Little or no progress.

Algoma Board: In the process of being implemented by April 2021.

Peel Board: In the process of being implemented by December 2023.

Details

We found in our 2018 audit that 64 school boards of the 69 that responded to our survey (93%) indicated that they did not have an approved business continuity plan in place. In addition, 44 school boards (64%) indicated they did not have approved service-level agreements for delivery of support and service to their schools in the event of a disaster. Without recognition of threats and key IT risks, and without having proactive measures in place in the event of a disaster, school boards were unable to ensure that personnel and assets would be protected and able to function. In addition, 38 of the school boards (55%) indicated that they did not have an approved backup policy that defines roles and responsibilities, backup schedules, retention policies, and disposal and security policies and practices.

In our follow-up, we found the following:

Toronto Board: The board planned to perform business impact analyses in the second half of 2020.

Algoma Board: The board was in the process of developing business continuity plans, but this work was put on hold due to COVID-19. The board was planning to implement business continuity plans by April 2021.

Peel Board: With the COVID-19 situation, the board had increased its resources to support remote working with software licensing and required hardware. The board was in the process of analyzing assets critical to the continuous functioning of the board to help define an effective business continuity plan. The board expected to implement this by December 2023.

- *establish backup policies, including backup schedules, retention policies, and disposal and security policies and practices.*

Status: Toronto Board: Little or no progress.

Algoma Board: Fully implemented.

Peel Board: Fully implemented.

Details

Toronto Board: The board expected to start working on specific tasks such as assessing risks, determining prevention and mitigation measures, and performing business impact analyses in the second half of 2020.

Algoma Board: The board had established a backup schedule based on the criticality of their databases and applications.

Peel Board: The board had documented backup procedures including backup schedules for board IT systems, and data and records retention policy. In addition, the board had a disposal policy for various types of media such as mobile devices, computers, servers and storage devices, and a certified vendor who provided a certificate of recycling for secure disposal.

Ministry and School Boards Not Always Obtaining Value for Money on IT Purchases

Recommendation 12

In order to ensure a good return on investment in all classroom equipment and student learning software, we recommend:

- *school boards ensure that teachers and staff receive necessary training in the use of the technology already purchased and on all future purchases of technology on a timely basis;*

Status: Toronto Board: In the process of being implemented by end of the 2020/21 school year.

Waterloo Catholic Board: In the process of being implemented by end of the 2020/21 school year.

Algoma Board: In the process of being implemented by end of the 2020/21 school year.

Peel Board: In the process of being implemented by end of the 2020/21 school year.

Details

In our 2018 audit, we found that the four school boards were not always obtaining value for money with purchases of hardware and software because the technology was not necessarily being used as intended, or to its full potential. The Ministry had spent more than \$18.6 million on virtual learning environment (VLE) software over the past five years, which it provided to the school boards for free. VLE provided a variety of online tools that helped with, for example, communication, assessment, student tracking and course management. However, staff at the school boards we visited and at the boards we surveyed noted that they received limited training from the Ministry on VLE.

In our follow-up, we found the following:

Toronto Board: The board provided online and in-person technology-related training to teachers and staff through the training website during the 2019/20 school year. The training website was available to all teachers and staff and provided training courses for the use of technology in classrooms and at the board. In addition, the training website tracked formal learning sessions for monitoring training completion status, and the course contents were regularly reviewed for appropriateness. In response to the COVID-19 pandemic, the board continues to provide ongoing remote learning training to teachers and staff.

Waterloo Catholic Board: The board provided ongoing training to teachers and staff on current technology, as well as on new technology being introduced, through an online training website and in-person sessions during the 2019/20 school year. In response to the COVID-19 pandemic, the board continues to provide ongoing remote learning training to teachers and staff.

Algoma Board: The board provided training in the use of technology to teachers and staff on an ongoing basis so that its technology would be used effectively. All new applications and classroom devices included formal training as well as video

training. Such training sessions were included as part of the professional development program for teachers and monitored in the learning management system for the 2019/20 school year. In response to the COVID-19 pandemic, the board continues to provide ongoing remote learning training to teachers and staff.

Peel Board: The board was providing ongoing training and support to teachers and staff in the use of technology during the 2019/20 school year. This training took various forms, such as online and in person (both one-on-one and group, where possible), as well as after-hours sessions and instructional resources such as FAQs, instructions and links to instructional videos. In response to the COVID-19 pandemic, the board continues to provide ongoing remote learning training to teachers and staff.

- *the Ministry of Education and school boards perform a cost-benefit analysis of the need for and use of equipment and software that can take the form of a business case before purchase.*

Status: The Ministry: In the process of being implemented by fall 2021.

Toronto Board: Fully implemented.

Waterloo Catholic Board: In the process of being implemented.

Algoma Board: Fully implemented.

Peel Board: Fully implemented.

Details

We found in our 2018 audit that due to the challenges with virtual learning environment (VLE) software, school boards were purchasing other learning tools in their classrooms. For example, the Algoma Board spent an additional \$57,500 over two years to purchase Edsby to use as its classroom management software instead of VLE, which the Ministry had provided for free. Edsby provided additional features for analyses of student attendance and report cards. We also found that the Toronto Board purchased 2,710 smartboards between 2013 and

2018 at a cost of about \$9.7 million. We noted that it purchased these smartboards without a formal business case or plan for their use.

In our follow-up, we found the following:

The Ministry: The Ministry completed a review of its educational software procurement approach and approved a transition plan in January 2020. As part of the transition plan, the Ministry would work with the Ontario Education Collaborative Marketplace, a not-for-profit education-sector partner that leads outreach and sourcing work for new educational software Vendor of Record (VOR) arrangements based on evidence and cost-benefit analyses. This would allow school boards to choose digital learning resources that meet their local needs. The Ministry had planned to implement this initiative by fall 2021.

Toronto Board: The board had performed assessments of the benefits of high-cost and complex technology such as smartboards (as well as business cases for them), and purchased such equipment and software only once the assessments or business cases were completed and approved. For instance, the board provided a business case for the procurement of a cybersecurity and threat protection software tool in February 2020 that included detailed information on benefits and costs.

Waterloo Catholic Board: The board had implemented an IT governance framework to ensure that IT resources were aligned with the board's academic and administrative objectives. The board surveyed staff, students and the school community about technology and software requirements. The feedback and purchase requirements for IT hardware and software were presented to the IT governance council for review and approval in the 2019/20 school year.

Algoma Board: We noted that the board performed a needs assessment for senior management approval prior to the purchase of equipment and software. The board also compared its product research with other school boards and vendors, and

compared pricing with other similar Ontario Public Service VOR arrangements in March 2020.

Peel Board: In March 2020, the board implemented a process to submit business cases for new projects, including IT initiatives, that were critical to the board's operations and goals. All business cases with cost-benefit analyses required approval by the Superintendent/Controller of the area and the Director or Associate Director before purchase.

Ministry and School Boards May Not Be Obtaining Full Value for Money for Student Information Systems

Recommendation 13

To eliminate duplication, save on costs and realize potential efficiencies in collecting and submitting student data, we recommend that the Ministry of Education, in collaboration with the school boards, investigate implementing a shared centrally managed student information system and determine whether such a system will achieve these aims.

Status: The Ministry: In the process of being implemented by June 2021.

Details

In our 2018 audit, we found that there was no single common centralized student information system at the provincial level. Such a centralized system could potentially bring cost savings to the boards through economies of scale if all school boards used one system managed by the Ministry. However, we noted that the Ministry and boards had not formally assessed whether there were potential overlaps, cost-saving opportunities and inefficiencies in the submission of student information.

In our follow-up, we found the following:

The Ministry: The Ministry was continuing to work with the school boards, through Ontario Association of School Business Officials – Information & Communication Technology and Education Computing Network of Ontario on the common Student

Information System Reference Architecture. The reference architecture would provide guidance on the implementation of standardized processes and applications, as well as define the student information data required. The Ministry, in collaboration with the school boards, was continuing to look for ways to streamline the new and existing data collection process, and to support school boards with research and analyses to assist them to make evidence-based decisions. The Ministry planned to complete the project by June 2021.

Recommendation 14

To improve the data reporting process for student information, we recommend that the Ministry of Education, in collaboration with the school boards:

- *improve the student information workflow with a focus on streamlining processes and providing clear information regarding errors and how to resolve them;*

Status: The Ministry: Fully implemented.

Details

We found in our 2018 audit that the effort required to submit data for one reporting period to the Ministry's Ontario School Information System (OnSIS) could be onerous for school boards. We noted that the lack of data validation and lack of clarity in business controls to ensure accuracy of data contributed to inefficiencies in the reporting process. School board staff who were involved in submitting data to the Ministry indicated to us that error messages from the Ministry's OnSIS system were not clear and often did not provide enough information to identify and resolve problems.

At the time of our follow-up, we found:

The Ministry: To streamline data submissions and reduce errors, the Ministry had improved data reporting requirements and communications to school boards regarding upcoming changes to the OnSIS through regular meetings with school boards. The Ministry was also working with the boards to

identify and fix specific error messages encountered by the boards during the submission process.

- *establish key performance indicators and monitor the time required for boards to sign off on OnSIS submissions and the quality of signed-off data;*

Status: The Ministry: Fully implemented.

Details

The Ministry: The Ministry had implemented a new quality assurance process for student information collected in OnSIS. To ensure accurate and timely data from boards at each submission, the Ministry performed quality assurance exercises and was sending boards checklists to review any anomalies for correction if required.

- *improve the training provided on OnSIS submission and reporting.*

Status: The Ministry: Fully implemented.

Details

We found in our 2018 audit that 55 of the 69 school boards that responded to our survey (80%) mentioned that the training provided by the Ministry on OnSIS data submission and reporting was not sufficient. Our follow-up found:

The Ministry: The Ministry had issued a new user guide in December 2019 and updated its OnSIS training materials. The Ministry had also provided documents that explained changes made to the OnSIS application to school boards.

Chapter 1

Section 1.13

Ministry of Government and Consumer Services

Technical Standards and Safety Authority

Follow-Up on VFM Section 3.13, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	3	1	2			
Recommendation 2	3	1	2			
Recommendation 3	1	1				
Recommendation 4	5	4	1			
Recommendation 5	3	1	2			
Recommendation 6	1	1				
Recommendation 7	1	1				
Recommendation 8	1	1				
Recommendation 9	4	4				
Recommendation 10	2	1	1			
Recommendation 11	2		2			
Recommendation 12	2	1	1			
Recommendation 13	2	1	1			
Recommendation 14	3	3				
Recommendation 15	1	1				
Recommendation 16	2	2				
Recommendation 17	2					2
Recommendation 18	3	3				
Recommendation 19	1	1				
Total	42	28	12	0	0	2
%	100	67	28	0	0	5

Overall Conclusion

As of September 30, 2020, the Technical Standards and Safety Authority (TSSA) and the Ministry of Government and Consumer Services (Ministry) have fully implemented 67% of the recommended actions in our *2018 Annual Report*. For example, the TSSA established a clear decision-making framework for deciding which programs require ongoing risk-based inspection programs; where frequency of inspections could be reduced or eliminated; and whether other oversight methods, such as licensing conditions or voluntary registration, could be used. It also implemented an oversight process to withhold operating permits for amusement rides with outstanding safety issues, and began random inspections to make sure uninspected rides are not being used. Furthermore, it is now auditing insurance companies to assess whether they are following inspection standards for boilers and pressure vessels.

About 28% of the actions we recommended were in the process of being implemented. In response to our *2018 Annual Report*, the TSSA Board approved (in April 2019) a four-year plan for a major regulatory transformation of the TSSA. As part of this transformation, the TSSA has been addressing some of our recommendations. For example, it is in the process of reviewing, updating and formalizing inspection standards for all safety program areas; assessing where checklists can be used to improve inspection processes; and reviewing operating license requirements to determine if companies should be required to meet specific conditions before renewing licences. The TSSA is also in the process of upgrading and replacing all of its information technology systems to support this regulatory transformation. Throughout this report, we explain how specific items in the transformation plan relate to and address some of our recommendations. We refer to the transformation plan as “Regulatory Transformation Plan” throughout this report.

A further 5% of our recommended actions are no longer applicable because the TSSA found a different solution or, in the case of Upholstered and Stuffed Articles, the Ontario government cancelled the safety program altogether.

The status of actions taken on each of our recommendations is described in this report.

Background

The Government of Ontario established the Technical Standards and Safety Authority (TSSA) in 1997 with a mandate to promote and enforce public safety on its behalf over a broad range of equipment and industrial operations.

The TSSA promotes and enforces public safety through four programs:

- Fuels Storage and Handling (Fuels);
- Boilers and Pressure Vessels and Operating Engineers (Boilers and Pressure Vessels);
- Upholstered and Stuffed Articles, (subsequent to our 2018 audit, the government has cancelled this program); and
- Elevating Devices, Amusement Devices and Ski Lifts (Elevating Devices).

The TSSA is self-funded through the fees that it charges the organizations it regulates, and receives no government funding. The TSSA is responsible for registering, licensing and inspecting the manufacture, installation, maintenance and operation of the devices and companies it regulates. Until July 1, 2019, when the government cancelled the Upholstered and Stuffed Articles program, the TSSA was also responsible for ensuring that upholstered and stuffed articles sold in Ontario, such as toys, mattresses and furniture, are made with new and clean filling materials, and that their labels correctly describe their contents. The TSSA has the authority to shut down unsafe devices and prosecute companies that do not comply with safety laws.

The Ministry of Government and Consumer Services (Ministry) is responsible for overseeing the TSSA, but we found the Ministry had not ensured that the TSSA was fulfilling its mandate, and we observed that the TSSA's own oversight processes were not fully effective.

Among our significant findings:

- The TSSA did not have consistent inspection standards that all inspectors were required to follow. The TSSA could also not explain why it did not periodically inspect some areas in the fuel sector, such as pipelines, compressed natural gas stations and propane distributors.
- A small number of large elevator-maintenance companies had dominated the Ontario market and for years had been failing to maintain most of the province's operating elevators in accordance with safety laws. The TSSA had tried with little success to have these large companies perform required maintenance and safety tests. When we discussed this issue with representatives of the maintenance companies, their view was that sometimes elevator owners were responsible for poor compliance with safety laws.
- The TSSA's computer system was outdated and contained inconsistent and incomplete information about the safety status of devices and businesses that it regulates. As a result, in 2018, the TSSA renewed the operating licences of over 300 elevators that at the same time were shut down by the TSSA for being unsafe to operate.
- When the TSSA found a mislabelled upholstered and stuffed article that it deemed to be a risk to the public, it ordered the inspected retailer to remove the article from sale. However, we were able to purchase the same mislabelled articles from other stores and online because the TSSA did not check other sources of sale. Also, we were able to purchase one out of every two mislabelled articles from the same inspected stores that the TSSA had ordered to stop selling these articles.
- For almost 20 years, the TSSA had done little to enforce and promote the safety of approximately 65,000 installed and operating boilers and pressure vessels as required under its Act. The TSSA did not know how many devices were operating in Ontario and where they were located. The TSSA told us that these devices were being inspected by insurers, but it was not collecting evidence to confirm this. We also noted that insurance coverage was not mandatory for operating boilers and pressure vessels.
- Ontario was the only province in Canada where boilers and pressure vessels used in agricultural operations were exempt from safety laws.
- The TSSA was responsible for ensuring that owners of fuel storage sites cleaned up their sites after they ceased operations. However, we found that the TSSA was not ensuring that abandoned sites were cleaned up if it could not locate owners to recover costs.

We made 19 recommendations, consisting of 42 action items, to address our audit findings. We received a commitment from the Ministry and the Technical Standards and Safety Authority that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between March 2020 and June 2020. We obtained written representation from the Technical Standards and Safety Authority and the Ministry of Government and Consumer Services that effective September 30, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Ministry Does Not Regularly Review the TSSA's Inspection and Licensing Activities

Recommendation 1

To ensure that the TSSA is meeting its mandate to promote and enforce public safety in all regulated sectors under the Technical Standards and Safety Act, 2000, and its regulations and associated codes and standards, we recommend that the Ministry of Government and Consumer Services:

- *establish performance indicators and targets for the TSSA that drive improvement in each of the regulated sectors;*

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry of Government and Consumer Services (Ministry) has not been effectively overseeing the TSSA's performance and assessing whether the TSSA is accomplishing its mandate. For example, the TSSA's target for its periodic inspection pass rate was to be "equal to or better than the previous fiscal year." Being "equal to" the previous fiscal year provides no motivation for the TSSA to improve the periodic inspection pass rates in the sectors that it regulates.

In our follow-up, we found that in August 2019, the TSSA and the Ministry completed interjurisdictional research on performance indicators and targets used to evaluate organizations like the TSSA. Based on this research, in April 2020, the Ministry established seven new performance indicators and targets for the TSSA that are designed to drive improvements in each of its regulated sectors. For example, for fiscal year 2020/21, the TSSA has a target to decrease the inventory of high-risk devices by 0.5%. The TSSA published the new seven performance indicators on its website on October 1, 2020.

- *on a regular basis assess the TSSA's performance against these targets;*

Status: In the process of being implemented by June 2021.

Details

In our 2018 audit, we found that the Ministry does not regularly collect sufficient operational information to review the TSSA's licensing and inspection activities, so it does not fully know what the TSSA inspects, how many inspections the TSSA performs each year, and the quality of these inspections.

In our follow-up, we found that according to the Memorandum of Understanding between the TSSA and the Ministry, the TSSA will begin to report to the Ministry, on a quarterly basis, information related to the newly established seven performance targets. Since the performance indicators were approved in April 2020, the Ministry expects to receive the first report from the TSSA in the fall of 2020. It then plans to begin to regularly review the information and assess, on an annual basis, the TSSA's performance against the seven new performance indicators and associated targets. The Ministry expects to conduct the first annual assessment in June 2021 based on the information the TSSA reports during the 2020/21 fiscal year.

- *take corrective actions where necessary.*

Status: In the process of being implemented by June 2021.

Details

During our follow-up, the Ministry informed us that once it completes its first annual assessment of the TSSA against the seven new performance indicators and associated targets, expected in June 2021, it will undertake corrective actions where and if necessary.

Information Technology Deficiencies Impede the TSSA's Operations

Recommendation 2

To further reduce the potential risks to public safety, we recommend that the TSSA:

- *review and update its information technology systems;*

Status: In the process of being implemented by September 2022.

Details

In our 2018 audit, we found that the TSSA's computer system was outdated and that some of the information it contained was inaccurate. For instance, the system did not allow the TSSA to sort and analyze its inspection data to identify trends in non-compliance or the most frequent type of non-compliance in each regulated sector. The TSSA also could not tell how long it took to resolve non-compliance identified by its inspections and its inspection scheduling was done manually.

The TSSA hired a new Chief Information Officer (CIO) in early 2019. During 2019, the CIO led a review of the TSSA's information technology systems to identify any gaps and weaknesses. To address these gaps and weaknesses, in October 2019, the TSSA Board approved a multi-year plan for a major replacement and upgrade of TSSA's information technology systems. At the time of our follow-up, the CIO was in the process of implementing this multi-year plan. For instance, in January 2020, the TSSA moved to an Oracle Cloud system.

According to the schedule in the multi-year plan, the TSSA will replace the information technology systems supporting the Boilers and Pressure Vessels safety program in February 2021, followed by those supporting the other safety programs by September 2022.

- *conduct a review of its renewal process for operating licences in the regulated sectors to determine if any licensed devices and companies should be required to meet specific conditions before their operating licences are renewed;*

Status: In the process of being implemented by June 2023.

Details

In our 2018 audit, we found that the TSSA automatically renews operating licences for the devices

and companies it regulates when it receives payment for them. Renewals are not conditional on meeting any safety requirements (except in the propane sector).

As part of its Regulatory Transformation Plan, the TSSA intends to review its licence renewal process to determine if any licensed devices and companies should be required to meet specific conditions. During our follow-up, the TSSA was in the process of reviewing the operating licence requirements for its propane cylinder exchange program. The TSSA informed us that it plans to complete reviewing its renewal process for operating licenses in its remaining safety programs by June 2023.

- *review all renewals of operating licences to ensure that licences of unsafe devices or companies or those that do not meet licensing conditions are not automatically renewed.*

Status: Fully implemented.

Details

In our 2018 audit, we found that the TSSA renewed the operating licences for just over 300 elevators that were still shut down by the TSSA as being unsafe to operate. The TSSA granted these renewals because the computer system it uses to process licence renewals is separate from the system it uses for inspections, and no one reconciles the information found in the two systems.

During our follow-up, we found that as of January 2020, the TSSA stopped automatically issuing licences for elevator, ski or amusement devices. Specifically, TSSA upgraded its computer system so it blocks the issuance of a licence to any elevating, ski or amusement device that has been shut down for safety reasons.

The TSSA's Chief Safety and Risk Officer's Key Responsibilities Are Unclear

Recommendation 3

To help its Chief Safety and Risk Officer (Safety Officer) review and report on the TSSA's public safety activities and performance more effectively, we recommend that the TSSA, together with the Ministry of Government and Consumer Services, more clearly and precisely define the Safety Officer's responsibilities and regularly evaluate the Safety Officer's performance against established performance criteria.

Status: Fully implemented.

Details

In our 2018 audit, we found that the Chief Safety and Risk Officer (Safety Officer) contract limited work to a maximum of 60 days per year at a daily rate of \$1,800 and gave only a vague description of the Safety Officer's key responsibilities. As a result, we found the role of Safety Office was not effective in fulfilling its mandate to provide an independent review of TSSA's public safety activities and performance. For example, we found no documentation to indicate that any review had been undertaken, and since 2001, the TSSA has not been fulfilling most of its responsibilities under the *Technical Standards and Safety Act, 2000* with respect to the safety of boilers and pressure vessels.

In our follow-up, we found that the TSSA, together with the Ministry of Government and Consumer Services, more clearly and precisely defined the Safety Officer's responsibilities. According to the new definitions, updated in October 2019, the Safety Officer is now responsible for reviewing, on an annual basis, the TSSA's operations from a public safety perspective, and for recommending how TSSA's oversight processes could be improved. The TSSA also established a new performance framework for the Safety Officer, which was approved by TSSA's Board in September 2019, and hired a new Safety Officer in late 2019.

The TSSA's Public Reporting on Safety Issues Is Incomplete and Inaccurate

Recommendation 4

To help ensure the effectiveness and transparency of its operations, we recommend that, on a regular basis, the TSSA publicly report the following information, after reviewing it for completeness and accuracy:

- *the number and type of inspections performed in each safety program area;*

Status: Fully implemented.

Details

In our 2018 audit, we found that the information contained in the TSSA's 2017 Safety Report (the latest available at that time) presented an inaccurate picture of the safety risks present in the sectors the TSSA regulates. Each year, the TSSA publishes its Safety Report containing key safety-related information on the sectors it regulates and its evaluation of its own performance. The Ministry and the Chief Safety and Risk Officer are supposed to use the Safety Report to monitor the state of safety of each regulated sector and to evaluate the TSSA's performance. However, we found that by omitting some data and presenting other inaccurate information, the TSSA was underreporting fuel incidents and presenting pass rates that were misleading.

In our follow-up, we found that in its 2019 Safety Report, the TSSA reported the number and type of inspections performed in each safety program area, which gives a more accurate picture of the overall state of safety. The TSSA told us that it will continue to include this information in its future Safety Reports.

- *the inspection and compliance rate in each safety program area, including the inspection compliance rate for each elevator maintenance company that operates in Ontario;*

Status: In the process of being implemented by September 2022.

Details

In our follow-up, we found that the TSSA reported the inspection and compliance rate in each safety program area in its 2019 Safety Report. However, it did not report the inspection compliance rate for each elevator maintenance company that operates in Ontario, and instead reported the aggregate compliance rate for all elevators in Ontario. The TSSA informed us that it could not report individual company compliance rates because of issues with its outdated information technology systems. Following the expected roll-out of its new information technology systems in September 2022 (see **Recommendation 2** for details), the TSSA plans to begin reporting the inspection compliance rate for each elevator maintenance company.

- *the most common non-compliance issues identified in each safety program area;*
Status: Fully implemented.

Details

In our follow-up, we found that in its 2019 Safety Report, the TSSA reported the most common non-compliance issues identified in each safety program area. The TSSA told us that it will continue to report this information in its future Safety Reports.

- *safety incidents reported by each safety program area;*
Status: Fully implemented.

Details

In our 2018 audit, we found that the TSSA under-reported some incidents involving fuels. In our follow-up, we found that in its 2019 Safety Report, the TSSA reported a complete summary of the safety incidents from each program area it regulates. The TSSA told us that it will continue to report this information in its future Safety Reports.

- *the number and result of re-inspections completed in each safety program area.*
Status: Fully implemented.

Details

In our follow-up, we found that in its 2019 Safety Report, the TSSA's reported the number and result of re-inspections completed in each safety program area. The TSSA told us that it will continue to report this information in its future Safety Reports.

Inspectors Are Not Supervised Effectively and Do Not Use Inspection Checklists

Recommendation 5

To improve public safety by ensuring that TSSA's periodic inspections are conducted with greater thoroughness and consistency, we recommend that the TSSA:

- *implement checklists in all of its safety programs where practical;*
Status: In the process of being implemented by June 2023.

Details

During our 2018 audit, we accompanied TSSA inspectors on a number of inspections in each of the safety program areas and found that the inspectors were not using a checklist or any other document for guidance. For example, the TSSA elevator inspector did not collect information to show that every main mechanical part had been inspected and to record each part's condition. The only key information documented in the inspection report related to non-compliance with safety laws that the inspector identified.

During our follow-up, we found that as part of the Regulatory Transformation Plan, the TSSA is reviewing all its inspection practices and assessing where the use of checklists would be practical. The TSSA did implement checklists in its propane cylinder exchange program (in August 2019) and in its tanker truck inspection program (in November 2019). At the time of our follow-up, the TSSA was in the process of reviewing the practicability of using checklists in its other safety programs. The

TSSA informed us that it expects to complete this work by June 2023.

- *formalize its inspection standards, including those with respect to:*
 - *the type and amount of inspections that should be performed;*
 - *the number of samples that inspectors should select and inspect or test;*
 - *inspection pass and fail criteria; and*
 - *minimum record-keeping requirements;*

Status: In the process of being implemented by June 2023.

Details

In our follow-up, we found that as part of the Regulatory Transformation Plan, the TSSA is reviewing, updating, and formalizing its inspection standards for all its safety program areas. As discussed later in this report under Recommendations 10 and 14, the TSSA formalized its inspection standards for fuel oil distributors (in November 2019) and heating contractors (in April 2020). At the time of our follow-up, the TSSA was in the process of formalizing its inspection standards for escalators, ski lifts and pipelines, which it expects to complete by the end of 2020. The TSSA informed us that it expects to complete its review and formalize its inspection standards for the remaining safety program areas by June 2023.

- *implement an inspector oversight process that includes an after-the-fact review and/or re-inspection of completed inspections.*

Status: Fully implemented.

Details

In our 2018 audit, we found that TSSA inspectors were not supervised effectively. To check if inspectors were carrying out inspections properly, each inspector would be accompanied by a supervisor on at least two inspections each year, and awarded a performance score. In the presence of a supervisor, inspectors are motivated to do well—and in fact, when we reviewed the inspection performance

scores awarded in 2017, we found that nearly all inspectors had passed with almost perfect scores.

In our follow-up, we found that in May 2019, the TSSA implemented an after-the-fact inspector oversight process for all its safety programs. Safety program supervisors are now required to randomly select and review two inspection reports per month for each inspector and check if the inspection was conducted and documented properly. During quarterly staff meetings, supervisors are now also required to communicate to staff common inspection deficiencies that they found in the previous quarter.

No Continuing Education Requirement for Most TSSA-Certified Technicians and Mechanics

Recommendation 6

To reduce the risk to public safety and help ensure that licensed mechanics and technicians remain qualified, we recommend that the TSSA implement, where needed, a continuing education requirement as a condition of recertification.

Status: Fully implemented.

Details

A coroner's inquiry into the death of an elevator mechanic in 2005 recommended that the TSSA implement a continuing education requirement for elevator mechanics as a condition of recertification. In 2011, the TSSA adopted this recommendation for elevator mechanics, but in our 2018 audit we found the TSSA had not adopted a continuing education requirement for any other mechanics/technicians that it certifies.

In our follow-up, we found that in January 2019, the TSSA implemented a continuing education requirement for all ski-lift mechanics. We also found that in late 2019, the TSSA reviewed its safety incident data and held consultations with industry stakeholders to determine if additional continuing education requirements should be implemented for any other mechanics/technicians

that TSSA certifies. At the conclusion of this work, the TSSA determined that there was no immediate need for any additional continuing education requirements. The TSSA informed us that it will continue to monitor its safety incident data and assess if a need arises for any additional continuing education requirements for the mechanics/technicians that it certifies.

The TSSA Continues to Collect Fees That Exceed the Cost of Operating Two of Its Four Safety Programs

Recommendation 7

To ensure that fees charged reasonably reflect the cost of operating each specific safety program and that some safety programs are not being used to cover the costs of running other programs, we recommend that the TSSA conduct a review of its fee structure and publicly report the fee revenues collected from and costs of enforcement in each safety program area.

Status: Fully implemented.

Details

In our 2018 audit, we found that the TSSA collects fees for some safety programs that exceed the cost of operating them, and that cross-subsidization of other program occurs, even though the memorandum of understanding between the Ministry and the TSSA prohibits this. Our analysis of the TSSA's financial information found that over the past five years, the Elevating Devices and the Upholstered and Stuffed Articles safety programs' fees were in surplus; we further found that the surplus was being used to cover the costs of the Fuels and the Boilers and Pressure Vessels safety programs.

In our follow-up, we found that the TSSA reviewed its fees in early 2019 to determine what changes were necessary so that each program could be self-sustaining. In August 2019, the TSSA increased its fees in all sectors, including the Fuels and the Boilers and Pressure Vessels safety programs. The fee increase is being phased in over three years, with the final increase scheduled to

take effect in May 2021, at which time each program will be close to full cost recovery. The TSSA told us that to make sure that each of its safety programs remains self-sustaining, it plans to increase its fees each year, starting in 2022, to match the rate of inflation. Starting in October 2019, the TSSA also began to publicly report in its Annual Report the fee revenues collected from and costs of enforcement in each safety program area.

Potential Safety Risks Poorly Managed in Propane and Liquid Fuels Sector

Recommendation 8

To reduce the risk of potential incidents in the propane sector, we recommend that the TSSA adopt as soon as possible the Propane Expert Panel's recommendation for its risk-based inspection program and use all relevant information found in the Risk and Safety Management Plans to establish a risk score used to determine propane facility inspection selection methodology.

Status: Fully implemented.

Details

In late 2008, the Propane Expert Panel (appointed by the Ontario government in response to the Sunrise propane explosion in Toronto) made several recommendations aimed at improving safety in the propane sector. In our 2018 audit, we found that although propane companies have been submitting Risk and Safety Plans to the TSSA as recommended by the panel, the TSSA was not using this information to determine the location of the highest-risk propane facilities, or to establish the risk-based inspection approach recommended by the panel.

In our follow-up, we found that in early 2020, the TSSA entered pertinent information found in the Risk and Safety Plans into its database. Using this information, the TSSA then assigned a risk score for each propane facility, which it used to develop a risk-based schedule that it will be following for its inspections of large bulk propane storage and filling plants and refill centres in fiscal 2020/21.

Recommendation 9

To help ensure that the TSSA's rationales for regulatory oversight are clearly based on evidence and its decisions balance public safety with the costs of regulatory compliance, we recommend that the TSSA establish a clear decision-making framework for when it is justifiable to:

- request the Ministry of Government and Consumer Services to license businesses operating in a specific sector;
- implement an ongoing risk-based periodic inspection program;
- reduce the frequency of inspections or eliminate inspections; and
- use other oversight methods, such as licensing conditions or voluntary registration.

Status: Fully implemented.

Details

The *Technical Standards and Safety Act, 2000* provides the TSSA with broad inspection powers to inspect any fuel facilities and equipment that it deems necessary, establish inspection programs, and request the Ministry introduce new licensing requirements. However, in our 2018 audit, we found that the TSSA's requests to the Ministry for licensing requirements and its decisions to implement inspection programs were not always based on accurate information about potential safety risks. We also found that the TSSA had not developed a clear, evidence-based framework for deciding when to implement a periodic inspection program for the businesses that it licenses. Furthermore, the TSSA had not inspected any unlicensed businesses that must comply with safety laws to see if they present a safety hazard to the public that would justify requiring them to be licensed and/or periodically inspected.

In our follow-up, we found that the TSSA established, in April 2020, a new risk-based decision-making framework ("framework") for all its safety program areas, after receiving input from an expert panel consisting of seven professionals from aca-

demia and leading inspection agencies. The TSSA began applying the framework to its safety programs to decide which ones require ongoing, risk-based inspections; where frequency of inspections could be reduced or eliminated; and what other oversight methods, such as licensing conditions or voluntary registration, could be used. The TSSA informed us that it plans to complete the review of all its safety programs using the new framework by June 2023.

Recommendation 10

To reduce the risk of fuel oil contamination from fuel oil tanks and hazardous carbon monoxide releases from fuel-burning equipment, we recommend that the TSSA as soon as possible:

- require fuel oil distributors to submit inspection reports of oil tanks they service to the TSSA as part of their annual licensing conditions;

Status: In the process of being implemented in an alternative way.

Details

Fuel oil is used to heat homes as an alternative to natural gas. The TSSA is required to inspect fuel oil distributors to ensure they are inspecting fuel oil tanks and delivering fuel oil only into safe tanks. However, in our 2018 audit, we found that the TSSA did not conduct periodic inspections of fuel oil distributors and did not collect any information from them to ensure they are inspecting the fuel tanks. At the time of our 2018 audit, there were 158 licensed fuel oil distributors operating in Ontario.

In our follow-up, we found that the TSSA launched, in November 2019, a new inspection program for fuel oil distributors instead of requiring them to submit inspection reports of the oil tanks they service as part of their annual licensing conditions. The new inspection program includes a physical examination of oil distributors' records and inspection reports for the oil tanks they service. The TSSA believes this would better ensure that oil distributors are inspecting all the oil tanks they

service, and not just submitting records of a few completed inspections. Inspections under the new program were scheduled to begin in April 2020, but have been postponed to November 2020 given COVID-19 restrictions.

- *Together with the Ministry of Government and Consumer Services (Ministry), develop an action plan outlining the specific steps the Ministry and the TSSA plan to take with oil distributors and tank owners to improve the safety of oil tanks.*

Status: Fully implemented.

Details

In our follow-up, we found that the TSSA worked with the Ministry to develop an action plan in November 2019 that outlines the specific steps the TSSA plans to take with oil distributors and tank owners to improve the safety of oil tanks. As part of this plan, the TSSA launched a new inspection program of fuel oil distributors in November 2019, which includes a physical examination of their records and inspection reports for the oil tanks they service. Due to COVID-19 restrictions, inspections under this new inspection program are scheduled to start in November 2020. The TSSA and Ministry informed us that once the inspection results are gathered and available, expected some time in late 2021, they will assess the results to determine if any additional steps need to be taken to improve the safety of oil tanks, possibly directly with the tank owners.

Contamination from Fuel Facilities Allowed to Continue

Recommendation 11

To reduce the risk of contamination of source water, we recommend that the TSSA:

- *work together with pertinent implementing bodies for source water protection plans and the Ministry of Environment, Conservation and Parks on developing a plan to identify the*

location of private fuel storage sites that pose a significant threat to source water;

Status: In the process of being implemented by December 2020.

Details

During our 2018 audit, we investigated whether the TSSA had started to inspect private fuel storage sites, as it agreed to do in November 2014 at the time of our audit of the Source Water Protection Program. While the TSSA had a plan in early 2015 to start inspecting these sites, it never did because it said that it is difficult to locate these sites, as they are not required to be licensed. The TSSA continued to investigate reported fuel incidents involving private fuel storage and issue orders for any non-compliance with safety laws. In 2017, the TSSA analyzed the information from its fuel spill investigations on private properties and found that about 85% of the sites did not fully comply with applicable fuel storage safety laws.

In our follow-up, the TSSA told us that it had met with the Ministry of Environment, Conservation and Parks, and the Ministry of Government and Consumer Services in December 2019 to begin developing a plan to identify the location of private fuel storage sites that pose a significant threat to source water. The TSSA informed us that it expects this plan to be finalized in December 2020.

- *where further action is needed, establish a risk-based periodic inspection program for private fuel storage sites that pose a significant threat to source water.*

Status: In the process of being implemented by May 2021.

Details

In our follow-up, we found that as part of the plan to identify the location of private fuel storage sites that pose a significant threat to source water, the TSSA has proposed to the Ministry of Government and Consumer Services and the Ministry of the

Environment, Conservation and Parks to combine the TSSA's current risk-based methodology and the Ministry of the Environment, Conservation and Parks' existing source water risk framework. Once the inspection approach is finalized and sites are identified, the TSSA committed to begin risk-based inspections of these sites in May 2021.

Recommendation 12

To reduce the risk of contamination spreading on and beyond abandoned fuel sites, we recommend that the TSSA:

- *update its memorandum of understanding with the Ministry of the Environment, Conservation and Parks and work together to develop and implement a centralized database inventory of all abandoned fuel sites and a risk prioritization model to identify high-risk sites;*

Status: Fully implemented.

Details

In our 2018 audit, we found that negotiations between the TSSA and the Ministry of the Environment, Conservation and Parks (Ministry of the Environment) had been going on for over six years to clarify responsibilities related to abandoned fuel sites. However, no changes had yet been made to the memorandum of understanding signed in 1997, and the problem of cleaning up abandoned fuel sites remained unresolved.

In our follow-up, we found that the TSSA and the Ministry of the Environment had signed an updated memorandum of understanding in September 2019 that clarifies and strengthens the wording describing the TSSA's and the Ministry of the Environment's responsibilities for abandoned fuel sites. We also found that in April of 2019, the TSSA gave the Ministry of the Environment its most up-to-date listing of abandoned fuel sites. The Ministry of the Environment used this information to create a centralized database inventory of abandoned fuel sites. In March 2020, the Ministry of the Environment developed a model to prioritize

high-risk abandoned fuel sites, and began to apply this model to its inventory of abandoned fuel sites.

- *work together with the Ministry of Government and Consumer Services and the Ministry of the Environment, Conservation and Parks to develop a long-term funding strategy to remediate abandoned fuel sites.*

Status: In the process of being implemented by November 2021.

Details

In our 2018 audit, we found that the TSSA is not ensuring that abandoned fuel sites are cleaned up, which increases the risk of environmental contamination. Because the TSSA operates on a cost-recovery basis, it has no extra funds available to cover the cost of clean-up or removing oil storage tanks safely when owners abandon sites without proper remediation as required by safety laws. At the time of our 2018 audit, the TSSA's records showed that there were about 300 abandoned fuel storage sites (primarily old abandoned gas stations) with a total of 740 fuel tanks, where the owners could not be located to recover clean-up costs.

In our follow-up, we found that in late 2019 the TSSA together with the Ministry of Government and Consumer Services and the Ministry of the Environment, Conservation and Parks began working on a long-term funding strategy to remediate abandoned fuel sites. The TSSA told us it plans to submit the final version of the strategy to the government for approval by November 2020.

No Inspection of Oil and Natural Gas Pipelines

Recommendation 13

To reduce the risk of pipeline safety incidents, we recommend that the TSSA:

- *review its current oversight practice for pipeline operators against best practices from other jurisdictions;*

Status: Fully implemented.

Details

In our 2018 audit, we found that the TSSA itself does not inspect pipelines, but instead relies on the pipeline operators to conduct their own inspections. Once every five years, the TSSA then audits the pipeline operators' records of inspections and records of their pipelines' incident history, operation manuals and employee training requirements. While safety laws require the TSSA to license pipeline operators, they do not prescribe how, and at what frequency, the TSSA should inspect their pipelines. Despite two major pipeline leaks in Ontario since the TSSA's inception in 1997, we found that the TSSA has not updated or changed its practices for inspecting pipeline operators.

In our follow-up, we found that in December 2019, the TSSA reviewed its oversight practices for pipeline operators against best practices from Alberta, British Columbia, and a number of jurisdictions in the United States, such as New York and California.

- *move toward a risk-based oversight approach based on each pipeline operator's specific safety risks.*

Status: In the process of being implemented by November 2020.

Details

During our follow-up, the TSSA informed us that it is developing a new risk-based approach to its oversight of pipeline operators based on the inter-jurisdictional review of best practices that it completed in December 2019. The TSSA plans to ask the Ministry of Government and Consumer Services to review its new oversight program in the second half of 2020. At the time of our follow-up, the TSSA was collecting information that will help it assess the risk of each pipeline operator. Once this work is done, the TSSA expects to implement the new risk-based oversight program of pipeline operators in November 2020.

Fuel-Burning Appliances: Improper Installation and Maintenance

Recommendation 14

To reduce the risks of carbon monoxide releases due to poor fuel-burning equipment installation and maintenance, we recommend that the TSSA:

- *as part of its annual licensing conditions require fuel-burning installation and maintenance companies to submit to the TSSA a list of all employed technicians;*

Status: Fully implemented through a different method.

Details

In our 2018 audit, we found that the TSSA's inspection of companies that install fuel-burning equipment was inadequate despite the risk of carbon monoxide releases. Once every three years, the TSSA inspected the companies it licensed by visiting the sites of completed jobs to determine if the work performed by their technicians complied with applicable safety laws. However, we found that the TSSA only inspected a small portion of jobs that were pre-selected by the companies; as such, many of the certified technicians had never been inspected. Furthermore, we found that of those jobs that had been inspected over the previous five years, TSSA's records indicated that, on average, 43% of installation and maintenance jobs failed the inspection.

In our follow-up, we found that the TSSA decided against keeping lists of certified technicians and inspecting individual jobs. The TSSA told us it had begun to collect these lists from its licensed companies in 2019, but found it difficult to keep them up to date as technicians changed employment, moved between companies, or performed work for multiple companies. Instead, starting in April 2020, the TSSA began inspecting, on a three-year cycle, the licensed companies that employ the technicians. During the new inspection process, the TSSA checks each company's records to verify that the company complies with its legal obligation to install only approved equipment, employ only

certified technicians, and have a quality-assurance program in place to ensure that its technicians comply with required safety laws when performing installations and maintenance jobs. As of May 2020, the TSSA inspected 548 licensed companies, and told us that by May 2023 it plans to inspect the remaining 8,500 licensed companies.

- *develop and implement a robust centralized information system that tracks the number of technicians working for each company;*

Status: Fully implemented through a different method.

Details

In our follow-up, we found that in April 2020 the TSSA stopped inspecting individual jobs completed by certified technicians and instead began to inspect the licensed companies that employ the technicians. As a result of this change, the TSSA no longer needs to track the number of technicians working for each company and this action item is no longer applicable.

- *select a number of technicians from each company for inspection, ensuring that over time all technicians are inspected.*

Status: Fully implemented through a different method.

Details

In our follow-up, we found that in April 2020, the TSSA stopped inspecting individual jobs completed by certified technicians, and this action item is no longer applicable.

Most Ontario Elevators and Escalators Are Not in Compliance with Safety Laws: Situation Is Getting Worse

Recommendation 15

To improve compliance with safety laws in the Elevating Devices sector, we recommend that the TSSA, together with the Ministry of Government and

Consumer Services (Ministry), develop an action plan outlining specific steps the Ministry and TSSA plan to take with elevator owners and maintenance companies to resolve current safety issues and bring the safety law compliance rate to an acceptable level.

Status: Fully implemented.

Details

In our 2018 audit, we found that the TSSA conducted inspections of elevating devices to ensure that they are built and installed in accordance with safety laws. However, we found that the TSSA lacked strong enough enforcement powers to deal with the large elevator maintenance companies that for years have not maintained most of Ontario's operating elevators in accordance with safety laws.

In our follow-up, we found that the TSSA, together with the Ministry of Government and Consumer Services (Ministry), developed an action plan in 2019 that outlines specific steps that the Ministry and TSSA would take together with elevator owners and maintenance companies to resolve current safety issues and bring the safety law compliance rate to an acceptable level. As part of this plan, starting in early 2019, the TSSA began holding regular monthly meetings with the four large elevator maintenance companies to discuss how best to resolve elevator safety issues and improve safety law compliance.

In October 2019, the TSSA launched an education and outreach program for elevator owners to help them identify and resolve high-risk issues with their elevating devices. In late 2019, the TSSA also completed a review of its historical inspection data and found that while there are a high number of inspection non-compliance orders, most of them are not high risk, or are due to administrative-type issues. The TSSA is now in the process of using this information to update its elevator inspection practices to focus more on high-risk non-compliance. Also, in July and August 2020, the Ministry consulted the public on a proposed update of safety laws that would allow the TSSA to administer financial penalties to elevator owners and contractors who do not comply with safety laws.

The TSSA Does Not Know if Uninspected Amusement Rides Are Being Used

Recommendation 16

To improve the safety of amusement park rides, we recommend that the TSSA:

- *implement an oversight process to ensure that operating permits are issued only to rides that have been inspected and found to be safe after any safety issues are remedied;*

Status: Fully implemented.

Details

In our 2018 audit, we found two unsafe amusement rides with a TSSA operating permit in use at one of the largest street festivals in Ontario. We investigated why the TSSA had issued operating permits to these rides and found that the TSSA had previously inspected these two rides and identified the same safety problems that we found; however, the TSSA inspector who did the initial inspection never followed up, as required, to check if the safety problems had been fixed before issuing operating permits.

In our follow-up, we found that in January 2020, the TSSA updated its policies and stopped issuing operating permits to inspected amusement rides with any outstanding high-risk safety problems. The operating permits are now issued only after the high-risk safety problems are remediated.

- *establish an inspection process to ensure that only rides with valid operating permits are in use.*

Status: Fully implemented.

Details

In our 2018 audit, we found that the TSSA does not have a program in place to conduct random inspections of amusement parks to find out if any uninspected amusement devices are being operated. We found that in New Jersey, the agency responsible for inspecting amusement rides, the

Carnival and Amusement Ride Safety Unit of the Department of Community Affairs, conducts random inspections to ensure that park operators operate only inspected devices.

In our follow-up, we found that the TSSA established a new program to conduct random inspections of operating rides. During the summer of 2019, the TSSA visited 75 events/locations and conducted random inspections to determine if any active amusement devices were being operated without a valid permit. Due to the impacts of COVID-19, most of the amusement devices were shut down during summer of 2020 and as a result the TSSA did not conduct any random inspections. The TSSA informed us that once COVID-19 restrictions are lifted and the amusement devices become operational again, it will resume its inspections.

Upholstered and Stuffed Articles Safety Program

Recommendation 17

To significantly improve the effectiveness of its upholstered and stuffed products safety program, we recommend that the TSSA:

- *develop and implement an action plan to improve this program so that its inspection and enforcement resources are used effectively and most efficiently to protect public safety;*

Status: No longer applicable.

- *ensure that inspectors have the required training and equipment.*

Status: No longer applicable.

Details

In our 2018 audit, we reviewed the TSSA's inspection and enforcement practices in the Upholstered and Stuffed Articles program and questioned how effective this safety program was in protecting public safety. On July 1, 2019, the Government of Ontario revoked the Upholstered and Stuffed Articles Regulation, effectively eliminating this safety program altogether.

The TSSA Does Not Know the State of Safety of Almost All Boilers and Pressure Vessels Located in Ontario

Recommendation 18

To start fulfilling its responsibilities under the Technical Standards and Safety Act, 2000, with regard to the safe operation of boilers and pressure vessels, we recommend that the TSSA:

- *establish inspection standards for boilers and pressure vessels and ensure that insurance companies are following these standards when conducting their inspections;*

Status: Fully implemented.

Details

In our 2018 audit, we found that since 2001, the TSSA has not been fulfilling most of its responsibilities under the Act when it comes to the safe operation of boilers and pressure vessels. The TSSA did not know how many boilers and pressure vessels operated in Ontario, where they were located, and whether they were maintained and inspected. The TSSA was also not collecting required information from insurance companies and was not issuing the Certificates of Inspection for insured operating devices. This meant that the vast majority of boilers and pressure vessels in Ontario were, at the time of our 2018 audit, operating outside the law, and that the overall safety status of this sector was not known.

In our follow-up, we found that the TSSA implemented an insurer audit program to assess whether insurers are conducting required inspections. All boiler and pressure vessel inspectors must follow the National Board of Boiler and Pressure Vessel Inspectors and the American Society of Mechanical Engineers inspection standards. Inspectors must also pass examinations administered by both TSSA and the National Board of Boiler and Pressure Vessel Inspectors to obtain a certificate of competency. As of May 26, 2020, the TSSA completed 10 insurer audits and four audits of inspection agencies that conduct inspections on behalf of some insurers

to make sure that they comply with the required inspection standards.

- *use the information collected from insurers to develop and implement a robust centralized system that tracks the number of boilers and pressure vessels that operate in Ontario, their location and their safety status;*

Status: Fully implemented.

Details

In our follow up, we found that in late 2018, the TSSA implemented a centralized system that tracks the number of boilers and pressure vessels that operate in Ontario, their location, and their safety status. As of May 25, 2020, there were just over 26,000 boilers and pressure vessels that were entered and tracked in the centralized system. The TSSA informed us that new boilers and pressure vessels are added to its system as they are inspected. Under the current three-year inspection cycle, the TSSA expects to have all the remaining boilers and pressure vessels entered and tracked in its centralized system by the end by August 2021.

- *start collecting required information from insurance companies, review this information, and issue Certificates of Inspection for insured boilers and pressure vessels.*

Status: Fully implemented.

Details

In our follow-up, we found that in late 2018, the TSSA started to collect Records of Inspection from insurance companies for boilers and pressure vessels. We also found that, since that time, the TSSA has been reviewing the Records of Inspection and using them to issue Certificates of Inspection for insured boilers and pressure vessels.

Boilers and Pressure Vessels Used for Agricultural Purposes Exempt from Safety Laws: TSSA Is Concerned for Public Safety

Recommendation 19

To reduce the risk of public safety in the agricultural sector, we recommend that the Ministry of Government and Consumer Services assess the current exemption of agricultural operations from safety laws pertaining to boilers and pressure vessels and elevating devices.

Status: Fully implemented.

Details

In our 2018 audit, we noted that Ontario is the only province in Canada where boilers and pressure vessels used in agricultural operations such as greenhouses, mushroom farms, maple syrup farms, and wineries are exempt from safety laws. At that time,

an estimated 600 to 700 agricultural operations were exempt from safety laws, even though their boilers are typically larger than home water heaters and can operate at much higher temperatures and pressures. We found as well that agricultural operations are also exempt from safety laws pertaining to elevating devices.

In our follow-up, we found that in 2019, the Ministry of Government and Consumer Services (Ministry) assessed the current exemption of agricultural operations from safety laws pertaining to boilers and pressure vessels and elevating devices. As a result of this assessment, the government revoked this exemption in July 2020. The current exemption of agricultural operations from safety laws pertaining to elevating devices has remained in place. The Ministry informed us that its assessment of the elevating devices exemption did not support the need for revocation.

Chapter 1

Section 1.14

Treasury Board Secretariat and the
Ministry of Government and Consumer Services

Use of Consultants and Senior Advisors in Government

Follow-Up on VFM Section 3.14, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1	1				
Recommendation 2	1	1				
Recommendation 3	1	1				
Recommendation 4	2		2			
Recommendation 5	2	1	1			
Recommendation 6	3	3				
Recommendation 7	2	2				
Recommendation 8	2	2				
Recommendation 9	1		1			
Recommendation 10	2	2				
Total	17	13	4	0	0	0
%	100	76	24	0	0	0

Overall Conclusion

As of September 2020, the Treasury Board Secretariat (TBS) and the Ministry of Government and Consumer Services (Ministry) fully implemented 76% of the actions we recommended in our *2018 Annual Report*. The TBS and the Ministry made progress in implementing an additional 24% of the recommended actions.

For example, the TBS and the Ministry reinforced the requirement of the Ontario Public Service Procurement Directive on ministries to clearly demonstrate prior to contracting consultants for long-term or ongoing needs that a consulting contracting option is more cost-effective than recruiting permanent full-time or term staff. Additional guidance was also provided to ministries on establishing cost estimates for consulting services

and the extent of the review ministries should undertake to solicit available internal resources prior to engaging external consultants. The Ministry also provided additional guidance on when consulting contracts with amendments to the original terms should be re-tendered and developed standardized criteria for ministries to use in evaluating consultants. In addition, TBS strengthened the Agencies and Appointments Directive for conflict-of-interest requirements so that the declarations of special advisors and advisory groups include activities with any government organization, and require a cooling-off period between the time an advisor's contract expires and the time they can take a position with the entity they had previously advised, or any related entities.

The TBS is in the process of implementing our recommendation requiring ministries to use the Integrated Financial Information System to record all consulting contracts. The Ministry is also in the process of implementing our recommendations on performing regular analysis of the information on ministries' use of consultants and gathering information on the use of consultants across provincial Crown agencies and Crown-controlled corporations to identify areas for cost savings and improvements.

The status of actions taken on each of our recommendations is described in this report.

Background

The Ontario Public Service requires external services and advice from time to time when its own staff are unavailable or lack the required skills or expertise. It usually fills these needs by using consultants and advisors. As a general rule:

- consultants provide expertise and strategic advice to government for use in decision-making; and
- advisors provide high-level advice to the Premier or a minister.

Overall spending on consultants by ministries in 2019/20 was \$244 million. Our audit found that from the 2008/09 fiscal year to the 2017/18 fiscal year, spending on consultants had dropped more than 15% from \$434 million to \$360 million. About 80% of the 2017/18 spending was for IT consultants, and the balance paid for consultants in management, communications, policy, technology, and research and development.

The Province was not tracking its spending on advisory services, but we estimated it at about \$4 million a year in 2017/18.

Using consultants could be costly, as they were generally paid more than full-time staff. However, they could be cost-effective when engaged for short periods or to provide specialized services or expertise, instead of having to hire new permanent full-time staff.

We noted that some improvements were needed to ensure consulting and advisory services were used with due regard for economy and efficiency. We found that the Province did not assess the overall cost-effectiveness of its use of consultants, and ministries often relied on consultants rather than considering hiring full-time or term employees. The following were some of our significant observations:

- Ministries had used consultants for regular operational and ongoing work such as project management and information technology, instead of for short terms, specialized services or expertise, for which they are best suited. For example, an individual consultant was hired to provide analysis and development for a software application. The initial contract for \$210,000 for the period of February 2014 to March 2015 was extended three times to March 2018 at a total cost of over \$900,000. Based on the average cost of permanent IT staff, this work could have been done for about 40% less by permanent full-time staff.
- Twenty-two percent of the competitively procured contracts we reviewed had amendments greater than \$10,000 without an

option to allow for either an amendment, or an amended amount if it exceeded the amount approved for the contract. Most amendments were between \$100,000 and \$500,000, with two as high as \$1.5 million, and the additional services included in the amendment were not competitively procured.

- We found in our review of consulting contracts that most did not have specific costs attached to the various deliverables in the contract. This could make it difficult to determine if the deliverables were received before making payment, and if they provided value for money.
- The Province might have been missing out on potential savings because it lacked the reliable and timely information needed to perform analyses and make strategic decisions on the overall use of consultants. We noted errors in the self-reported information on consulting contracts collected from ministries, such as contracts being counted twice and amended contracts being reported as new. In addition, the information was not available on a timely basis, and was not reviewed for strategic analysis purposes.
- We noted that 25% of the advisors we reviewed did not complete a conflict-of-interest disclosure.
- Government ministries had spent approximately \$960 million for the three fiscal years between 2015/16 and 2017/18 on professional services (services provided by licensed professionals, such as physicians, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries, for regular work in their licensed capacity). In addition, Crown agencies and Crown-controlled corporations told us in a survey that they had spent approximately \$1.38 billion during the same period. Although we had not reviewed the use of professional services by ministries and agencies, the recommendations in our report

on consulting services could have applied equally to professional services. We suggested that they also be reviewed by the Province to identify any potential cost savings and to confirm whether value for money was achieved.

We made 10 recommendations, consisting of 17 action items, to address our audit findings.

We received commitments from the Ministry of Government and Consumer Services and the Treasury Board Secretariat that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and July 2020. We obtained written representation from the Treasury Board Secretariat and the Ministry of Government and Consumer Services that effective October 7, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Consultants Have Been Used for Ongoing and Operational Work That Could Likely Be Done for Less by Full-Time or Term Staff

Recommendation 1

To promote value for money and compliance with the Ontario Public Service Procurement Directive, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, reinforce the requirement of the Directive on ministries to clearly demonstrate prior to contracting consultants for long-term or ongoing needs that a consulting contracting option is more cost-effective than recruiting permanent full-time or term staff.

Status: Fully implemented.

Details

Consultants are generally costlier than full-time staff. In our 2018 audit, we noted that in some areas ministries used consultants for operational and ongoing work—the kind of work that could be done by full-time or term staff. The use of consultants for this type of work is not in line with the intent of the Ontario Public Service Procurement Directive, which describes consulting services as the delivery of expertise and strategic advice for consideration and decision-making.

The Ministry developed and implemented in November 2019 the mandatory Procurement Lifecycle Checklist (Checklist) to be included with procurement approvals. The Checklist is available to the entire Ontario Public Service (OPS) and is posted on the InsideOPS and the Agency Network Solutions (AGNES) websites. The Checklist is an eForm that guides users through the procurement process and provides direction that internal resources should be considered prior to embarking on a procurement of external consulting services.

The Ministry also developed and implemented in October 2019 the Cost Estimating Guide for Acquisition of Consulting Services (Guide) to help ministries determine whether recruiting permanent full-time or term staff is more cost-effective than contracting consultants for long-term or ongoing needs. The Guide is referenced in the Checklist.

Lastly, on June 21, 2019, the Office of the Provincial Controller Division issued a memo to Chief Administrative Officers and Directors of Finance that stated to ensure due diligence at the start of the procurement process, ministries must ensure that the following elements are included in the business case related to the procurement of consulting services as applicable:

- the cost-effectiveness of contracting consultants for long-term or ongoing needs rather than recruiting full-time or term staff;
- the extent of actions to which the ministries have undertaken to solicit internal resources;
- a cost analysis for each considered option; and

- the estimated cost associated with each required deliverable.

Recommendation 2

To more cost-effectively meet the operational information technology needs of ministries, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, further review its use of IT consultants.

Status: Fully implemented.

Details

In our 2018 audit we noted that the government's IT-consulting expenditures accounted for about 80% of the total consulting expenditures incurred in the last five years. IT consultants used for task-based purposes, similar to government employees, accounted for about 60% of all new consulting contracts between 2014/15 and 2016/17. An IT consultant costs \$40,000 or 30% a year more than a permanent IT employee.

Subsequent to our 2018 audit, the Treasury Board Secretariat (TBS) in collaboration with the Ministry:

- Implemented a process where ministries are required to confirm that internal resources were considered prior to initiating an external resource request to IT Source, a branch within TBS that provides ministries with assistance in procuring consultants through the government-wide preferred-supplier program. This process is documented via a completed attestation form from each ministry requesting external resources. In addition, on a quarterly basis IT Source facilitates a meeting with all I&IT Clusters to review the use of IT consultants across the Ontario Public Service. At this meeting, the Clusters are provided with the summarized report highlighting their use of IT consultant services and opportunities for further reduction. In January 2020, a cost-effectiveness analysis regarding the conversion of external consultants to full-time employees was completed and shared with stakeholders.

- Completed an internal review in 2019 of the use of I&IT Consultants and obtained the TBS Deputy Minister's approval to convert 33 consultant positions to full-time equivalents (FTEs). This approval was implemented and as of August 2020, 26 consultants were off-boarded and permanently replaced with FTEs. Recruitment for the remaining FTE positions is expected to be completed by the end of fiscal 2021.

According to TBS, it will continue to review the current usage of IT Consultants through the monthly reports to Chief Information Officers to identify opportunities where IT Source FTE resources can be used to staff certain roles.

Recommendation 3

We recommend that the Treasury Board Secretariat require ministries to use the Integrated Financial Information System to record all consulting contracts, including the approved amounts, to better manage consulting contracts and their associated expenditures, and to allow for improved, timely and accurate reporting of consulting expenditures and new consulting contracts for use by the Ministry of Government and Consumer Services and others for decision-making purposes.

Status: Fully Implemented.

Details

In our 2018 audit, we noted that the Integrated Financial Information System (IFIS), an IT system used by the province to record ministries' financial transactions and provide data for reporting and analytical purposes, has capabilities for tracking and managing basic contract information. However, we noted that the system was not used consistently across the ministries or program areas for this purpose, making it difficult to obtain detailed information on the expenditures for each consulting contract.

The June 2019 memo issued by the Office of the Provincial Controller Division (OPCD) stated that as of July 1, 2019, all new consulting contracts,

regardless of their value, must be issued with an IFIS purchase order. In addition, ministries will be required to attach the following documents to an IFIS requisition:

- Approved business case;
- Signed statement of work; and
- Completed Procurement Details form.

To track ministry compliance, the Operations Control and Management Reporting Branch within OPCD receives month-end financial reporting from each ministry. As part of this month-end reporting process, each ministry reports if consulting invoices were paid without an associated purchase order and provides an explanation for why a purchase order was not created for a consulting contract.

The compliance rate has been improving since July 2019, when mandatory purchase orders for all consulting contracts were introduced. Compliance has gone from 63% in July 2019, to 92% in August 2020.

Recommendation 4

To ensure that consultants are being used only to provide value-added service in compliance with the Ontario Public Service Procurement Directive, we recommend that the Ministry of Government and Consumer Services:

- perform regular analysis of the information on ministries' use of consultants to identify and inform ministries and the Treasury Board Secretariat on areas for improvements and cost savings;

Status: In the process of being implemented by December 2021.

Details

Starting in fiscal year 2020/21, the Ministry will use data on consulting services contracts generated from the new requirement to capture the cost of all consulting services in IFIS (see **Recommendation 3**) to perform a quarterly analysis of consulting services contracts and spend to identify trends, areas for improvements and cost savings. The results of the

reviews will be shared regularly with the Chief Administrative Officers (CAOs) at the CAO Forum.

- *report publicly on the ministries' use of consulting services.*

Status: In the process of being implemented by December 2021.

Details

Supply Chain Ontario collected data from ministries on all consulting contracts entered into during fiscal year 2016/17 and all consulting services contracts established previously in which the overall value increased in fiscal year 2016/17. The data was posted publicly in accordance with Ontario's Open Data Directive in June 2020.

Data on consulting services procurements for the fiscal year 2017/18 has also been collected, while information for the fiscal year 2018/19 is in the process of being collected. However, this work has been delayed due to COVID-19. Subsequent reports on the procurement of consulting services for these fiscal years will follow the same approval process, with the data being posted once approvals are finalized.

Recommendation 5

To ensure that consultants are hired only when needed, and in a cost-effective manner, we recommend the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services:

- *develop and implement an effective process for centralized oversight of the ministries' use of consultants, including a quality assurance process, within each ministry;*

Status: Fully implemented.

Details

In our 2018 audit, we found the levels of oversight by ministries on the use of consultants varied, mainly because identifying needs and managing consultants is generally a decentralized process undertaken by individual branches and program areas within a ministry.

Our review of the processes followed at the ministries found that half of them required secondary reviews of consulting contracts by another branch to ensure, for example, that the proper procurement methods were being used and that all required approvals were sought. However, the other half did not require secondary reviews.

As noted earlier, the June 2019 memo issued by the Office of the Provincial Controller Division (OPCD) required, as of July 1, 2019, that all new consulting contracts, regardless of their value, must be issued with an IFIS purchase order. In addition, ministries are now required to attach the following documents to the IFIS purchase order:

- Approved business case;
- Signed statement of work; and
- Completed Procurement Details form.

All IFIS purchase orders are submitted to the iProcurement team, part of the Financial Processing Operations Branch in the Enterprise Financial Services Division within Ontario Shared Services. Its role is to review the purchase orders that are submitted by ministries to ensure that all the required documentation is attached and to approve purchase orders before they are sent out to vendors. The iProcurement team was advised not to process any IFIS purchase orders for consulting services if any of the attachments indicated above are missing.

- *require ministries to undertake an annual workforce-planning process to consider ministry-wide staffing needs based on forthcoming and longer-term priorities and available resources.*

Status: In the process of being implemented by November 2020.

Details

An annual workforce-planning process would allow ministries to consider staffing needs based on forthcoming or longer-term priorities and available resources within the ministries to help reduce reliance on consultants. In our 2018 audit, we noted that the Procurement Directive did not specifically require ministries to undertake such planning on

an annual basis to support decision-making with respect to the procurement of consultants. None of the ministries that we reviewed in 2018 did this planning.

Instructions for the 2021/22 multi-year planning process now request that the annual workforce-plans, which ministries have to submit in November 2020, include specific reference to the use of consultants.

Improvements Are Needed to Ensure Value for Money Is Received When Using Consultants

Recommendation 6

To help ministries improve their processes for estimating the cost of consulting services and engaging consultants only when qualified internal resources are not available, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services, reinforce the requirements of the Procurement Directive and provide additional guidance on:

- *establishing cost estimates for consulting services, including maximum rates that can be charged for the types of consulting services provided;*
- *documenting the rationale for arriving at the estimates; and*
- *the extent of the review ministries should undertake to solicit available internal resources prior to engaging external consultants.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that while ministries generally documented the actions taken on their use of consultants, the documentation often lacked detail to support the reasons for taking certain actions and the rationale for decisions made. In addition, ministries did not always demonstrate that they received value for money, and details justifying the need for and cost of the services were not always evident.

To respond to the three actions under this Recommendation, the Cost Estimating Guide for Acquisition of Consulting Services (Guide), developed and implemented by the Ministry in September 2019, helps ministries improve their process of estimating the cost of consulting services and engaging consultants only when qualified internal resources are not available. The Guide is used to help ministries complete the documentation required in the business case. In addition, the Procurement Lifecycle Checklist (Checklist), developed and implemented by the Ministry in November 2019, reinforces the requirement to engage consultants only when qualified internal resources are not available.

The Guide provides cost information for different consulting services options, such as: a link to the Full-time equivalent (FTE) Costing Tool; per diem rate ranges for consulting services acquired through Vendor of Record (VOR) arrangements and through IT Source; and links to salary trend reporting sites.

The Ministry has not provided guidance on maximum rates that could be charged for the types of consulting services provided, since consulting services are procured on a cost per deliverable basis through a competitive selection process and pricing is market-driven with the best value bid awarded the contract (based on a combination of the most competitive pricing and best outcome/qualitative factors).

The Guide also reminds ministries of the OPS Procurement Directive requirements related to documentation and record retention and the requirement to document the rationale for arriving at cost estimates in the business case used to obtain approvals including:

- the cost-effectiveness of contracting consultants for long-term or ongoing needs rather than recruiting full-time or term staff;
- the extent of action undertaken to solicit internal resources;
- the financial analysis which includes cost analysis for each considered option; and

- the cost associated with each required deliverable.

Recommendation 7

To promote the fair procurement of consulting services, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services:

- *reinforce the requirements of the Procurement Directive and provide additional guidance on when contracts with amendments to the original terms should be re-tendered;*

Status: Fully implemented.

Details

The Procurement Directive says that extensions made to existing contracts beyond what is included in the initial procurement constitute non-competitive procurements.

Such amendments may result in ministries obtaining additional deliverables at costs that could be higher than necessary because the new deliverables were not procured competitively. This could also give existing suppliers an unfair advantage.

In our 2018 audit, 22% of the contracts we reviewed that were competitively procured had an amendment greater than \$10,000 without an option in the contract to allow for the amendment or where the amended amount exceeded the amount approved for the contract. Most were between \$100,000 and \$500,000, with a couple as high as \$1.5 million. The additional services included in these amendments were not competitively procured.

To reinforce the requirements of the Procurement Directive and provide additional guidance on when contracts with amendments to the original term should be re-tendered, the Ministry of Government and Consumer Services created a new section in the Checklist to provide guidance on what to do when contract amendments are required.

The Checklist now reminds ministries that any changes to the end date of an agreement by way of

an amendment where the terms of the agreement do not allow for amendments would be considered a new non-competitive procurement.

The Checklist also outlines all the enabling factors that should be in place before amending a contract such as:

- The terms of the agreement allow for amendments;
- Additional cost associated with the extensions;
- Options reviewed to reduce/eliminate the additional scope and cost (e.g., can work be performed by internal resource);
- Business case completed to explain the reason for the amendment;
- Required approvals sought for the cost associated with the amendment; and
- Legal counsel involvement in the amendment of the agreement.

- *develop standardized criteria for ministries to use in evaluating consultants.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that there are no standardized evaluation criteria that ministries must use when procuring consultants. As a result, at the ministries that we reviewed, we saw variations in the evaluation criteria used for price, interviews and past experience. A lack of standardized evaluation criteria can allow ministries to tailor the criteria to a preferred consultant.

In consultation with an inter-ministerial working group consisting of procurement professionals across the OPS, the Ministry developed a Guide to Developing Evaluation Criteria for Consulting Services. The Guide was implemented in September 2019. The Guide walks ministries through a typical three-stage evaluation process and nine commonly used criteria. For each criterion, buyers are given information on what is being assessed and why and what information should and could be requested from vendors. The Guide also provides guidance on

how to reduce subjectivity in vendor interviews; a general weighting to help ministries find the correct balance between quality and the pricing; and helps ministries develop supporting documents for the evaluation of vendor submissions.

Recommendation 8

To promote value for money when ministries use consulting services, we recommend that the Treasury Board Secretariat, in collaboration with the Ministry of Government and Consumer Services:

- *amend the Ontario Public Service Procurement Directive to include standards requiring that costs be associated with each deliverable in consulting agreements;*

Status: Fully implemented.

Details

In our 2018 audit, we found that most consulting contracts did not include costs associated with the specific deliverables in the contract. Lack of detail on these costs makes it difficult to determine if deliverables have been received before payment is made, and whether value for money was received.

The Treasury Board Secretariat updated the OPS Procurement Directive to include standards requiring that costs be associated with each deliverable in consulting agreements. The Directive was effective as of September 1, 2020 and applies to all ministries and all provincial agencies.

- *reinforce the requirements of the Procurement Directive and provide additional guidance on what is considered an appropriate action or an appropriate level of management of supplier performance.*

Status: Fully implemented.

Details

The Procurement Directive requires that supplier performance be managed and documented, and that any performance issues be addressed. However, it provides no details on what is considered

an appropriate action or an appropriate level of management.

In our 2018 audit, we noted that ministries had a variety of practices in place for contract management that included using different methods to different extents. If contract management is not done properly, it can result in the contract taking longer than planned or costing more, the government not receiving the intended deliverable, or finding out too late when something goes wrong.

In November 2019, MGCS developed a Vendor Performance Management (Framework) to provide ministries with additional guidance on appropriate management of supplier performance.

The Framework provides guidance on who is responsible for vendor performance management depending on the performance indicators needed, and assessing vendor performance through the use of questionnaires and scorecards. It includes a step-by-step process from planning through to contract development and contract management.

The Framework addresses best practices, including:

- Establishing meeting schedules with vendors to measure performance against KPIs;
- Documentation – e.g., vendor meeting schedules, contract management plans, recording vendor performance against KPIs, tracking meetings with vendors and any contract issues with regard to vendor performance against KPIs, completing vendor performance scorecards;
- Developing requirements for vendor reporting;
- Tracking overall performance with vendor performance scorecards; and
- Applying performance measure results to future procurements.

Crown Agencies and Corporations Make Heavy Use of Consulting Services

Recommendation 9

To promote the cost-effective use of consulting services across the Ontario Public Service, we recommend that the Ministry of Government and Consumer Services in conjunction with ministries gather information on the use of consultants across provincial Crown agencies and Crown-controlled corporations to identify areas for cost savings and improvements.

Status: In the process of being implemented by December 2021.

Details

Crown agencies and Crown-controlled corporations (agencies and corporations) spent over \$665 million on consulting services from 2015/16 to 2017/18. These totals were from self-reported information on actual expenditures for consulting services that we gathered in our 2018 audit from our survey of 54 agencies and corporations because these expenditures are not tracked and reviewed by the Province.

In February 2020, the Ministry asked ministry CAOs to provide data contacts for their provincial agencies, as well as their ministries and broader public sector organizations. As part of this initiative, the Ministry will be looking to gather data on agencies' use of consulting services for the period of April 1, 2018 to March 31, 2019.

As of March 2020, the Ministry had received contacts for 51 agencies and has developed a data engagement process to collect data procurement of consulting services from these contacts.

According to the Ministry, once it has access to this data, it will be in a position to identify areas for cost savings and improvements.

Process for the Appointment of Advisors Could Be Strengthened

Recommendation 10

To promote value for money and objectivity in the appointment of special advisors and advisory groups, we recommend that the Treasury Board Secretariat:

- *strengthen the Agencies and Appointments Directive for conflict-of-interest requirements so that the declarations include activities with any government organization, and require a cooling-off period between the time an advisor's contract expires and the time they can take a position with the entity they had previously advised, or any related entities;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the Agencies and Appointments Directive (Appointments Directive) does not stipulate a cooling-off period before an advisor can take a position with the entity that they previously advised, or any related entities. A cooling-off period is important to ensure that the work undertaken by an advisor is objective and any subsequent work or business obtained is independent of the advisor's role. It is also important to avoid any real or perceived conflict of interest.

The Treasury Board Secretariat amended the Appointments Directive in November 2019 to include the cooling-off provision. The provision requires that any person previously appointed per the Appointments Directive, should for a period of 12 months following the end of an appointment, notify the ministry or agency of their previous appointment before they apply for or accept a new appointment. Upon receiving such notification, the relevant ministry or agency must review the matter, and should only proceed after consultation with the Integrity Commissioner.

In addition, the Treasury Board Secretariat amended the Appointments Directive to clarify that the Personal Disclosure and Conflict of Interest form is a mandatory requirement for all appointments

including special advisors and appointments to short-term advisory bodies.

- *ensure that the business cases to be submitted to the Treasury Board/Management Board of Cabinet for approval meet the requirements of the Agencies and Appointments Directive.*

Status: Fully implemented.

Details

In our 2018 audit, we reviewed a sample of special advisors and advisory groups appointed and noted the following:

- Not all requirements in the Appointments Directive for business cases that are submitted to the Treasury Board/Management Board of Cabinet (TB/MBC) for approval were met. Specifically:
 - Some business cases submitted did not contain comparative research on remuneration focusing on a public-sector comparable.

- For appointments with per diems over \$398, the Appointments Directive also requires that verification of the comparable rate (for example, signed contracts, paid invoices, or similar documents) be submitted as part of the business case. As well, assurance is required from the advisor that the government will receive the appointee's best comparable rate. None of the appointments that we reviewed with per diems over \$398 complied with these requirements.

The Treasury Board Secretariat amended the Appointments Directive in November 2019 to clarify the business case requirements. These amendments include making it clear that remuneration rates are for positions (not appointees) and clarifies that ministries (as opposed to appointees) are required to provide TB/MBC with assurance that the proposed rates are the best possible rates and do not exceed the marketplace.

Chapter 1

Section 1.15

Waterfront Toronto

Follow-Up on VFM Section 3.15, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1*	2		2			
Recommendation 2	3	3				
Recommendation 3	7	7				
Recommendation 4	7	7				
Recommendation 5	1		1			
Recommendation 6*	2	2				
Recommendation 7	1	1				
Recommendation 8*	3	3				
Recommendation 9	3	2	1			
Recommendation 10*	7	1	4			2
Total	36	26	8	0	0	2
%	100	72	22	0	0	6

* These four recommendations were made to the Ministry of Infrastructure. The remaining six recommendations were made to Waterfront Toronto.

Overall Conclusion

According to the information provided to us by Waterfront Toronto and the Ministry of Infrastructure, 72% of the actions we recommended in our 2018 Annual Report have been fully implemented as of September 30, 2020. The Ministry and Waterfront Toronto had made progress in implementing an additional 22% of the recommendations.

Waterfront Toronto has fully implemented recommendations such as developing detailed project budgets and timelines, tracking them against project progress, and reporting updates regularly to board members and the three levels of government. Recommendations that Waterfront Toronto was in the process of implementing include implementing a plan for making Toronto waterfront revitalization self-sufficient.

The Ministry of Infrastructure has fully implemented recommendations such as developing a

set of performance measures and targets that are linked to Waterfront Toronto's legislated objectives, and establishing a framework to guide project funding decisions. Recommendations that the Ministry was in the process of implementing include conducting a mandate review of Waterfront Toronto.

Some of the actions became no longer applicable when Sidewalk Labs announced on May 7, 2020, that it would no longer pursue the Quayside project. Waterfront Toronto publicly announced in June 2020 that it would be issuing a new request for proposals for Quayside, with a focus on affordable housing and long-term-care housing.

Ontario Digital Service, a division of the Treasury Board Secretariat, continues to work on establishing a policy framework, through legislation, for the development of a smart city in Ontario that addresses, among other things, intellectual property, data collection, ownership, security and privacy. However, it has made minimal progress on this work.

The status of actions taken on each of our recommendations is described in this report.

Background

The federal, provincial and Toronto municipal governments established Waterfront Toronto in 2002 to oversee and lead the revitalization of Toronto's waterfront. As the land was owned by a variety of public and private interests, it was widely accepted that it could only be successfully revitalized with a co-ordinated and well-planned approach.

Successful oversight requires that the overseer be given the authority to ensure the job is done right. However, Waterfront Toronto was never given this authority, so the development of waterfront lands has continued to be largely driven by historical practices, existing bylaws, and other regulations governing commercial and residential development. Since its inception in 2002, Waterfront Toronto has directly developed only 6%, or

65 acres (5%, or 55 acres by 2018) of the publicly owned developable waterfront land, and provided funding to other organizations for revitalization projects for another 14%, or 151 acres (unchanged since 2018). Waterfront Toronto currently has three projects under construction, including the Port Lands flood protection project, which total an additional 13%, or 138 acres, of the publicly owned developable waterfront land.

Other waterfront development entities in other cities had been given greater authority than Waterfront Toronto regarding building height restrictions, creation of large public spaces and public access to the water's edge, and the right to expropriate land in cases where the intended use was not consistent with overall revitalization plans. From day one, Waterfront Toronto was aware of the constraints that it operated under. It informed the three levels of government of the constraints on several occasions, but few changes were made.

Waterfront Toronto's purchase of Quayside land between 2007 and 2009 created an opportunity for it to develop this land. It was proactive in obtaining an innovation and funding partner for Quayside. However, its project with Sidewalk Labs raised concerns in areas such as consumer protection, data collection, security, privacy, governance, anti-trust and ownership of intellectual property. These areas had long-term and wide-ranging impacts that needed to be addressed from a provincial policy perspective in order to protect the public interest before any formal long-term commitment was reached with Sidewalk Labs regarding the development in Quayside and, potentially, areas within the broader waterfront area, including the Port Lands.

Subsequent to our 2018 audit, on May 7, 2020, Sidewalk Labs announced that it would no longer pursue the development project in Quayside.

By May 2018, the federal, provincial and city governments had committed to providing \$1.25 billion to Waterfront Toronto to cover the cost of flood protection of the Port Lands. This also extended Waterfront Toronto's operation to 2028 without the benefit of an operational review of Waterfront Toronto.

Some of our other specific concerns included:

- Waterfront Toronto was given ownership and control of just 1% of the land it was tasked to revitalize, and therefore the visions of other owners controlled the decisions over waterfront development. Waterfront Toronto also did not pursue more large-scale planning of the entire waterfront development.
- Waterfront Toronto's development mandate overlapped with other entities, which could cause development delays and duplication of effort.
- Governments provided funding on a project-by-project basis through complex funding agreements, as opposed to basing funding on the broader revitalization mandate and expected long-term deliverables and results. The governments also redirected \$700 million (approximately 47%) of their original \$1.5 billion in funding commitments to other agencies for other projects.
- Waterfront Toronto had not met its mandate of making development in the waterfront area financially self-sustaining.
- Waterfront revitalization project costs exceeded initial estimates. Monitoring projects against budgets was difficult due to poor documentation. Waterfront Toronto also provided poor oversight of those projects where it transferred funds to other organizations to conduct the development work.
- The upfront provision for consulting, operating and other costs and contingencies for the Port Lands Flood Protection project was significant (at \$453 million) and amounted to 37% of the projected total.

We made six recommendations to Waterfront Toronto and four recommendations to the Ministry of Infrastructure, consisting of 36 action items, to address our audit findings.

We received commitment from Waterfront Toronto and the Ministry of Infrastructure that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and July 2020. We obtained written representation from Waterfront Toronto and the Ministry of Infrastructure that effective October 2 2020, they had provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Waterfront Toronto Had Limited Authority to Lead Revitalization

Recommendation 1

To have Waterfront Toronto's mandate reflect the public and governments' vision for a revitalized waterfront, and so that it does not overlap with other entities' mandates in the future, we recommend the Ministry of Infrastructure, in consultation with partner governments:

- *conduct a review of Waterfront Toronto's mandate, focusing on defining clearly the role and authority necessary for it to play in revitalizing the waterfront for the remainder of its legislated term;*
- *clarify the roles and responsibilities of existing organizations such as CreateTO and the Ministry of Tourism, Culture and Sport, which may have overlapping mandates or interest in the revitalization of Toronto's waterfront.*

Status: In the process of being implemented by February 2021.

Details

Our 2018 audit found that Waterfront Toronto's development mandate overlapped with the mandates of other entities, which could cause development delays and duplication of effort. These other entities were the former Toronto Economic Development Corporation (TEDCO), which is now included in CreateTO; Infrastructure Ontario; the Ministry

of Tourism, Culture and Sport; and Ontario Place Corporation. When Waterfront Toronto was created, the roles and mandates of these entities were not re-evaluated or revised, which resulted in overlapping jurisdictions and mandates.

At the time of our follow-up, the three levels of government had begun a strategic review of Waterfront Toronto's mandate, current and future initiatives, governance framework, and financial outlook. The review will also address the overlap between Waterfront Toronto's development mandate and that of other entities. The strategic review is to be completed by the end of February 2021.

Actual Project Spending Exceeded Estimated Project Costs

Recommendation 2

To deliver future projects, such as the flood protection of the Port Lands, on time, on budget and in accordance with the planned scope, we recommend that Waterfront Toronto:

- consistently develop detailed project plans and cost estimates based on engineering and technical studies;
- set budget and completion timelines for each component of the Port Lands flood protection project and other projects using the information and estimates it gathers through the engineering and technical studies;

Status: Fully implemented.

Details

In our 2018 audit, we found that Waterfront Toronto did not have a consistent approach in determining estimated project costs. It relied on a mixture of high-level planning estimates, funding agreements, and spending approvals by its Board as its source of initial project cost estimates.

At the time of this follow-up, Waterfront Toronto had begun the delivery of two new projects—York Street Park and the Port Lands flood protection project. Waterfront Toronto developed project plans

and cost estimates based on engineering and technical studies for these two projects. For the York Street Park project, an architectural firm had completed design plans and cost estimates, and these were included in its signed delivery agreement with the City of Toronto. The estimated date of substantial completion for this project is July 2022.

The Port Lands flood protection project had signed project charters for all of its 23 sub-components, and Waterfront Toronto had completed design plans to establish baseline budgets and scheduled timelines for each sub-component. The design plans were based on engineering and technical studies done by an international architectural firm.

- ensure all levels of government have signed off on project spending needs before commencement of a project.

Status: Fully implemented.

Details

In our 2018 audit, we noted that Waterfront Toronto had spent a total of \$49 million on cancelled projects. For example, it spent \$28 million on planning the district heating plants for the East Bayfront and West Don Lands neighbourhoods. Waterfront Toronto's Board had to cancel the project when the province would no longer fund the construction.

In our follow-up, we found that Waterfront Toronto had implemented a new enterprise resource planning (ERP) system in December 2019, which has system controls to ensure that a signed funding agreement is in place before a project is begun. Costs cannot be charged to a project until the project agreement has been signed, and costs cannot be charged beyond the committed funding amount.

Senior representatives from the three levels of government sit on the Intergovernmental Steering Committee, which provides governance and oversight to Waterfront Toronto and meets quarterly (or more often if required). The committee has received the design estimates for the Port Lands flood protection project. Only the City is involved in York Street Park project, and it has signed off on

the project scope and budget through the signed delivery agreement.

Recommendation 3

To have the required systems and procedures in place to effectively manage the Port Lands flood protection project and other projects, we recommend that Waterfront Toronto:

- *complete the implementation of a project management information system to track project progress against budgets and timelines;*
- *actively monitor change orders, investigate instances where cost trends suggest budgets may be exceeded and take corrective actions when necessary, such as modifying the scope of a project or simplifying its delivery to ensure project costs are within budget;*
- *provide regular updates to senior management on project status with explanations for significant variations between budget and actual cost;*
- *provide Board members with regular project progress updates, including comparisons to budgets and timelines, to enable them to exercise oversight;*
- *provide the three levels of government with regular project progress updates, including actual-expense-to-budget information and timelines, to enable them to exercise their oversight;*

Status: Fully implemented.

Details

In our 2018 audit, we reviewed all projects over \$10 million that Waterfront Toronto directly managed and found that five of the 13 projects reviewed cost 22% (\$43 million) more than the estimated project cost. We noted that a number of change orders added during construction contributed to additional project costs and work.

As mentioned above, Waterfront Toronto implemented a new enterprise resource planning (ERP) system in December 2019 to track project budgets against project commitments and invoiced costs for each individual project component. This tracking,

combined with monthly data on progress toward project completion, is used to produce monthly and quarterly project reports and dashboards for project managers to enable them to better manage their budgets. The dashboards are provided to the Board of Waterfront Toronto and also shared with all levels of government through the Intergovernmental Steering Committee at its quarterly meetings.

In collaboration with the Tri-government Working Group (Working Group), a sub-committee of the Intergovernmental Steering Committee, Waterfront Toronto developed a Government Progress Report for the Port Lands flood protection that includes actual-expense-to-budget information. The report is sent to the Working Group on a quarterly basis to support funding requests, in accordance with the Contribution Agreement for the Port Lands Flood Protection project. Government Members of the Port Lands Flood Protection Executive Steering Committee and Infrastructure Canada Oversight Committee are represented in the Working Group and on the Intergovernmental Steering Committee:

- **The Executive Steering Committee**—composed of representatives from the three levels of government. The committee provides project oversight and co-ordination and meets on a monthly basis.
- **Infrastructure Canada Oversight Committee**—led by the federal government, but representatives from the provincial and city governments are welcome to attend. This committee ensures that projects are implemented in accordance with their contribution agreement, which contains details such as project scope, timelines, deliverables and reporting requirements. This committee meets at least quarterly.

- *develop and implement guidelines for the review of construction invoices, including appropriate and timely site visits;*

Status: Fully implemented.

Details

In our 2018 audit, we found that before approving payment of construction invoices, Waterfront Toronto engaged external consultants to review invoices against the contract and check for the legitimacy of expenses billed. However, we found that invoice reviews were not documented, and there was no process to guide the review of invoices, such as what type of information or supporting documents reviewers should look for.

During our follow-up, we noted that Waterfront Toronto had updated its invoice-processing guideline in January 2019 to provide guidance with respect to appropriate and timely site visits in order to verify work done before paying an invoice as well as documenting the results of site visits. For instance, after an invoice is submitted by the construction manager, the contract administrator is to review the quality of work performed and prepare the final progress draw payment certification. Prior to payment, the invoice is to be reviewed and signed off by the project manager.

- *establish a file management, document and archival policy.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that prior to 2012, project documents and files were stored only on local hard drives of staff computers. In 2012, Waterfront Toronto introduced a new corporate data server to centralize the storage of project documents to help staff collaborate on projects. However, some project documents and files continued to remain on individual staff computer hard drives and were not transferred to the corporate data server. Over time, these project files and documents could not be located due to staff turnover, and there were no backups for these files. During our audit, we noted that six of 11 project managers had left the organization since 2014.

During our follow-up, we found that Waterfront Toronto had undertaken various actions to

develop a file management, documentation and archiving policy. For example, Waterfront Toronto has developed a policy on privacy of personal information and on file structure and management. Waterfront Toronto also developed and approved a formal Records Retention policy in September 2020.

Waterfront Toronto Had Weak Oversight over Projects It Funded Other Organizations to Deliver

Recommendation 4

To improve oversight of organizations receiving funding from Waterfront Toronto so that projects are delivered on time, on budget and in accordance with the planned scope, we recommend that Waterfront Toronto:

- *include project budgets and timelines for completion in formal agreements with recipient organizations;*
- *approve projects and associated funding only after satisfying itself that the funds requested by recipient organizations are based on detailed and reliable budget estimates;*
- *require and review quarterly project updates and reports from recipient organizations and follow up with the recipient organization in cases where there are risks of cost overruns;*
- *provide Board members with regular project progress updates, including comparisons to budgets and timelines, to enable them to exercise oversight;*
- *provide the three levels of government with regular project progress updates, including actual-expense-to-budget information and timelines, to enable them to exercise their oversight;*

Status: Fully implemented.

Details

In our 2018 audit, we found that Waterfront Toronto provided poor oversight of those projects where it transferred funds to other organizations to conduct

the development work. We reviewed all projects over \$10 million and found that five of the eight projects did not include any cost estimates in the agreements between Waterfront Toronto and the recipient organizations. One of the projects cost 55% (\$49 million) more than its initial estimated cost.

During our follow-up, we found that Waterfront Toronto created a new policy and procedure in September 2020 to enhance the oversight of future projects for which it transferred funds to other organizations to conduct the development work. At the time of our follow-up, Waterfront Toronto did not have any project funding agreements with other organizations and informed us that it did not anticipate transferring any major project funding to recipient organizations over the next five years.

- *develop and implement processes for the review of contractor invoices provided by recipient organizations, including appropriate and timely site visits;*

Status: Fully implemented.

Details

In our 2018 audit, we found that before Waterfront Toronto reimbursed recipient organizations for expenses they incurred in delivering projects, Waterfront Toronto's internal policy required it to engage external consultants to review invoices against the contract and check that expenses billed were legitimate. However, we found that rather than engaging external consultants to review invoices, Waterfront Toronto relied only on the recipient organization itself to confirm that all charges were for legitimate project costs.

In our follow-up, as noted in **Recommendation 3**, we found that Waterfront Toronto had updated its invoice-processing guideline in January 2019 to provide guidance with respect to the requirement for external consultants to make appropriate and timely site visits in order to verify work done before paying an invoice, as well as to document results of the site visits.

- *establish a file management, documentation and archiving policy.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that agreements between Waterfront Toronto and organizations that it paid to deliver projects, such as the shoreline restoration in Port Union delivered by the Toronto and Region Conservation Authority, broadly outlined the responsibilities of each party. Recipient organizations were required to maintain a master project schedule plan and submit monthly and quarterly progress reports and a final report, at completion of project, to Waterfront Toronto and to each level of government. However, Waterfront Toronto did not have a project management information system to track and store these reports. As a result, it was unable to find all such documents it may have received, to provide them to us.

At the time of our follow-up, as noted in **Recommendation 3**, Waterfront Toronto had developed a policy on privacy of personal information and on file structure and management. Waterfront Toronto also developed and approved a formal Records Retention policy in September 2020.

Waterfront Toronto Not Financially Self-Sustaining as Mandate Anticipated

Recommendation 5

To further develop the waterfront area in a financially self-sustaining manner, we recommend that Waterfront Toronto create and implement a plan for making revitalization self-sufficient, which could include leveraging private-sector funding and revenue-generating sources such as corporate partnerships and philanthropy.

Status: In the process of being implemented by March 2021.

Details

In our 2018 audit, we found that Waterfront Toronto had not met its mandate of making

development financially self-sustaining. Waterfront Toronto has a mandate to ensure that ongoing development in the waterfront area can continue in a financially self-sustaining manner, but it had been dependent on government funding and was unable to sustain ongoing development without it.

In our follow-up, we found that Waterfront Toronto had established a Fundraising Steering Committee in May 2019 to develop a fundraising action plan. The plan was reviewed and approved by the Board in December 2019 as part of the rolling five-year strategic plan. Waterfront Toronto began to put the fundraising action plan into effect as of January 1, 2020, by building organizational capacity in fundraising, building a donor pipeline, creating volunteer leadership, and developing a campaign strategy to advance potential new projects. Waterfront Toronto expected to have the plan fully implemented by March 31, 2021.

Intergovernmental Steering Committee Does Not Have a Project Decision-Making and Dispute Resolution Framework

Recommendation 6

To have effective communication and decision-making processes in place to support future vitalization of the waterfront, we recommend that the Ministry of Infrastructure in conjunction with its partner governments:

- develop a framework to guide project-funding decisions; and
- establish a formal dispute resolution process.

Status: Fully implemented.

Details

In our 2018 audit, we found that the Intergovernmental Steering Committee did not have a framework or guide to support its decision-making process regarding what types of projects to fund to advance the revitalization mandate. Such a framework could be useful in ensuring consistency

given that the membership of the Steering Committee had changed a number of times over the years. In addition, we found that there was no formal dispute-resolution mechanism that the governments could use if they could not come to an agreement on an issue.

During our follow-up, we noted that a Memorandum of Understanding (MOU) among the province of Ontario, government of Canada, City of Toronto and Waterfront Toronto had been signed on July 31, 2020, to clarify the relationship between the three levels of government and Waterfront Toronto and their roles and responsibilities with respect to projects and initiatives in the Designated Waterfront Area. The MOU establishes principles to guide the Intergovernmental Steering Committee for project funding (for example, by examining if the proposed project has economic, social and cultural value, promotes environmental sustainability, demonstrates fiscal responsibility, or promotes and encourages partnerships). The MOU also outlined the formal dispute resolution process and expected timelines.

Some Best Practices Not Part of Projects despite Multiple Overseas Trips to Learn about Waterfronts

Recommendation 7

To successfully revitalize the remaining waterfront land, we recommend that Waterfront Toronto work with the three levels of government to consider incorporating in the Port Lands flood protection area and other projects best practices and lessons learned from past Waterfront Toronto revitalization projects, projects in other jurisdictions, and the features commonly associated with successful revitalization that Waterfront Toronto identified between 2003 and 2006 and in May 2018, such as large public spaces, more building height control, public access to the water's edge, festivals and cultural attractions.

Status: Fully implemented.

Details

In our 2018 audit, we found that between 2003 and 2006, Waterfront Toronto's leadership team conducted an international review of best practices by travelling to study revitalization in other cities. Waterfront Toronto could not confirm after the international review whether a formal presentation or report of findings was produced for the review of the Board of Directors. We found that it had internally identified general best practices to revitalize waterfront areas, however. These included large public spaces, building height control, public access to the water's edge and recreational use of water.

During our follow-up, we found that Waterfront Toronto had incorporated some of the lessons learned from its initial review of top 10 global waterfront cities and their attributes into its December 2019 rolling five-year strategic plan. In addition, we found that in February 2020, Waterfront Toronto looked at the best practices of leading waterfront cities to compare against Toronto's existing waterfront attributes.

We noted that in its plan for Villiers Island Precinct, which is the first precinct to be developed after the completion of the Port Lands flood protection project, Waterfront Toronto included plans for 34 acres of parks and public spaces with direct access to the water. We also noted that in its May 2020 presentation to the Board of Directors, Waterfront Toronto demonstrated the building height control of its development area in East Bayfront to be much lower than its surrounding development areas.

Performance Measures and Targets Not Established

Recommendation 8

In order for the three governments to be able to monitor and assess the progress and performance of Waterfront Toronto and its future revitalization projects in the Port Lands and other projects, we recommend that the Ministry of Infrastructure, in

conjunction with its partner governments and the Intergovernmental Steering Committee:

- *develop a set of performance measures and targets that are linked to Waterfront Toronto's legislated objectives;*
- *require Waterfront Toronto to publicly report on its performance against the targets set in these objectives at least annually;*

Status: Fully implemented.

Details

In our 2018 audit, we found that neither Waterfront Toronto nor its overseeing governments had developed a set of formal performance measures and targets to assess whether its mandate or policy objective were being achieved. We also found that while Waterfront Toronto periodically published a report that included descriptions of projects and various statistics, the information in these reports was not directly related to Waterfront Toronto's legislated objectives and was insufficient to assess the effectiveness and efficiency of Waterfront Toronto's operations on an annual basis and over time.

At the time of our follow-up, Waterfront Toronto had developed a set of performance measures and targets linked to the organization's mandate. One example is the annual 2019/20 target of creating 2,000 full-time jobs and \$200 million total economic value added to the economy. These performance measures were reviewed by the three levels of government and included in the Memorandum of Understanding noted in **Recommendation 6**. Waterfront Toronto included these measures in its December 2019 five-year strategic plan. The Memorandum of Understanding also requires Waterfront Toronto to report publicly on these performance measures at least annually, which Waterfront Toronto has done in its 2019/20 Annual Report.

- *regularly encourage public input from the broader population, not just local waterfront residents, into the development of the waterfront area.*

Status: Fully implemented.

Details

In our 2018 audit, we found that part of Waterfront Toronto's mandate is to encourage public input on the development of the waterfront area. We met with community groups representing residents along the waterfront who expressed positive views of Waterfront Toronto and the extensiveness of its community consultation. However, Waterfront Toronto did not engage in a similar manner with the public beyond the local waterfront residents. Engaging a broader population would have ensured that the interests of all Ontarians were known and incorporated into the design and planning of waterfront revitalization projects.

In our follow-up, we found that Waterfront Toronto had created performance measures and targets for encouraging public input, and that it had publicly reported on them in April 2019. For instance, the 2019/20 fiscal year's target for the number of public meeting attendees self-identifying as residing outside the designated waterfront area was 25%, and Waterfront Toronto exceeded this target by attaining a percentage of 62%.

In July 2019, Waterfront Toronto also consulted with the broader public on the Quayside project by hosting four public town hall meetings across the City of Toronto, an online survey and seven drop-in information sessions held at different branches of the Toronto Public Library. These meetings attracted over 1,000 participants. Additional Quayside public consultations were held and attended by approximately 450–500 participants.

Planning and Development of the Port Lands

Recommendation 9

To manage the development of the Port Lands with due regard for economy, we recommend that Waterfront Toronto:

- *produce detailed construction cost estimates for each of the 23 component projects of the flood protection for review by the funding governments;*

- *report quarterly on progress against these budgets;*

Status: Fully implemented.

Details

In our 2018 audit, we noted that in May 2018 the three levels of government had signed joint agreements to fund a total of \$1.25 billion toward flood protection of the Port Lands. The funding was determined based on a 2016 due diligence report prepared by Waterfront Toronto, which divided the project into 23 sub-components and included preliminary cost projections.

In our follow-up, we found that Waterfront Toronto had executed detailed project charters in April 2019 for all 23 sub-components, with budgets based on design plans. The Intergovernmental Steering Committee reviewed these cost estimates in March 2019. In November 2019, Waterfront Toronto updated the design plans and reported these updates to the Intergovernmental Steering Committee. The committee meets quarterly and includes the Port Lands flood protection project updates on its meeting agenda. In addition, Waterfront Toronto provides quarterly updates to its finance, audit and risk management committee, its Board of Directors, and the Infrastructure Canada Oversight Committee. Waterfront Toronto also provides monthly budget progress updates to the Port Lands Executive Steering Committee, which includes representation from all three levels of government.

- *assess the effectiveness of its work on reducing the impact of construction risks, which could otherwise increase the final cost of flood protection.*

Status: In the process of being implemented by March 2024.

Details

In our 2018 audit, we found that the risk contingency in the cost projections for the Port Lands flood protection project was calculated by a consultant using a computer simulation incorporating 62 risks, such as potential construction or other project

problems, and the cost overrun associated with each. While Waterfront Toronto informed us that it believed the large risk contingency amount was necessary due to the high-risk nature of this project, we noted that some risks identified included risks that could be mitigated by the extensive studies already conducted, or associated with decisions outside of its control whose cost would likely be borne by others.

Since our 2018 audit, Waterfront Toronto has been engaging a third-party expert risk consultant to identify and quantify project risks on a continuing basis. It also submits quarterly reports to its capital peer review panel, which is an independent group of experts that assesses project risk and provides advice to management. Waterfront Toronto's Board of Directors has also been engaging an independent capital project firm that reports directly to its finance, audit and risk management committee on project risk.

Waterfront Toronto has also been working to reduce the impact of construction risks over which it has control through efforts such as the following:

- As part of the Port Lands flood protection project, field liaison representatives of the Mississauga of the Credit First Nation must monitor the excavation in the Don River valley to ensure Indigenous artifacts are identified and retained. However, due to COVID-19, the field liaison representatives were not available to conduct monitoring for the river valley excavation and fisheries, a situation that would ordinarily require work to cease. To mitigate the risk of project delays, Waterfront Toronto engaged Toronto Regional Conservation Authority's archaeologists and fisheries monitoring staff to monitor the work and upload videos to a shared website for the field liaison representatives to observe from home.
- Waterfront Toronto recognized that there was a risk in installing the new sanitary, stormwater and water services, since this infrastructure needs to be 15 metres deep and requires extensive excavation work.

Waterfront Toronto mitigated the risk by selecting a method of construction that limits disturbance of existing ground conditions at this depth.

Smart City Project with Sidewalk Labs

Recommendation 10

It is important to protect the public interest and ensure responsible and transparent integration of new digital technology within urban design when creating a mixed-used smart city. Due to the nature, complexity and potential long-term impacts from the initial establishment of digital data infrastructure planned for Toronto's waterfront in the form of a smart city (the first of its kind in Canada), we recommend that the provincial government, in consultation with partner governments:

- conduct further study on the activities of Waterfront Toronto and Sidewalk Labs in the planning and development of the smart city in Quayside and the broader waterfront area;
- reassess whether it is appropriate for Waterfront Toronto to act on its own initiative in making commitments and finalizing a long-term partnership arrangement with Sidewalk Labs or whether a separate governance structure is needed that allows for more direct provincial oversight;

Status: No longer applicable.

Details

On May 7, 2020, Sidewalk Labs announced that it would no longer pursue the Quayside project. Waterfront Toronto publicly announced in June 2020 that it would be issuing a new request for proposals for Quayside, with a focus on affordable housing and long-term-care housing.

As a result, the action items relating specially to Sidewalk Labs in the original report are no longer applicable.

- *establish an advisory council comprised of smart city/digital data infrastructure experts (e.g., information technology, privacy, legal, consumer protection, infrastructure development, intellectual property and economic development) to provide proactive advice on the development of a policy framework to guide the establishment of a smart city in Ontario;*

Status: Fully implemented.

Details

In June 2019 the province established the Minister's Digital and Data Task Force, comprising eight individuals with backgrounds in information technology, privacy, law, consumer protection, infrastructure development, intellectual property and economic development. The task force was set up to make recommendations on digital and data issues, provide advice to the Minister, and review and provide advice on topics that are relevant to the creation of a smart cities policy framework.

- *conduct public consultations to consider in the development of a policy framework for a smart city in Ontario;*
- *consult throughout government on the roles and responsibilities government ministries and agencies could have during the development, implementation and operation of a smart city;*
- *to protect the public's interest, establish the policy framework, through legislation, for the development of a smart city in Ontario that addresses: intellectual property; data collection, ownership, security and privacy; legal; consumer protection issues, infrastructure development and economic development; and*
- *communicate openly and transparently with the public on what to expect from a smart city project.*

Status: In the process of being implemented by December 2021.

Details

As part of the provincial review of Sidewalk's Master Innovation and Development Plan, the Minister

of Infrastructure had engaged ministry partners on relevant topics. However, the Ministry noted that its involvement in the smart city initiative was limited to its oversight of infrastructure development by Waterfront Toronto, and that the action items identified in our recommendation would be addressed by the government's Digital and Data Action Plan, to be carried out by Ontario Digital Service, a division under the Treasury Board Secretariat.

The Ontario Digital and Data Action Plan is expected to focus on several priorities, including the following three:

- promoting public trust and confidence in the data economy by introducing world-leading, best-in-class privacy protections;
- creating economic benefits by ensuring a level playing field while enabling the creation and scaling up of data-driven businesses; and
- enabling better, smarter, efficient government by unlocking the value of government data, building data skills and capacity in the public service, and promoting the use of data-driven technologies.

Ontario Digital Service has consulted with the public on digital and data policy as it developed Ontario's Digital and Data Action Plan. Phase 1 of the public consultations was held between February 5 and March 7, 2019, through online surveys, with 773 responses received. Responses indicated that current data protections should be strengthened; businesses can do a better job explaining to people what they are doing with the data they collect; people want more control over how their data is used; and government and independent organizations could have a role to play in addressing these challenges.

Phase 2 of consultations included regional roundtables in seven locations across Ontario, conducted between July and November 2019. We were informed that the results of the consultations would inform the development of a policy framework, including the development of policies relating to smart cities in Ontario.

Phase 3 would refine and finalize the strategy after consultation with both the public and businesses in person and online. At the time of this follow-up, Phase 3 of consultations had been paused due to the COVID-19 pandemic. Ontario Digital Service has indicated that Phase 3 of consultations will resume in December 2020 and has also committed to complete the public consultations, development of a policy framework, and associated work with other ministries by December 2021.

Chapter 1

Section 1.16

Ministry of Finance and Treasury Board Secretariat

Public Accounts of the Province

Follow-Up on Chapter 2, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2	2				
Recommendation 2	1		1			
Recommendation 3	1				1	
Total	4	2	1	0	1	0
%	100	50	25	0	25	0

Overall Conclusion

As of September 24, 2020, two of the four actions we recommended in our *2018 Annual Report* were fully implemented. For example, since our 2018 audit, the government has implemented a process of having the ministries and agencies that consolidate into the province's financial statements notify the Office of the Provincial Controller Division and our Office prior to the engagement of external advisors for accounting advice.

One of the four actions is in the process of being fully implemented. The province is in the process of developing a long-term total-debt reduction plan.

However, the government indicated that it will not update the current legislation to formalize that its accounting will be in accordance with Canadian

Public Sector Accounting Standards (PSAS). The continuing need for the current "prescribed" or legislated accounting in legislation and regulations is unclear, as the government has confirmed its commitment to follow Canadian PSAS. Canadian PSAS are the most appropriate accounting standards for the province to use in order to maintain its financial reporting credibility, accountability and transparency. This allows legislators and the public to better assess government management of public funds. Given the importance of this area, we continue to urge the government to formalize a requirement to follow the accounting standards established by the Canadian Public Sector Accounting Board and repeal existing legislation and regulations that enable accounting treatments to be prescribed if desired by a government.

The status of actions taken on each of our recommendations is described in the following sections.

Background

For the year ended March 31, 2018, we issued an unqualified audit opinion on the consolidated financial statements for the province of Ontario. This means that the consolidated financial statements were free from material errors and fairly presented the province's financial position and operating results. This was significant as we had issued a qualified opinion in the previous two years. The unqualified opinion resulted from changes to the province's financial statements in two main areas to comply with Canadian Public Sector Accounting Standards (PSAS) for the following reasons:

- The province recorded a full valuation allowance against the net pension asset relating to the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union Pension Plan in its consolidated statement of financial position.
- The province excluded the market account assets and liabilities of the Independent Electricity System Operator in its consolidated financial statements.

Specific observations made during our audit included the following.

The Province's Use of External Consultants

Similar to our 2016 and 2017 annual reports, in our *2018 Annual Report* we commented on the province's use of external advisors to provide accounting analysis, advice and interpretation. We also highlighted that the interests of the Treasury Board Secretariat (Secretariat), the Ministry of Finance and the Office of the Auditor General (Office) are best served when the work of external advisors is brought to our attention and discussed on a timely basis when it impacts

the consolidated financial statements of the province in current and future years.

We continued to recommend that the Secretariat notify our Office and request our input when a private-sector accounting firm provides accounting advice to the province, and that the Secretariat consult with us when a government agency or organization plans to engage and/or retain the same private-sector accounting firm for both accounting advice and auditing services.

Increasing Debt Burden

The province's growing debt burden also remained a concern in 2017/18, as it had been since we first raised the issue in 2011. We focused on the critical implications of the growing debt for the province's finances. We maintained the view that the government should provide legislators and the public with long-term targets for addressing Ontario's current and projected debt sustainability, and we reaffirmed our recommendation that the government develop a long-term debt-reduction plan to reduce interest expense, ensuring more dollars go toward government programs.

Use of Legislated Accounting

Annually, we have raised the issue of the prior government having introduced legislation on several occasions to facilitate its establishment of specific accounting practices that may not be consistent with Canadian PSAS. Until 2017, such actions did not impact the province's consolidated financial statements. However, the use of legislated accounting treatments by the province to support the accounting/financing design prescribed under the *Ontario Fair Hydro Plan Act, 2017*, could have had a material impact on the province's annual results and become a significant concern to our Office in the 2017/18 fiscal year had the accounting not been corrected.

We made three recommendations, consisting of four actions needed for improvement.

Status of Actions Taken on Recommendations

We conducted assurance follow-up work between April 2020, and September 2020, and obtained written representation from the Treasury Board Secretariat (Secretariat) and the Ministry of Finance that, effective October 13, 2020, they had provided us with a complete update of the status of the recommendations we made in our *2018 Annual Report*.

The Province's Use of External Consultants

Recommendation 1

Recognizing that the Auditor General is appointed under the Auditor General Act as the auditor for the consolidated financial statements of the province, we recommend that Treasury Board Secretariat:

- *notify the Office of the Auditor General (Office) and request its comment when a ministry, government agency or Crown-controlled corporation consolidated into the financial statements of the province proposes to engage an external advisor to provide accounting advice;*

Status: Fully implemented.

Details

The interests of the Secretariat, the Ministry of Finance and the Office of the Auditor General (Office) are best served when there is full disclosure on any plans to use external advisors. For this reason, any work performed by external advisors in formulating an accounting position should be shared with our Office as soon as possible, as part of the audit of the consolidated financial statements.

Our Office requested that the Secretariat provide us with copies of contracts relating to any advisors it uses for accounting advice and opinions. The Secretariat provided our Office with the contract for the advisor it engaged for accounting

advice during the 2018/19 and 2019/20 fiscal years. The advisor provided advice and guidance to supplement the Office of the Provincial Controller Division's (OPCD's) internal analysis of significant accounting issues. In addition, during the request for proposal (RFP) process for 2020/21 accounting advisory services for the Secretariat, we were given an opportunity to provide comments on the draft RFPs and received copies of the final RFPs for the 2020/21 accounting advice work.

We have not yet been given an opportunity to provide comments for all instances when a ministry, agency or Crown-controlled corporation consolidated into the financial statements of the province proposes to engage an external advisor to provide accounting advice. The Secretariat provided us with accounting consultation forms for two ministries and four agencies, but these forms are completed after the external accounting firm has been contracted by the ministry, agency or Crown corporation. We were provided an opportunity to provide commentary to one of the ministries (other than the Secretariat mentioned above) prior to the completion of an RFP.

The OPCD told us it worked with the ministries to be proactive in providing the accounting consultation forms prior to completion of RFPs. This included providing a memo to ministry finance directors explaining the changes to the accounting consultation request forms and updates to the Accounting Consultation Request Form (ACRF) website that included providing a clearer explanation of the meaning of "accounting advice" and the required process. The respective ministries will also encourage their agencies to provide the forms in a more timely fashion. In addition, the OPCD revised the language in the Certificate of Assurance, which is an attestation process that each ministry performs annually, to make it clearer that the OPCD and our Office will be notified prior to approval of any RFP for the ministries.

- *consult the Office when a government agency or Crown-controlled corporation plans to engage and/or retain the same external advisor for both accounting advice and auditing services.*

Status: Fully implemented.

Details

Without sufficient safeguards, hiring the same external advisor for both accounting advice and auditing services can present an inherent conflict of interest, as the role of an auditor is incompatible with that of an advisor to management. Auditors need to perform their work serving the public interest, whereas advisors act in the best interests of management.

The Secretariat has agreed to request its external advisors—engaged to provide accounting advice and/or opinions relating to our Office’s audit of the province’s consolidated financial statements—to notify our Office of their engagement, as required under the Code of Professional Conduct of the Chartered Professional Accountants of Ontario. In this regard, the Secretariat has incorporated this request into new contracts with external advisors. The Secretariat has developed a process for other ministries, agencies and crown-controlled corporations to request that their external advisors notify us as well.

The province reviewed and considered updates to existing directives, policies and contract templates to help implement the recommendation across ministries and agencies. This included updating the accounting consultation request form and the process performed by the ministries and agencies to complete the forms. Additionally, starting in 2019, agencies attest through the annual Certificate of Assurance process that they have disclosed all external consulting arrangements. As described in the response to the previous recommendation, the OPCD revised the language in the Certificate of Assurance to make it clearer that the ministries have notified the OPCD and our Office prior to the completion of an RFP.

Ontario’s Debt Burden

Recommendation 2

We recommend that in order to address the province’s growing total debt burden, the government work toward the development of a long-term total-debt reduction plan, including a target for the net-debt-to-GDP ratio.

Status: In the process of being implemented by November 15, 2020.

Details

In its 2019 Budget, the government included a commitment to reduce Ontario’s net debt-to-GDP ratio by the 2022/23 fiscal year to less than the Independent Financial Commission of Inquiry’s forecast net debt-to-GDP ratio for the 2018/19 fiscal year of 40.8% of GDP. The 2019/20 net debt-to-GDP was 39.7%, which was lower than the 2019 Budget estimate of 40.7% but higher than the 2018/19 net debt-to-GDP of 39.5%. The government has yet to fully analyze long-term debt sustainability and establish long-term net debt-to-GDP targets to manage debt based on an analysis of future debt sustainability. The 2020 Budget, expected to be tabled by November 15, 2020, is to include an update on the government’s debt strategy, in line with the *Fiscal Sustainability, Transparency and Accountability Act*’s legislative requirements.

At the time of our follow-up, the government indicated that it was focused on funding the response to COVID-19 and ensuring that it has sufficient liquidity to meet these needs.

Use of Legislated Accounting Standards

Recommendation 3

We recommend the government revisit legislation and regulations that prescribe accounting methods to be followed by the province and reconsider the need for these provisions in light of the fact that the province

follows the accounting standards established by the Public Sector Accounting Board.

Status: Will not be implemented. The Office of the Auditor General of Ontario continues to support the implementation of this recommendation.

Details

In 2008, 2009, 2011 and 2012, the government introduced legislation giving it the ability to make regulations requiring the use of specific accounting treatments that may not be consistent with Canadian PSAS.

It is important that Ontario prepare its financial statements in accordance with generally accepted

accounting standards, specifically those of Canadian PSAS, in order to maintain its financial reporting credibility, accountability and transparency.

At the time of our follow-up, the government indicated it was committed to preparing its financial statements in accordance with Canadian PSAS in order to provide high-quality financial reports that support transparency and accountability in reporting to the public, the Legislature and other users. However, the government has no plans to revisit legislation and regulations that could be used to prescribe accounting methods to be used by the province.

Chapter 2

Section 2.01

Niagara Peninsula Conservation Authority

Follow-Up on *2018 Special Audit of the Niagara Peninsula Conservation Authority*

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1		1			
Recommendation 2	2	1		1		
Recommendation 3	4	1	2	1		
Recommendation 4	3		2	1		
Recommendation 5	3	2	1			
Recommendation 6	2	2				
Recommendation 7	3	3				
Recommendation 8	2		2			
Recommendation 9	2	1	1			
Recommendation 10	4	1	3			
Recommendation 11	5	2	1	2		
Recommendation 12	3	1	2			
Recommendation 13	1	1				
Recommendation 14	3	3				
Recommendation 15	6		5	1		
Recommendation 16	4	1		3		
Recommendation 17	4	3	1			
Recommendation 18	3	3				
Recommendation 19	3	3				
Recommendation 20	4	4				
Recommendation 21	5	2	3			
Recommendation 22	4		4			
Recommendation 23	1		1			
Recommendation 24	3		3			
Total	75	34	32	9	0	0
%	100	45	43	12	0	0

Overall Conclusion

As of October 2020, the Ministry of the Environment, Conservation and Parks (Ministry) and the Niagara Peninsula Conservation Authority (NPCA) have fully implemented 45% of actions we recommended in our *2018 Special Report: Special Audit of the Niagara Peninsula Conservation Authority*. The Ministry and the NPCA have made progress in implementing an additional 43% of the recommended actions, but have made little or no progress on 12% of them.

Since our 2018 audit, the NPCA has updated its governance and operational policies to, for example:

- clarify the circumstances that could lead to actual or perceived conflicts of interest in the recruitment process;
- specify the types of meetings and functions for which Board members may receive per diem payments;
- require NPCA staff to consider whether proposed restoration projects are located in areas that have been identified as priority areas when approving project applications;
- clarify the steps and documentation required to support hiring;
- require that an external party investigate any harassment or discrimination complaint against the Human Resources staff, Chief Administrative Officer (CAO) and Board members; and
- clearly define the responsibilities of NPCA staff in each stage of the procurement process.

These policy updates, and the resulting improvement in processes, have helped address many of the NPCA staff's workplace concerns that we identified in our 2018 audit. The NPCA also developed a Human Resource (HR) plan to address other HR issues and any remaining workplace concerns.

In addition to the policy updates, the NPCA has also fully implemented our recommendations

to identify initial and ongoing board governance training needs; evaluate the CAO's performance; develop a plan to prioritize floodplain mapping projects; and provide quarterly updates about HR matters—such as restructuring, staffing changes, complaints and grievances—to the NPCA's Board of Directors.

At the time of our follow-up, the Ministry was in the process of reviewing and updating the *Conservation Authorities Act* to determine necessary legislative and regulatory changes to clarify conservation authorities' responsibilities and improve their governance, oversight and accountability.

The NPCA was in the process of, for example:

- evaluating the skills of its current Board members to identify and address any gaps;
- implementing a process to evaluate the collective and individual performance of its Board members;
- establishing a vendor of record for its legal services; and
- developing a new capital asset management plan that prioritizes capital projects based on needs.

However, the Ministry made little progress on implementing some of our recommendations, including to work with Conservation Ontario and conservation authorities to determine whether governance training should be delivered province-wide for board members of conservation authorities. The NPCA made little progress, for example, to revise its enforcement policy to require that enforcement activities be sufficiently documented and provide guidance on the progressive actions enforcement staff should take to address violations. The NPCA Board also made little progress in refraining from being involved in day-to-day operations, determining whether it collectively has the necessary competencies to oversee the NPCA's activities effectively, and evaluating Board members' performance of their oversight responsibility.

We stated in our 2018 audit that the NPCA needed to restore community trust by making improvements in the areas of human resources,

procurement, capital planning, flood mapping, restoration programming, complaint follow-up and violation enforcement, review of development proposals and permit applications, and performance measurement and public reporting. The improvements we noted through our follow-up work, in not just one, but many of these areas, signal the NPCA's commitment to focus on delivering programs and services to improve the Niagara Peninsula watershed. While there is more work to be done, these efforts have gone a long way in restoring trust in the NPCA, both internally and externally.

The status of actions taken on each of our recommendations is described in this report.

Background

The Niagara Peninsula Conservation Authority (NPCA) is one of 36 conservation authorities in Ontario. Each is a local public-sector organization that delivers programs and services to manage natural resources and to protect people and property from water-related natural hazards such as floods and erosion. Conservation Ontario, which represents the 36 conservation authorities in the province, provides input to government bodies about policies that affect conservation authorities.

Under the *Conservation Authorities Act* (Act), passed in 1946, conservation authorities are corporations with a degree of autonomy from the provincial government and municipalities. The Act is administered by the Ministry of the Environment, Conservation and Parks (Ministry).

Currently, on average, conservation authorities receive 53% of their funding from municipalities, 8% from the Ontario government and 4% from the federal government. The remaining 35% comes from donations, service fees charged for work permits and fees charged to the public for admission to conservation areas.

Established in 1959, the NPCA serves about 500,000 people in the 2,400 square kilometres of the

Niagara Peninsula watershed. The area encompasses the entire Niagara Region (made up of 12 municipalities), 21% of the City of Hamilton and 25% of Haldimand County.

The NPCA Board of Directors comprises 21 members (up from 15 during our 2018 audit): 15 from the various municipalities in the Niagara Region, four from the City of Hamilton and two from Haldimand County.

In 2019, the NPCA earned about \$10.9 million in revenues (\$12.5 million in 2017), with 65% coming from municipal levies (71% in 2017) and the rest from provincial and federal funding, fees charged for specific services and donations. In the same year, the NPCA spent approximately \$12.1 million to deliver its programs and services, compared with \$9.6 million in 2017.

As of June 1, 2020, the NPCA had 50 full-time staff (49 as of May 1, 2018), of which 33.5, or 67%, delivered the NPCA's programs and services and 16.5 provided administrative services.

On October 25, 2017, in light of mounting criticism of the NPCA, the Standing Committee on Public Accounts of the Legislative Assembly requested that our Office conduct a value-for-money audit of the NPCA.

Our audit found no issues in the NPCA's management of its flood-control structures, water-quality monitoring, and operation of its conservation areas to deliver recreational and educational programs to the public.

However, we found, for example, that the NPCA needed to improve its processes to ensure that it delivered programs and services economically, efficiently and in accordance with relevant legislation, regulations, agreements and policies. It also needed to ensure that it effectively managed the impact of human activities, urban growth and rural activities in the lands within its jurisdiction.

We also found that the NPCA did not have effective processes to measure, assess and publicly report on the effectiveness of its programs and services. As a consequence, the NPCA had not been able to fully demonstrate—and the Ministry and

municipalities could not fully assess—how well the NPCA was fulfilling its legislative mandate.

Our audit found that the governance structure established in the Act and weaknesses in the NPCA Board’s oversight were two of the key contributors to the problems at the NPCA that were the subject of concerns and criticism. Conservation authorities are governed by boards of directors whose members are appointed by the municipalities that partially fund the conservation authorities. However, we found that municipal priorities and interests sometimes conflict with those of conservation authorities. The Act authorizes board members to “vote and generally act on behalf of their respective municipalities,” which puts board members in a difficult position when a conflict arises.

Our 2018 audit noted that the dependence on municipal funding may also present challenges for conservation authorities and their boards to make decisions independently of municipal pressures. This is especially problematic when board members are also elected mayors and councillors whose municipal priorities include facilitating economic development in their municipalities.

In the period following our audit and up until our follow-up, the Chief Administrative Officer position was held by four different individuals in an interim or permanent role. The current CAO was hired in January 2020 in a permanent capacity.

Status of Actions Taken on Recommendations

We conducted assurance work between April 1, 2020 and July 21, 2020. We obtained written representation from the Ministry of the Environment, Conservation and Parks (Ministry) as well as the Niagara Peninsula Conservation Authority (NPCA) that, effective October 16, 2020, they have provided us with a complete update of the status of the recommendations we made in the original Special Report audit two years ago.

Board Not Sufficiently Objective for Independent Oversight

Recommendation 1

To ensure effective oversight of conservation authorities’ activities through boards of directors, we recommend that the Ministry of the Environment, Conservation and Parks clarify board members’ accountability to the conservation authority.

Status: In the process of being implemented by summer 2021.

Details

Our 2018 audit found that, contrary to governance best practices, members of the NPCA Board of Directors acted primarily on behalf of their municipality when making NPCA Board decisions. We highlighted instances where Board members—both elected officials and citizen appointees—had difficulties balancing their competing municipal and NPCA interests and responsibilities, compromising their ability to make objective decisions in the NPCA’s best interest.

In our follow-up, we found that the *More Homes, More Choice Act, 2019* (Bill 108) amended the *Conservation Authorities Act* to require Board members to “act honestly and in good faith with a view to furthering the objects of the authority.” Bill 108 received royal assent in June 2019, but was not yet proclaimed at the time of our follow-up.

Subsequent to passing Bill 108, Ministry staff consulted with representatives from each of the 36 conservation authorities and stakeholder groups from October 2019 to February 2020. During these consultations, Ministry staff asked for feedback on how oversight of conservation authorities could be improved. In March 2020, the Ministry launched an online survey asking the public about aspects of conservation authorities’ functions, including oversight of their operations. The consultations and survey are part of the Ministry’s review of the *Conservation Authorities Act* that aims to improve overall governance, oversight and accountability of conservation authorities. At the time of our follow-up, the Ministry was reviewing the 2,380 survey

responses and feedback from the consultations it held, along with the relevant recommendations from our 2018 audit. The Ministry estimates it will complete its review of the *Conservation Authorities Act* by summer 2021.

Recommendation 2

To ensure that the Niagara Peninsula Conservation Authority (NPCA) Board of Directors has the necessary independence and objectivity to oversee the NPCA's activities effectively, we recommend that the NPCA Board:

- *adhere to its Code of Conduct, which states that Board members are to refrain from unduly influencing staff, being respectful of staff's responsibility to use their professional expertise and corporate perspective to perform their duties;*
Status: Little or no progress.

Details

Our 2018 audit found that NPCA Board members were involved in NPCA staff's evaluation of proposed development projects and landowner applications to build in or close to wetlands and flood- and erosion-prone lands. These proposals and applications are referred to as development proposals and work permit applications in this report.

We identified Board member involvement in about 10% of the sample of development proposals and work permit applications between 2016 and 2018 that we reviewed. The cases we found had the potential to affect people, property and the environment on a large scale. We also found Board member involvement in 14 additional development projects through our review of Board members' correspondence with staff between January 2012 and March 2018. The nature and extent of Board member involvement in those cases ranged from asking for information and updates about a proposal, to attending meetings between the NPCA and municipal staff, and instructing NPCA staff that the NPCA needed to support a proposal. Board members told us they got involved because they were perceived to

be accountable to the taxpayers in their municipality. However, the Board cannot objectively fulfill its oversight role when members are involved in day-to-day operations.

In our follow-up, we asked all NPCA staff who review development proposals and work permit applications whether they continued to be contacted by Board members about particular applications. Staff told us that they had been contacted by Board members about a total of 24 properties. We reviewed Board members' correspondence with staff for all 24 development projects and found that Board member involvement ranged from asking for information and updates about an application to providing suggestions to NPCA staff on addressing a potential violation. NPCA senior management told us that Board members either contact the Chief Administrative Officer (CAO) or copy the CAO when emailing staff with general inquiries. However, we found that in half of the 24 projects, the Board member contacted the staff directly.

In October 2020, the NPCA updated its Board of Directors Code of Conduct to state that Board members are not to use or attempt to use their authority or influence to intimidate, threaten, coerce, or otherwise improperly influence any NPCA employee with the intent of interfering with that employee's duties.

- *update its Code of Conduct to clearly define the circumstances and relationships that could lead to an actual or perceived conflict of interest beyond those defined in the Municipal Conflict of Interest Act.*

Status: Fully implemented.

Details

Our 2018 audit found that, although the NPCA's Code of Conduct required Board members to avoid conflict of interest with respect to their fiduciary duties, the NPCA Board of Directors had not developed any guidance on how to identify circumstances and/or relationships that could lead to a potential or perceived conflict of interest and how to manage them. It was up to the individual Board

members to recognize and declare whether or not, in their opinion, they were in a conflict.

In our follow-up, we found that the NPCA updated its Board of Directors Code of Conduct in October 2020 to state that members shall not use the influence of office for any purpose other than for the exercise of their official duties and to require members to “declare direct pecuniary interest, conflict of interest or indirect/apparent interest.” The Code no longer includes a previous requirement that members “avoid conflict of interest with respect to their fiduciary responsibility,” but states that members be cognizant of their position and the trust and influence afforded by such.

The updated Code defines the circumstances that could lead to an actual or perceived conflict of interest—that is, any situation where the member’s personal interest interferes, appears to interfere, or could potentially interfere in any way with the interests of the NPCA. The Code also provides examples of instances where members must recuse themselves from any decision-making process in which the member’s participation may result in conflict of interest. Such examples include financial interest in the outcome of the decision, and existing or previous association between the member and an interested party.

Identifying Necessary Skills and Competencies Could Improve Board Effectiveness

Recommendation 3

To ensure that members of the Niagara Peninsula Conservation Authority (NPCA) Board of Directors collectively have the skills, experience and training necessary to oversee the NPCA’s activities effectively, we recommend that the NPCA Board:

- *determine the types of skills and experience required on the Board based on the NPCA’s mandate, and develop and implement a strategy to address any gaps;*

Status: In the process of being implemented by December 2021.

Details

In our 2018 audit, we found that the NPCA Board had not identified the knowledge, skills and diversity it needed to oversee the NPCA’s activities effectively. Board members relied on the NPCA staff’s expertise if the Board did not have expertise in particular areas. However, relying on staff’s expertise may not be sufficient given the Board’s oversight role.

Our follow-up found that, in October 2020, the NPCA Board approved guidance in terms of competencies and skills that are essential in Board members to help them perform the Board’s functions, understand conservation authorities’ functions and address issues faced by the NPCA. Examples include professional or volunteer experience in the areas of board governance, business management, finances, legal, human resources and public relations, as well as specialized environmental knowledge in the areas of legislation, environmental policies and watershed planning.

The NPCA Board planned to use the guidance to evaluate its collective skill set and identify any gaps following its November 2020 Governance Committee meeting. The NPCA will then use the results of this evaluation to develop and implement a strategy to address identified gaps by December 2021.

- *work with the NPCA’s funding municipalities to ensure that their Board appointment processes consider skills and experience requirements;*

Status: In the process of being implemented by December 2021.

Details

At the time of our 2018 audit, the municipalities in the NPCA’s jurisdiction did not appoint their NPCA Board members based on skills or competencies. In the Niagara Region and Haldimand County, NPCA Board appointments were generally first offered to elected officials such as mayors and councillors. In the City of Hamilton, citizens could apply and be selected for the appointment.

In our follow-up, we found that citizens in all three municipalities can now apply and be selected for appointment to the NPCA Board. However, all three municipalities' current appointment processes are the same as they were during our 2018 audit, meaning that they still do not consider the skills and experience of each potential appointee.

In March 2019, the Niagara Regional Council—which appoints 15 of the 21 members of the NPCA Board—requested that the NPCA provide recommendations regarding Board composition, qualifications and the appointment process. Neither the City of Hamilton—which appoints four members—nor Haldimand County—which appoints two members—made similar requests. In June 2019, the NPCA CAO met with representatives from the Niagara Region to present an early draft of the skills guidance described in the first action item of **Recommendation 3**. The NPCA, however, did not provide specific advice on Board composition, qualifications and appointment processes, stating that each municipality would approve the process that best suits it.

In November 2020, the NPCA planned to provide all three municipalities with recommendations regarding composition, qualifications and appointment processes for consideration for the next round of NPCA Board appointments in 2022. The NPCA also planned to meet with representatives from Hamilton and Haldimand County in 2021, in advance of the 2022 NPCA Board appointments.

- *assess the current role of its advisory committee to determine whether it is sufficient in fulfilling any gaps in Board skills and competencies, and revise as necessary;*

Status: Little or no progress.

Details

Our 2018 audit noted that, in 2014, the NPCA formed an advisory committee—made up of representatives from the agriculture, development, business, land-use planning, conservation, and Indigenous communities—to provide advice to the

Board. While this was an important step toward obtaining perspectives of the NPCA's stakeholders, the Board had not assessed whether the committee's role was sufficient to fulfill any gaps in skills and competencies.

In our follow-up, the NPCA told us that it amended the terms of reference for its advisory committee. However, our review of the revised terms found that the amendments were largely administrative—dealing with the number of representatives for each sector. The current committee has the same representation as in 2018 with two additional representatives who are members of the general public. The NPCA has not assessed the role of its advisory committee to determine whether it is sufficient in fulfilling any gaps in Board skills and competencies.

- *identify initial and ongoing Board governance training needs.*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA Board had not received board governance training to help its members understand the scope and limitations of their oversight role. Most Board members told us that they had little or no experience being on a board when they first joined the NPCA Board.

In our follow-up, we found that, in July 2019, the NPCA Board identified initial and ongoing training needs in the following areas:

- effective board governance, board team development and legal duties of members;
- the *Conservation Authorities Act* and the NPCA's legal mandate and jurisdiction;
- the NPCA's administrative bylaws, Code of Conduct and conflict of interest; and
- budgeting process and strategic planning.

The COVID-19 pandemic has delayed training that was planned in early 2020. In June 2020, the Board directed NPCA staff to prioritize training related to the NPCA's administrative bylaws, conflict of interest, Code of Conduct, floodplain mapping, and the Niagara Peninsula Conservation Foundation for the remainder of 2020 and into 2021.

Recommendation 4

We recommend that the Ministry of the Environment, Conservation and Parks:

- *make a recommendation to the Executive Council of Ontario to proclaim Section 40 of the Conservation Authorities Act;*
- *once Section 40 is proclaimed, make a regulation prescribing requirements for board composition that result in board members having the independence and objectivity they need to fulfill their oversight responsibilities;*

Status: In the process of being implemented by summer 2021.

Details

In our 2018 audit, we found that the *Conservation Authorities Act* (Act) did not impose any requirement regarding conservation board composition and member qualifications beyond prescribing the number of members that each funding municipality can appoint. But we also noted that 2017 amendments to Section 40 of the Act, if proclaimed, would give the province powers to impose additional requirements regarding board composition.

Our follow-up found that the *More Homes, More Choice Act, 2019* (Bill 108), described in **Recommendation 1**, repealed the 2017 amendments to Section 40. However, the Bill did not remove the amendment that would give the province powers to impose requirements regarding board composition. At the time of our follow-up, the Bill had not been proclaimed. The Ministry told us that all legislative and regulatory recommendations in our 2018 audit will be addressed when it completes its review of the *Conservation Authorities Act*, described in **Recommendation 1**, by summer 2021. The review includes consulting with stakeholders, including municipal representatives, regarding who ought to be on conservation authority boards.

- *work with Conservation Ontario and conservation authorities to determine whether governance training should be developed and delivered*

province-wide for board members of conservation authorities.

Status: Little or no progress.

Details

Our 2018 audit found that the NPCA Board did not have board governance training to help its members understand the scope and limitations of their oversight role. Most Board members told us that they had little or no experience serving on a board when they first joined the NPCA Board.

Our follow-up found that the NPCA Board members are in the process of receiving board governance training by early 2021, as described in the fourth action item of **Recommendation 3**. However, Ministry staff told us that they have not met with Conservation Ontario to discuss province-wide governance training for Board members of conservation authorities, but that it will do so as part of its review of the *Conservation Authorities Act* (described in **Recommendation 1**).

Board Does Not Assess CAO or Board's Performance

Recommendation 5

To ensure that the Niagara Peninsula Conservation Authority (NPCA) Board of Directors collectively has all the information it needs to effectively oversee the NPCA and improve its oversight when needed, we recommend that the NPCA Board:

- *regularly evaluate the performance of the NPCA's Chief Administrative Officer, as required by its policies;*

Status: Fully implemented.

Details

In our 2018 audit, we found that the last formal evaluation of the NPCA's Chief Administrative Officer (CAO) was completed in 2001. From 2001 to 2018, the NPCA had four different CAOs, none of whom had undergone a performance evaluation. NPCA policies required that the Board regularly evaluate the CAO's performance against the NPCA's

strategic plan and the financial and human resources goals of the organization.

In our follow-up, we found that the NPCA Board evaluated the performance of its interim CAO in August 2019, at the end of her initial five-month term. The interim CAO's term was then extended until December 2019 while the Board searched for a permanent CAO. The NPCA's new CAO began in January 2020. In March 2020, goals and priorities were established against which to evaluate the CAO's performance. In July 2020, the NPCA Board offered the new CAO a permanent tenure with the NPCA based on the Board's evaluation of her performance.

- *develop performance indicators to facilitate the Board's evaluation of its oversight processes and activities;*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA Board had not established goals and performance indicators to evaluate its performance. Many Board members told us that since they were elected officials, their constituents could assess their performance on the NPCA's Board through municipal elections. However, this raised questions as to whether constituents were evaluating Board members' performance based on whether their decisions were made in the interest of the municipality or of the NPCA. Evaluation through election may also not be as timely as regular and formal board evaluations in identifying areas where improvements are needed.

In our follow-up, we found that in July 2019, the NPCA Board approved criteria to help the Board assess its performance and its members' individual performance. The Board will be evaluated on how well it, for example, understands and furthers the NPCA's mission and its fiduciary responsibility; assesses and plans for the NPCA's short- and long-term needs; monitors programs and services based on adequate and objective information; fosters open and effective relation-

ships with NPCA staff, funding municipalities and members of the public; maintains positive Board dynamics; and commits to continuous development. The individual assessments evaluate whether a Board member has a good general understanding of the organization; has devoted the necessary time and energy to fulfilling his or her commitments; has maintained productive working relationships with other members; has competently dealt with issues presented to the Board; and has actively participated in Board meetings.

- *regularly evaluate both its collective performance and the performance of individual Board members.*

Status: In the process of being implemented by March 2021.

Details

Our 2018 audit found that there was no formal process in place for the Board to self-evaluate its performance, as discussed in the action item above. Although neither the *Conservation Authorities Act* nor NPCA Board policies required a formal evaluation process, leading governance practices suggest that boards should periodically monitor and assess their performance. We noted that doing so could help Board members identify when, for example, their decisions were made in the interest of their municipalities and perhaps not the NPCA.

In our follow-up, as discussed in the action item above, we found that the Board had developed criteria for evaluating its collective performance and evaluating individual members. The evaluations were to begin in November 2019 after the new Board was established. However, in October 2019, the interim NPCA Board voted to defer the Board evaluation for one year unless decided otherwise by the incoming CAO, who subsequently was hired effective January 2020. The deferral was to allow NPCA staff to research the assessment processes used by other conservation authorities. In October 2020, the Governance Committee approved the Board evaluation process recommended by NPCA

staff, which calls for an evaluation to be conducted in the first and last year of the members' term of appointments. Annual evaluation may be carried out at the discretion of the Chair of the NPCA Board. The current Board will conduct an evaluation in March 2021—the last year of its term.

More Clarity Needed Around Board Activities Eligible for Per Diem Payments

Recommendation 6

To ensure that per diem payments to Board members are reasonable and transparent, we recommend that the Niagara Peninsula Conservation Authority:

- clarify its Board policies to specify the meetings and other functions for which Board members may receive per diem payments in the future; and
- continue to publish information on actual Board per diems and other expenses annually online.

Status: Fully implemented.

Details

In our 2018 audit, we found that per diem payments to NPCA Board members increased from \$7,900 in 2010 to \$47,700 in 2017. The total number of meetings claimed by NPCA Board members increased 422% from 121 in 2010 to 632 in 2017, which is equivalent to 42 meetings for each Board member in 2017. The NPCA's Board policies at the time of our audit stated that Board members may receive per diem payments for attending Board meetings, standing committee meetings, and "other business functions as may be from time to time requested by the Chair, through the CAO." The policies did not specify what "other business functions" may include.

In our follow-up, we found that, in June 2020, the NPCA Board approved the revised Board policies stating that per diems are to be paid no more than once per day. In addition, the revised policies clarify "other business functions" to include:

- attendance at municipal council meetings to present on behalf of the NPCA;

- attendance at meetings of working groups or committees when appointed as an official representative of the NPCA;
- attendance at workshops, conferences or tours hosted by the NPCA or Conservation Ontario; and
- other business as approved by the Chair and CAO.

Our follow-up also found that the NPCA has continued to publish quarterly and annual Board per diems and other expenses on its website. In 2019, the NPCA Board claimed a total of 472 meetings totalling \$24,900 in per diems. This is equivalent to 16 meetings for each member in 2019, compared with 42 in 2017.

Identifying Flood-Prone Areas

Recommendation 7

To ensure that the Niagara Peninsula Conservation Authority (NPCA) has complete and up-to-date information about flood risks within its watershed, we recommend that the NPCA:

- assess the risk to communities around the unmapped watercourses;
- determine the time and cost for completing the updating floodplain maps; and
- schedule this work, based on its risk assessment and for the watercourses for which the Ministry of Natural Resources and Forestry recommends floodplain maps be prepared.

Status: Fully implemented.

Details

In our 2018 audit, we found that the NPCA did not have floodplain maps for 117 or 58% of the 202 watercourses in its watershed. These included 70 watercourses for which the Ministry of Natural Resources and Forestry recommends floodplain maps be prepared because they drain land areas 125 hectares in size or larger. The NPCA had not formally assessed the risk to the communities around the unmapped watercourses, which

included about 14,500 dwellings and commercial buildings. We also noted that the NPCA did not have a plan, nor had it estimated the funding and time necessary, to map the watercourses.

In our follow-up, we found that in August 2019, the NPCA developed a workplan that prioritizes floodplain mapping for the watercourses within its jurisdiction based on a number of criteria. These criteria include whether the watercourse flows through an area where there is demonstrated risk to people and property and whether there are current development pressures within the watershed.

The workplan identifies the seven watercourses that the NPCA plans to map by 2025. The NPCA has estimated that the cost to map each of the seven watercourses will range from \$75,000 to \$200,000 and total \$1.075 million. Mapping the seven watercourses would increase the NPCA's flood-mapping coverage to 95% of the watershed. The remaining 5% are minor watercourses located in rural areas or of a size that flooding is not a current concern. The workplan also recommends setting aside \$200,000 each year beginning in 2026 to update floodplain maps that are older than 20 years. The cost estimates in the workplan are based on costs of previous floodplain mapping studies undertaken by the NPCA.

Recommendation 8

To ensure that conservation authorities have complete and up-to-date information about the risks within their watershed, we recommend that the Ministry of Natural Resources and Forestry work with Conservation Ontario to:

- *establish clear responsibility and criteria for developing and updating floodplain maps across the province; and*
- *review current funding levels to conservation authorities to determine how floodplain mapping can be completed in a timely manner.*

Status: In the process of being implemented by March 2022.

Details

In our 2018 audit, we noted that conservation authorities rely on floodplain maps to review development proposals and work permit applications to determine where development can occur. However, neither the *Conservation Authorities Act* nor the Ministry of Natural Resources and Forestry (Ministry) required conservation authorities to develop floodplain maps. We also noted that Conservation Ontario had estimated that three-quarters of existing floodplain maps in Ontario were outdated and it would cost about \$136 million to update them. However, at the time, conservation authorities received provincial funding only for provincially mandated flood infrastructure maintenance, monitoring and warning programs.

In July 2019, in response to significant spring flooding in various parts of Ontario, the province appointed Doug McNeil—a former deputy minister of Infrastructure and Transportation in Manitoba—as a Special Advisor on Flooding to review Ontario's flood mitigation policies and programs.

Consistent with our 2018 audit, in his October 2019 report, the Special Advisor highlighted issues with unclear responsibility for identifying hazardous areas, outdated and contradictory guidelines for flood-risk mapping, and needed funding to complete and update floodplain maps. Among his 66 recommendations, the Special Advisor recommended that the province establish a working group to prepare a multi-year approach to floodplain mapping.

In March 2020, the Ministry released Ontario's Flooding Strategy, in which it commits to establishing a flood-mapping technical team comprising members from various sectors such as municipalities and conservation authorities. The team, which the Ministry plans to establish in fall 2020, will work to clarify roles and responsibilities for flood mapping and explore funding partnerships. The Ministry estimates that the technical team will complete its work by March 2022.

Controlling Development in Flood-Prone Areas and Wetlands

Recommendation 9

To ensure that development is directed away from areas of natural hazards where there is an unacceptable risk to public health and safety or of property damage, we recommend that the Niagara Peninsula Conservation Authority (NPCA):

- *finalize, as soon as possible, its policies for reviewing development proposals and work permit applications;*

Status: Fully implemented.

Details

In our 2018 audit, we found that the NPCA had contradictory policies for reviewing development proposals and work permit applications. Interim directives in 2013 instructed staff to use more flexibility in reviewing development proposals and work permit applications near wetlands and valleys than was allowed in the 2007 Board-approved policies. NPCA senior management told us that staff no longer used the 2013 interim directive, but we also noted that staff were instructed to use the interim directive until the 2007 policies were updated. At the time of our 2018 audit, the updated policies had not been finalized.

In our follow-up, we found that the revised policies for reviewing development proposals and work permit applications were approved by the NPCA Board in September 2018 and came into effect on November 1, 2018, subsequent to the release of our 2018 report.

- *in finalizing such policies, ensure that the criteria for where development is allowed is consistent with Section 3.1 of the Provincial Policy Statement and the Conservation Authorities Act.*

Status: In the process of being implemented by December 2021.

Details

In our 2018 audit, we reviewed the most recent draft available of the NPCA's proposed policies for reviewing development proposals and work permit applications to determine whether they were consistent with Section 3.1 of the Provincial Policy Statement and the *Conservation Authorities Act* (Act). We found that they incorporated the more permissive policies under the interim directives regarding developments near wetlands and valley lands.

In our follow-up, we reviewed the final revised policies against Section 3.1 of the Provincial Policy Statement and the Act. We found that the new policy regarding development near wetlands is more permissive than both the 2007 policies and the 2013 interim directives, and may be more permissive than the direction set out in the regulation under the Act. For example, the regulation prohibits development in areas where the proposed development could interfere with the wetland's functions, including areas within 120 metres of a provincially significant wetland and 30 metres of other types of wetlands. Exceptions may be made if, in the conservation authority's opinion, the development will not negatively affect the area's ecological and hydrological functions. Under the NPCA's new policies, new development—including subdivisions and major commercial, industrial or institutional uses—may be permitted within 30 metres of a provincially significant wetland if NPCA staff determine that the reduced distance (from 120 metres to 30 metres) is warranted based on the scale, nature and proximity of the proposed development. The policies state that NPCA staff may consider various factors, including the presence of sensitive ecological features, and may require that an environmental impact or similar studies be conducted, but does not describe what steps the NPCA will take to assess and ensure no negative impacts. The NPCA will begin reviewing its current wetland policies in December 2020 to ensure the policies are appropriate, including clearly indicating the requirement for environmental impact studies. The NPCA expects to complete the review by December 2021.

Recommendation 10

To ensure that staffing decisions are focused on improving the operations of the Niagara Peninsula Conservation Authority (NPCA) to fulfill its legislative mandate and provide effective and efficient services, we recommend that the NPCA:

- *develop a human resources (HR) plan that identifies current and future HR needs, as they relate to the strategic direction of the NPCA;*
- *in developing such an HR plan, review its staffing mix to determine the appropriate level of administrative and corporate support staff;*
- *base future HR decisions on its HR plan;*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that the NPCA underwent four organizational restructurings between 2012 and 2017, under four different CAOs. These restructurings, which did not always appear to be based on the NPCA's needs, had a significant impact on staffing for the review of development proposals and work permit applications. For example, in September 2017, the NPCA laid off five staff involved in reviewing development proposals.

In our follow-up, we found that beginning in March 2019, the interim CAO asked staff to provide comments on, among other things, the staffing complement, including gaps. The CAO received 17 written submissions and had nine individual and group meetings with staff. NPCA senior management identified staffing gaps of one full-time equivalent staff in each of the following areas: enforcement, planning technician, restoration and finance. The assessment of staffing gaps was based on factors such as feedback from staff consultation and current volume of work.

These staffing gaps were identified in the Human Resources (HR) Plan that was presented to the NPCA Board for approval in September 2019. To address the gaps, the NPCA hired additional staff in the enforcement, planning, restoration and finance

departments. The HR Plan also recommends that further analysis regarding future HR needs to be completed after updating the NPCA's Strategic Plan in 2021 and when the Bill 108 amendments regarding mandatory and non-mandatory programs are proclaimed. The priorities identified in the Strategic Plan and Bill 108 amendments will determine where staffing resources will be needed in the future.

The Board approved the short- and medium-term priorities identified in the HR Plan. The long-term priorities and, therefore, future staffing needs are contingent on, and will be assessed during the development of, the NPCA's Strategic Plan. NPCA senior management told us that the new Strategic Plan will be completed by December 2020 and that future HR decisions will be based on the HR and Strategic Plan.

- *provide information about planned restructuring decisions, including their financial implications, to the NPCA Board prior to implementing such decisions.*

Status: Fully implemented.

Details

Our 2018 audit found that the four organizational restructurings between 2012 and 2017 resulted in a total of \$1.3 million in compensation paid to staff for severance, salary continuance, costs associated with grievances filed at the time of firing and fees for consultants who were hired to assist in the restructuring or firings. These costs did not include legal fees associated with the firings.

In our follow-up, we found that, in April and June 2019, NPCA staff provided reports to the Board about planned restructuring decisions to eliminate and re-allocate certain positions. The reports also included an analysis of the financial implications of the restructurings.

Responding to Public Complaints about Violations of the Conservation Authorities Act

Recommendation 11

To ensure that reports of possible and known violations are appropriately addressed in a timely manner, we recommend that the Niagara Peninsula Conservation Authority:

- determine the number of enforcement staff necessary to address violations on a timely basis and staff accordingly;
- ensure that enforcement staff obtain the necessary training to discharge their responsibilities;

Status: Fully implemented.

Details

In our 2018 audit, we found that the lack of consistent, dedicated enforcement staff contributed to delays in resolving violations of the *Conservation Authorities Act* (Act). Anyone who fills in or destroys wetlands, dumps debris into a watercourse or embankment, or alters a watercourse is in violation of the Act. The NPCA did not have an enforcement officer between September 2016 and April 2017, and again between November 2017 and April 2018. In April 2018, the NPCA re-assigned one of its restoration staff, who had no prior enforcement training or experience, to work on investigating complaints about potential violations of the Act on a part-time basis.

As discussed in **Recommendation 10**, our follow-up found that the NPCA identified a staffing gap of one full-time equivalent staff in its enforcement area. In March 2019, the NPCA hired an enforcement officer to bring its total complement to two full-time enforcement officers. Both officers received the relevant training from Conservation Ontario in March 2019.

- revise its enforcement policy to provide guidance on the progressive actions enforcement staff should take to address violations taking into consideration the significance of the violations;

- revise its enforcement policy to require that enforcement activities be sufficiently documented to ensure that staff adhere to the policy;

Status: Little or no progress.

Details

Our 2018 audit found that, from 2013 to 2017, the NPCA issued 13 Notices of Violation related to 11 identified violations, but nine of the violations were still unresolved in July 2018. This meant that the violation was still ongoing and the NPCA had not yet pursued further enforcement action against the offender. We also found that one-quarter of the public complaints of possible violations during the same period were still open. We also reviewed a sample of enforcement files. In one-third of the complaints, the NPCA closed the files without sufficient documentation to indicate whether the violation had been dealt with and whether the damage or alteration to the environment had been fixed. In addition, two-thirds of the files we reviewed indicated that the enforcement officer visited the site that was the subject of the complaint, but the files did not contain completed inspection or investigation reports.

In our follow-up, the NPCA told us that, once the Bill 108 amendments are proclaimed and the Ministry develops the relevant regulations, it planned to develop NPCA-specific enforcement policies based on the sample policies that Conservation Ontario developed in September 2019. Enforcement officers were scheduled to receive training on these policies in January 2021. Our review of the sample policies noted, however, that they do not provide guidance on, for example, circumstances that would trigger the progressive use of enforcement actions to address violations.

According to the NPCA, it and other conservation authorities can benefit from stronger enforcement tools. In this regard, on October 1, 2020, Conservation Ontario sent a letter to the ministers of the Environment, Conservation and Parks and Natural Resources and Forestry to recommend that the province enact previously passed amendments

to the Conservation Authorities Act that would give conservation authorities stronger enforcement tools. These amendments were part of a number of changes made to the Act in 2017 through Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017*. If enacted, the amendments will authorize enforcement officers to enter lands without a warrant and issue stop orders in specified circumstances.

- *use CityView to track reports of possible violations.*

Status: In the process of being implemented by December 2021.

Details

Our 2018 audit found that CityView—the computer application that NPCA staff had been using since 2016 to manage their review of development proposals and work permit applications—had the capability to track enforcement activities. However, the NPCA was not using this feature at the time of our audit.

In our follow-up, we found that NPCA enforcement staff have begun entering minimal data regarding potential violations into CityView. Information on active investigations or legal files to track investigations was not being entered because CityView currently cannot maintain the confidentiality of information regarding the violations. NPCA staff are tracking such information in a secure shared file system. The NPCA will review compliance- and enforcement-specific module options in early 2021 for implementation by December 2021.

Recommendation 12

To ensure that the Niagara Peninsula Conservation Authority (NPCA) can proactively identify unlawful activities before they result in risk to people, property and the environment, we recommend that the NPCA:

- *institute a mandatory reporting mechanism for landowners to notify the NPCA that approved work has been completed in compliance with*

the conditions of the permit, and follow up with landowners who fail to report;

- *develop a risk-based plan to conduct site visits to ensure that landowners have completed the approved work in compliance with the conditions of the permit;*

Status: In the process of being implemented by December 2021.

Details

In our 2018 audit, we noted that all work permits issued by the NPCA included a condition that the NPCA needs to be notified that approved work has been completed in compliance with the conditions of the permit within two weeks of the applicant completing the work. NPCA staff could not determine how often they received such notification. As a result, NPCA staff had little to no assurance that the work approved by the permit was completed according to the permit's conditions. We also found that in almost all cases of work permits issued with conditions, the NPCA did not conduct site visits to confirm that the landowners were complying with the conditions of the permit. The NPCA issued 938 work permits from 2013 to 2017.

In our follow-up, we found that, beginning in April 2019, work permits issued by the NPCA now include a dedicated email address for landowners to send notifications. The NPCA told us that staff were monitoring the email once a week, but, because of serious resource constraints, did not track notifications to identify and follow up with landowners who fail to report. In addition, during the COVID-19 pandemic, site visits were reduced to only those absolutely necessary. The NPCA told us it recently hired additional planning staff to allow its enforcement officers to conduct such follow-up work.

We also found in our follow-up that, in June 2019, the NPCA Board approved a risk-based plan for inspecting landowners' compliance with the conditions of their work permit. The NPCA told us, however, it was waiting for Conservation Ontario policies to be approved so it can align its enforcement activities, which will include using the

plan to prioritize inspections based on the risk that work by landowners poses to people, property and the environment. Such policies will also depend on the results of the province's review of the *Conservation Authorities Act* (discussed in **Recommendation 1**), which will dictate key components of conservation authorities' compliance and enforcement activities.

The NPCA expects to implement its revised enforcement activities by December 2021.

- *update its website to provide information to the public about activities that are prohibited under the Conservation Authorities Act and how the public can report suspected violations to the NPCA.*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA relied entirely on public complaints to identify individuals engaging in prohibited activities. However, the NPCA did not provide information to the public, for example through its website, about which activities are prohibited under the *Conservation Authorities Act* and how to report such activities to the NPCA.

In our follow-up, we found that the NPCA updated its website to include the areas that are regulated by the NPCA and the types of development activities for which property owners require a permit. The website also now includes information about the NPCA's enforcement responsibilities pertaining to the *Conservation Authorities Act* and a mechanism through which members of the public can inform the NPCA about work that is being done in an area that is or may be regulated by the NPCA.

Improving Water Quality

Recommendation 13

To ensure that restoration funding is directed toward projects that best achieve the goals of the restoration program, we recommend that the Niagara Peninsula Conservation Authority, regardless of its chosen

program delivery model, develop and implement a strategy to better target areas of the watershed based on water quality monitoring and other information on the health of the watershed.

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA did not establish clear goals for its restoration program, nor did it determine where restoration work was most needed. The NPCA's restoration program—a cost-sharing program in which NPCA staff worked with landowners to, for example, restore wetlands, plant trees and implement agricultural best practices—was a key component of its work to improve water quality. Our review of all restoration projects between 2013 to 2017 showed that restoration grants were not directed toward areas of concern and toward activities that would alleviate the concerns. For example, the NPCA identified in its annual Watershed Report Cards that surface water quality was poor due to contamination from agricultural runoff and sewage discharges. However, projects to control this contamination comprise just 3% of all funded projects and received 10% of total funding. The NPCA suspended its restoration program in July 2017 and engaged an external consultant to review the program.

In our follow-up, we found that in June 2019, the NPCA Board approved guidelines for the new restoration program. The new guidelines and accompanying project evaluation criteria require NPCA staff to consider whether the proposed project is located in areas that have been identified as priority areas for water quality improvement, forest cover and wetland habitat. The NPCA has approved 50 projects since the start of the program based on the new guidelines and evaluation criteria.

Recommendation 14

To ensure that funding from Ontario Power Generation (OPG) helps improve the health of the Welland River as agreed to, we recommend that the Niagara Peninsula Conservation Authority (NPCA):

- *seek clarification with OPG regarding its expectations for how the remaining funds are to be spent;*
- *revise, as necessary, the formal agreement between the NPCA and OPG to outline such expectations; and*
- *develop and implement a plan that identifies the projects and their locations for which the remaining funds will be spent, ensuring that such projects focus efforts on areas of concern based on the watershed plans that have been developed for the Welland River.*

Status: Fully implemented.

Details

In our 2018 audit, we found that the NPCA had not met key expectations for the \$3 million it received from the Ontario Power Generation (OPG). In 2007, OPG provided the funding to the NPCA for restoration projects—including tree planting and wetland restoration—aimed at reducing any potential impact that OPG’s hydroelectric power generation on the Niagara River might have on the Welland River. We found that the NPCA had spent only \$1.45 million of the total funds. The OPG agreement required the NPCA to spend all the funds by 2012.

Our 2018 audit also noted that for 73% of the money the NPCA spent (\$1.06 million), the NPCA could not provide any details on the projects other than their amounts and locations. For the remaining 27% of the money where we had sufficient details (\$390,000), the money was spent on projects that were not eligible for funding under the OPG agreement. The NPCA was also planning to spend about \$460,000 in 2018 on other projects not specifically aimed at improving the health of the Welland River.

In our follow-up, we found that NPCA staff had held quarterly meetings with OPG staff since May 2019. In July 2019, the NPCA and OPG finalized the revised Memorandum of Understanding (MOU), giving the NPCA until June 2027 to spend the remaining funds, which stood at \$1.26 million as of December 31, 2018. The revised

MOU reaffirmed that the funds are to be spent to restore, improve and benefit the Welland River and the Welland River watershed. The revised MOU requires the NPCA to prepare project proposals with detailed budgets for the use of the remaining funds. OPG must review and approve the proposals—to ensure they are consistent with the intent of the MOU—before the NPCA can proceed. In 2019, the NPCA spent \$201,000 on eligible projects as approved by OPG. These projects included the Welland River Floodplain mapping update, as well as survey equipment and software to measure river cross section and water velocity.

Buying Land for Conservation, Recreation and Education

Recommendation 15

To ensure that lands are acquired to help the Niagara Peninsula Conservation Authority (NPCA) fulfill its mandate, we recommend that the NPCA:

- *review and revise its land acquisition goals—both in its latest 2015 plan and in its 100-year plan—for reasonableness and to reflect the NPCA’s responsibilities under the natural hazard policies of the Provincial Policy Statement;*
- *improve its current land acquisition criteria to provide clear direction on which lands should be acquired;*
- *prioritize its current land acquisition criteria to reflect the revised goals;*
- *determine the total cost of its land acquisition plan and how it will fund the acquisitions;*
- *develop and implement a plan to achieve its land acquisition goals;*

Status: In the process of being implemented by spring 2021.

Details

Our 2018 audit found that the NPCA’s 2015 and 2017 land acquisition plans, which identified its goals for future land acquisitions, provided less direction than its 2007 land acquisition strategy. The 2015 plan contained six criteria that were framed in question

form, but it was unclear how the answer to each question would help determine whether a particular parcel of land should be acquired. The 2017 plan called for the NPCA to acquire from 25,000 to 40,000 acres of land in the next 100 years. To meet this goal, the NPCA would need to acquire at least 250 acres per year—more than what it acquired over the previous 10 years combined. Neither the 2015 nor the 2017 plan identified how acquiring lands would fulfill the NPCA’s mandate to protect property from flood and erosion. We also found that the NPCA had not estimated how much it would cost to achieve its 100-year land acquisition goal, nor did it have a plan to raise the necessary funds.

In our follow-up, we found that in May 2020, NPCA staff presented to the Board its revised land acquisition strategy, including criteria, acquisition methods and funding options. According to the strategy, the goals of land securement include “enhancing and protecting ecologically important lands and significant habitat for biodiversity and climate resilience.” The criteria to determine which lands would be of value to the NPCA are based on factors it determined would help it meet its mandate, including lands that contain significant ecological features and functions; pose natural hazards such as floodplains and valley lands; are adjacent to existing NPCA conservation areas; have historical significance; and need restoring. The next steps are for the NPCA to establish a land securement work program for 2021 to 2026. NPCA senior management told us it has engaged a consultant to help finalize the land acquisition plan, including determining the total cost of its plan and how it will fund the acquisitions. The NPCA expects to finalize the land acquisition plan for Board approval in spring 2021.

- *monitor and report to the NPCA Board of Directors on land acquisition progress.*

Status: Little or no progress.

Details

Our 2018 audit found that the NPCA did not follow its 2007 land acquisition strategy between 2008 and 2017. The 2007 land acquisition strategy called for the highest-priority lands to be acquired by 2012. We found that only 5% of the \$3 million that the NPCA spent from 2008 to 2017 was for land that was identified as a high priority in the 2007 strategy—a 9.85-hectare parcel of land with high ecological value.

In our follow-up, we found that the NPCA had not yet finalized its revised land acquisition strategy against which it can monitor and report on progress. Since our 2018 audit, the NPCA has purchased a 40-acre property in Hamilton adjacent to an existing conservation area for \$600,000.

Measuring the Impact of NPCA’s Programs and Services

Recommendation 16

To enable the Niagara Peninsula Conservation Authority (NPCA) to assess its performance in fulfilling its mandate, we recommend that the NPCA:

- *develop performance indicators that are tied to its mandate and overall program goals;*
- *establish targets against which each indicator will be assessed;*
- *regularly collect and analyze information about the impact of its programs and services on the Niagara Peninsula watershed to help adjust programs on an ongoing basis;*

Status: Little or no progress.

Details

In our 2018 audit, we noted that one of the action items in the NPCA’s 2014–17 Strategic Plan was to design, implement and report on performance indicators by the end of 2015. However, at the time of our audit, the NPCA was still in the process of developing a set of indicators against which it can assess its performance.

In our follow-up, we found that the NPCA has not yet begun developing these performance indicators. The NPCA Board's Strategic Planning Committee met for the first time in July 2020 to begin developing the Strategic Plan for 2021–2031. The performance indicators will be developed as part of the new strategic plan. In October 2020, the NPCA engaged an external consultant to help develop its Strategic Plan, including output-based and performance-based measures.

- *review, and revise as necessary, its annual and quarterly reports to better reflect how the NPCA's initiatives and projects are helping the NPCA fulfill its mandate and overall program goals.*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA's annual and quarterly reports contained mainly narrative descriptions of major projects completed during the year, with limited information about the benefits of such programs or how they contributed to the NPCA fulfilling its mandate. The reports also only included output information—for example, the number of development proposals reviewed, number of work permits issued, and the average time it took staff to review applications—but did not compare this information against pre-established goals or targets or include any trend analysis.

In our follow-up, we reviewed all quarterly and annual reports that the NPCA has published since our 2018 audit—the 2018 fourth-quarter and annual reports as well as the 2019 first-, second-, third-quarter and annual reports—to determine whether they describe how the NPCA's initiatives and projects are helping the NPCA fulfill its mandate. The NPCA told us it has decided to discontinue issuing quarterly reports after the 2019 third-quarter report to allow it to conduct more detailed analyses for its annual report. Our review of the published quarterly and annual reports found that, similar to our finding in 2018, all the 2018 reports and the 2019 quarterly reports only included output

information and limited information about the outcomes of the NPCA's various activities.

In September 2020, the NPCA published its 2019 annual report, which included more detailed descriptions of how its projects and activities over the past year helped the NPCA fulfill its mandate and program goals. For example, the 2019 annual report describes how:

- the NPCA's floodplain mapping activities identified and helped inform property owners of flood risks along the main branch of the Welland River from the Binbrook Dam to the Niagara River;
- the NPCA's ecological monitoring activities helped gather information about the various species in its conservation areas;
- the NPCA's response to the 102 property inquiries it received during the year helped prospective property developers avoid purchasing land that is not suitable for development because of natural hazards; and
- the NPCA's various partnerships helped improve the public's understanding of the role of conservation authorities and complete restoration projects within the watershed.

Managing Human Resources

Recommendation 17

To ensure that the Niagara Peninsula Conservation Authority (NPCA) follows fair and transparent recruitment and promotion processes, and that the best-qualified individuals are hired and promoted, we recommend that the NPCA:

- *update its recruitment policies to include the steps and documentation required to support hiring decisions and eliminate situations of real or perceived conflict of interest in recruitment and hiring;*
- *update its promotion policies to include the decision-making process required to be followed and documented for promotions and appointments;*

Status: Fully implemented.

Details

In our 2018 audit, our review of all recruitment files since 2012 noted concerns in three areas of the recruitment process in files from 2014 to 2017, highlighting the need to review existing recruitment policies and practices to ensure fairness and transparency:

- two cases where one of the applicants selected for interviews was ranked in the bottom half of applicants in the initial screening, calling into question the usefulness of the initial screening or the hiring managers' decisions in selecting the best candidates;
- two cases where the successful candidate's application did not have all of the required education or experience listed in the job posting; and
- four cases where actual or perceived conflicts of interest or bias in hiring staff were not mitigated.

Our 2018 audit also found that in eight of the 11 promotions since 2012 that occurred without a competition, the employee did not have a performance appraisal completed in the year prior to their promotion.

In our follow-up, we found that the NPCA Board approved revised recruitment and promotion policies in June 2019. The revised recruitment policy now has a section describing the steps and documentation required to support hiring decisions, including the minimum time required to post vacant positions internally and externally, screening, short-listing and interviewing applicants, and the selection process. The new section on conflicts of interest describes circumstances where an NPCA staff may be in a conflict, and requires the staff to recuse themselves from the recruitment process.

- *assess staff's performance annually, as required by its policies;*

Status: In the process of being implemented by December 2020.

Details

Our 2018 audit found that, of the 44 NPCA staff who had been working at the NPCA for more than one year at the time of our audit, only 36% had a performance appraisal on file. None of the employees had been evaluated more than once in the previous five years. NPCA policy required that staff appraisals be carried out annually. NPCA senior management told us at the time that they had revised the performance appraisal process and included goal-setting, which they planned to implement on a rolling basis as employees' hiring anniversaries occur.

In our follow-up, we found that the NPCA Board approved the revised performance appraisal policy in June 2019. The revised policy clarifies time-frames and expectations regarding the performance appraisal process. Specifically, the policy requires that employees' performance be evaluated at the end of their probationary period within a position and annually on their service anniversary date. We reviewed the NPCA's records of performance appraisals and found that as of July 2020, performance appraisals had not been completed for half of the 40 staff who had been working at the NPCA for more than one year. NPCA senior management told us that appraisals were delayed due to the COVID-19 pandemic, but the outstanding appraisals, and any that become due, will be completed by December 2020.

- *provide quarterly updates to the NPCA Board of Directors on staffing changes and performance.*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA underwent four reorganizations under four different CAOs in the six-year period from 2012 to 2017. The organizational restructurings resulted in a total of 32 full-time employees out of an annual average of 60 being laid off or terminated from their positions. During this period, the NPCA paid over \$1.3 million in staff compensation, settlements

related to grievances files at the time of termination, and HR counselling and consulting fees relating to the terminations.

In our follow-up, we found that NPCA staff have provided quarterly updates to the NPCA Board that include information on recruitment activities, staffing changes, performance appraisals and labour relations.

Recommendation 18

To ensure compliance with the Occupational Health and Safety Act, the Ontario Human Rights Code and the Ministry of Labour's Code of Practice, we recommend that the Niagara Peninsula Conservation Authority (NPCA):

- *for every harassment or discrimination complaint or grievance filed, fully assess and document whether an investigation is required, and, if it is, conduct it in an appropriate and timely manner;*

Status: Fully implemented.

Details

Our 2018 audit found that, in 2017, NPCA staff filed 10 grievances and six complaints alleging harassment or discrimination. We engaged an independent Human Resource specialist to assess the reasonableness of the NPCA's response to these harassment grievances and complaints based on the requirements of the *Occupational Health and Safety Act* and the Ontario Human Rights Code, as well as best practices outlined in the Ministry of Labour's Code of Practice. We found that, for 13 of the 16 harassment grievances and complaints, the NPCA did not conduct an appropriate or timely investigation of the incident or obtain sufficient information to determine whether an investigation was required.

In our follow-up, we found that in June 2019, the interim NPCA Board approved a revised Workplace Harassment Policy. Two significant changes include that the policy is applicable to Board members as well as specifying the instances when

an external party will lead the investigation into the complaint. Under the revised policy, harassment complaints against the Human Resources staff, CAO and Board members must be investigated by a third party. Since our 2018 audit, there have not been any harassment or discrimination complaints or grievances filed against any NPCA staff, the CAO or Board members.

- *use its ability, under its workplace harassment policy, to appoint an external investigator or develop mechanisms to ensure that complaints against the CAO are investigated by a party who does not report directly to the CAO;*

Status: Fully implemented.

Details

Our 2018 audit found that the Human Resources staff person reported directly to the CAO. This presented a conflict if the HR staff person received a complaint against the CAO. One-third of all NPCA employees we interviewed raised a concern that the HR staff person would not be able to properly investigate their concerns in an unbiased and neutral manner. According to the Ministry of Labour's Code of Practice, the person conducting the investigation must not be under the direct control of the subject of the complaint. The NPCA's workplace harassment policy at the time allowed the CAO or the HR staff person to appoint an external investigator, but the NPCA had not done so for any of the grievances or complaints filed.

In our follow-up, we found that the NPCA Board approved a revised Workplace Harassment Policy in June 2019. Two significant changes include that the policy is applicable to Board members as well as specifying the instances when an external party will lead the investigation into the complaint. Under the new policy, harassment complaints against the Human Resources staff, CAO and Board members are to be investigated by a third party. As discussed in the action item above, there have not been harassment or discrimination complaints reported against the current CAO, nor were any filed against the interim CAO.

- *provide additional information on grievances, staff complaints and investigations, including their subject and financial implications, as part of confidential updates to the NPCA Board of Directors.*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA began providing quarterly reports to the NPCA Board of Directors in January 2018 summarizing the status of various HR functions such as recruitment, grievances and performance appraisals. However, the reports did not include details on the subject of the grievances or their financial implications.

In our follow-up, we found that the NPCA has continued to provide quarterly confidential updates to its Board of Directors. We reviewed all quarterly updates that have been provided to the Board since our 2018 audit and found that they have included the subject, financial implications if any, and the status of grievances and complaints.

Recommendation 19

To ensure that the Niagara Peninsula Conservation Authority (NPCA) operates as effectively and productively as possible, without workplace issues hindering its operations unnecessarily, we recommend that the NPCA:

- *develop and implement an action plan to address workplace concerns;*
- *present this action plan and related timeline to the NPCA Board of Directors for review and approval; and*
- *report on its progress in implementing the actions within the approved timeline.*

Status: Fully implemented.

Details

Our 2018 audit found that NPCA staff had divided opinions about the workplace culture. In response to our survey, half of the staff either reported that the work environment was positive or had no view on it.

The remaining half reported that mistrust between management and staff, lack of transparency regarding hiring and promotion practices, concerns about activities being monitored by management, and frequent terminations had all contributed to a difficult and distrustful workplace culture.

As discussed in **Recommendation 10**, our follow-up work found that beginning in March 2019, the NPCA CAO asked staff to provide comments on, among other things, any outstanding workplace concerns. The CAO received 17 written submissions and had nine individual and group meetings with staff. Staff were asked what positive actions had been taken, and what still needed to be taken, to address workplace concerns. Some of the positive actions identified by staff included updated HR policies, more professional and respectful work environment, good staff morale, no negative rumours or news among staff, and strong leadership. Some of the areas where staff identified improvements were still needed included the need for a new Strategic Plan, regular staff meetings, communications across departments and a new records management system.

Feedback from staff was used to develop the NPCA's Human Resources plan, which was presented to and approved by the NPCA Board in September 2019. Our review of the quarterly HR updates to the Board, described in **Recommendation 17** and **Recommendation 18**, noted that NPCA staff reported on their progress in implementing the short- and medium-term priorities in the HR plan.

Managing Financial and Capital Resources

Recommendation 20

To ensure that the Niagara Peninsula Conservation Authority (NPCA) receives value for money spent on goods and services, we recommend that the NPCA:

- *follow its procurement policies for the acquisition of goods and services;*

Status: Fully implemented.

Details

In our 2018 audit, our review of the NPCA's spending policies and practices found that the NPCA did not acquire goods and services competitively, as required by its procurement policy, in half of the purchases we reviewed from 2012 to 2017. The total value of those purchases was \$2 million. Specifically, no documentation existed to show that the NPCA obtained verbal quotations in 100% of cases where they were required and it did not issue a Request for Proposals in 43% of the cases where it was required.

In our follow-up, we found that the NPCA Board approved a revised procurement policy in April 2020. Unlike the previous policy, it clearly defines the responsibilities of NPCA staff in each stage of the procurement process; centralizes the procurement responsibility with the Procurement Specialist, who is responsible for ensuring compliance with the procurement requirements; and no longer permits verbal quotations.

- *revise its procurement policies to require that any needed services associated with unsolicited proposals be obtained in a transparent and competitive manner;*

Status: Fully implemented.

Details

Our 2018 audit found that in 2015 the NPCA accepted an unsolicited proposal—a proposal from a company to provide communications services that the NPCA was not explicitly seeking—in contravention of its policy. The policy required that, upon receiving an unsolicited proposal, the NPCA must determine whether it needed the services proposed, and if it did, it must procure the services competitively if the services were available in the market. There was no evidence that the NPCA assessed whether it needed the service being proposed, and the NPCA engaged the firm without a competitive procurement, as required by its policy. In addition, neither NPCA staff nor the firm could provide us with any of the deliverables outlined in

the contract. The NPCA paid the firm \$27,000 over an eight-month period.

In our follow-up, we found that the NPCA's revised procurement policy specifically states that unsolicited proposals "shall not circumvent" the policy. The policy prohibits senior management from considering the proposal if it is similar in scope or nature to a current or planned competitive procurement, if the goods or services are readily available from other sources, or if the proposal is not in the best interests of the NPCA. Even if the proposal is deemed to be in the NPCA's best interests, the policy requires that NPCA staff evaluate the proposal against established criteria, and prepare a report for the Board's Audit and Budget Committee with a recommendation to accept, amend or reject the proposal. Since our 2018 audit, the NPCA has not received an unsolicited proposal.

- *assess the benefits of establishing continuity and achieving cost savings from contracting with a preferred law firm for each field of law it requires services; and*
- *revise its procurement policies for legal services to implement the results of the above assessment.*

Status: Fully implemented.

Details

Our 2018 audit found that the NPCA's annual legal costs increased by 633% from \$45,000 in 2012 to \$294,000 in 2017. From 2015—when the NPCA exempted legal services from competitive procurement—to March 2018, the NPCA paid over \$500,000 in legal fees to 17 different law firms. For example, in 2017, the NPCA paid five different law firms for legal services related to HR matters.

In our follow-up, we found that in December 2019, NPCA staff presented to the Board's Governance Committee its assessment of the options for acquiring legal services, with the recommendation that legal services continue to be exempt from competitive procurement. The recommendation, according to NPCA staff, is based on the limited

number of service providers in the area and similar practices in other public entities in the Niagara Region. The Board, instead, directed NPCA staff to develop a vendor of record for legal services and update the procurement policy to allow exceptions to competitive procurement requirements only in urgent circumstances. The revised procurement policy reflects this exception for “urgent legal circumstances that may occur that necessitates an immediate reaction or assistance that requires professional legal services.” At the time of our follow-up, NPCA staff were developing Request for Proposal documents in preparation for a competitive bid to establish a vendor of record for each type of legal service. The NPCA staff estimates that it will establish the vendor of record by January 2021.

Recommendation 21

To ensure that the funds are available and that critical capital projects are completed in a timely manner, we recommend that the Niagara Peninsula Conservation Authority (NPCA):

- *update the information in its asset management system to reflect the actual replacement cost of assets (when this information is available) and the estimated useful life of assets based on their condition;*
- *obtain reliable information to support replacement cost estimates and cost estimates for planned capital projects;*

Status: Fully implemented.

Details

Our 2018 audit found that there was little to no information to support the estimates for the 10 highest-costing projects in the NPCA’s 2016 capital plan. The plan identified 237 projects to be undertaken between 2017 and 2032 at a total estimated cost of \$45.8 million for new and/or replacement buildings, equipment, electrical systems and septic tanks.

In our follow-up, we found that the NPCA competitively procured asset management software in April 2020, which, among other things, will help

track the costs of its capital projects. The NPCA has updated the information in this asset management software to reflect the actual replacement cost of its assets (based on independent appraisals), their current condition and their estimated useful life.

- *prioritize capital projects using an objective assessment of needs;*
- *identify how the NPCA will obtain funding to undertake these projects; and*
- *refine the capital plan, based on the above action items, and present it to the NPCA Board for approval.*

Status: In the process of being implemented by December 2020.

Details

Our 2018 audit also raised the following issues with the NPCA’s 2016 capital plan:

- While the capital plan identified when projects were to be carried out, it did not prioritize the projects within particular years.
- The capital plan did not identify how the NPCA would obtain funding to implement the projects.
- The capital plan was not presented to the NPCA Board for approval because the plan was only intended to be used by staff to track desired capital projects.

In our follow-up, we found that the NPCA is currently developing a new 10-year Capital Asset Management Plan, which incorporates the recommendations from our 2018 report. NPCA senior management told us that it estimates that the new Plan will be complete by December 2020. Policies will also be developed to address prioritization and long-term funding.

In April 2020, the NPCA competitively procured asset management software, which will help cost tracking and prioritization. The Fixed Asset and Capital Asset Planning modules of the software will also help inform the capital plan.

Province Does Not Give Conservation Authorities Sufficient Direction and Guidance

Recommendation 22

To ensure that conservation authorities have the necessary information to interpret and fulfill their legislative mandate, we recommend that the Ministry of the Environment, Conservation and Parks, upon proclamation of Section 40 of the Conservation Authorities Act:

- *clearly describe for conservation authorities what the development of natural resources entails, and how it differs from “development” in general;*
- *provide guidance to help conservation authorities prioritize the objectives of their programs and services (conservation, restoration, development and management of natural resources);*
- *use its regulatory powers to establish minimum requirements and standards for conservation authorities’ delivery of programs and services; and*
- *establish the governance practices that it determines conservation authorities should be uniformly following province-wide.*

Status: In the process of being implemented by summer 2021.

Details

Our 2018 audit found that the province had not provided guidance to conservation authorities on how to deliver on their broad legislative mandate. The *Conservation Authorities Act* (Act) mandates that conservation authorities provide programs and services “to further the conservation, restoration, development and management of natural resources.” At the time of our audit, the Act did not provide guidance on what “development of natural resources” entailed and to what extent conservation of natural resources must be prioritized.

The Ministry told us during our 2018 audit that the Act allowed municipalities, through their Board representatives, to set priorities for conservation

authorities they fund. However, as discussed in **Recommendation 1**, this created a conflict when municipal priorities to facilitate economic development were at odds with conservation authorities’ responsibility to protect people and property. Three-quarters of the conservation authorities we surveyed indicated that they encountered conflicts between conservation and development in the work they did.

The Ministry told us during our follow-up that all legislative and regulatory recommendations in our 2018 audit will be addressed when it completes its review of the *Conservation Authorities Act*, described in **Recommendation 1**, by summer 2021.

Neither the Ministry nor Municipalities Know How Conservation Authorities Are Fulfilling Their Mandate

Recommendation 23

To ensure that conservation authority boards of directors are held to account appropriately, we recommend that the Ministry of the Environment, Conservation and Parks work with municipalities to develop and implement a formal, cost-effective and purposeful reporting process that includes a discussion of the outcomes of conservation authorities’ activities.

Status: In the process of being implemented by summer 2021.

Details

Our 2018 audit found that the Ministry did not receive sufficient information from conservation authorities to determine how well they were fulfilling their mandate. In addition to their audited financial statements, the Ministry only required conservation authorities to submit a report that itemized where they spent their funding and described their activities in the areas for which the province has delegated responsibility to them—managing flood control structures such as dams, operating flood forecasting and warning systems,

and reviewing municipal planning documents. The reports did not include information about how the conservation authorities' activities helped them fulfill their delegated responsibilities or their legislative mandate. Similarly, our discussions with NPCA Board members and representatives from the NPCA's three funding municipalities noted there was no consistent, formal mechanism through which the municipalities held the NPCA Board to account.

In our follow-up, we found that the Ministry held consultations with stakeholder groups including municipalities from October 2019 to February 2020 as part of its review of the *Conservation Authorities Act* (described in **Recommendation 1**). During the consultations, Ministry staff asked for feedback on how oversight of conservation authorities could be improved. At the time of our follow-up, the Ministry was reviewing the 2,380 responses it received and feedback from the consultations it held along with the relevant recommendations from our 2018 audit. The Ministry estimates that it would complete its review of the *Conservation Authorities Act* by summer 2021.

Neither the Ministry nor Municipalities Can Step in to Address Serious Concerns with Conservation Authorities

Recommendation 24

To ensure that issues that are beyond conservation authorities' ability to manage themselves are dealt with appropriately and in a timely manner, we recommend that the Ministry of the Environment, Conservation and Parks work with municipalities to:

- *determine the circumstances when Ministry and/or municipality intervention is warranted;*
- *establish mechanisms for the Ministry and/or municipalities to intervene when necessary in conservation authorities' operations; and*
- *formalize such mechanisms through a memorandum of understanding between the Ministry,*

municipalities and conservation authorities that clearly establishes the roles and responsibilities of each party and when intervention is necessary.

Status: In the process of being implemented by summer 2021.

Details

Our 2018 audit found that the *Conservation Authorities Act* (Act) did not give the Ministry nor municipalities powers to intervene in conservation authorities' operations where there were indications of operational issues, as was the case with the NPCA. When municipalities requested the Ministry conduct an independent audit of the NPCA, the Ministry responded that it did not have "the legislative ability to order a forensic audit." Likewise, the Niagara Regional Council denied a similar request to audit the NPCA stating that the Council did not have the legislative authority to do so.

In our follow-up, we noted that Bill 108 amended the Act to allow the Minister to appoint one or more investigators to investigate a conservation authority's operations, including the programs and services it provides. The amendments, however, did not include specific circumstances when such an investigation is warranted.

The Ministry told us that it will determine any further legislative and regulatory changes when it completes its review of the *Conservation Authorities Act*, described in **Recommendation 1**, by summer 2021.

Chapter 3

Follow-Up on Reports Issued by the Standing Committee on Public Accounts

Summary

The Standing Committee on Public Accounts (Committee) holds hearings throughout the year when the Legislature is in session on chapters in our Annual Reports or our special reports, and presents its observations and recommendations in its own reports that it tables in the Legislative Assembly. The ministries, agencies of the Crown and organizations in the broader public sector are responsible for implementing the recommendations made by the Committee; our role is to independently express a conclusion on the progress that the audited entity made in implementing the actions contained in those recommendations.

This year we followed up on the status of the implementation of the Committee's recommendations from eight Committee reports tabled between February 2019 and February 2020. Our objective is to provide the Committee with information on the actions being taken by audited entities to provide the requested information and address the recommendations that the Committee made in its reports to the Legislature.

We conduct our follow-up work and report on the results in accordance with the applicable Canadian Standards on Assurance Engagements—Direct Engagements issued by the Auditing and

Assurance Standards Board of the Chartered Professional Accountants of Canada. Our Office complies with the Canadian Standard on Quality Control. We comply with the independence and other ethical requirements of the Code of Professional Conduct issued by Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our follow-up work 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, internal auditors also assist us with this work. The procedures performed in this work vary in nature and timing from 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 62% of the Committee's 166 recommended actions, including just over 40 or 24% of them that have been fully implemented. The Ministry of Health has made progress on 100%

of the recommended actions in the Committee's report on Public Health: Chronic Disease Prevention, and Ontario Power Generation has made progress on 100% of the recommended actions in the Committee's report on Darlington.

However, there has been little or no progress on 34% of the Committee's recommended actions. In particular, we found that the Ministry of Children, Community and Social Services has made little or no progress on implementing 29 of the 35 or 83% of the recommended actions in the Committee's report on Ontario Works. For instance, the Ministry has not yet implemented a process to evaluate the Ontario Works social assistance program, including collecting data on the amount of time recipients spend on social assistance, and monitoring the performance of service managers. The Ministry of Children, Community and Social Services has also made little or no progress on implementing 17 of the 24 or 71% of the recommended actions in the Committee's report on Settlement and Integration Services for Newcomers. This includes recommended actions on ensuring that newcomers are able to access appropriate settlement and integration services when and where they are needed, and identifying barriers to newcomer participation in such programs.

A further five or 3% of the Committee's recommended actions will not be implemented, and one recommendation is no longer applicable.

One of the recommended actions that will not be implemented is from the report on Cancer Treatment. The Ministry of Health informed us that it would not implement the Committee's recommended action of developing criteria for cancer drugs to automatically qualify for the Exceptional Access Program (EAP) because it has found the case-by-case evaluation process of the EAP, as opposed to an automatic qualification process, to be a consistent and fair way to optimize sustainability for the health-care system.

Another recommended action that will not be implemented is from the report on Ontario Works. The Ministry of Children, Community and Social

Services informed us that it did not have plans to establish agreements with other provinces to identify Ontario Works recipients who have been out of the province for extended periods. The Ministry indicated that there are no mechanisms to identify or register individuals who travel within Canada that could enable it to obtain this information.

The Ministry also informed us that the Committee's recommendation that it conduct annual surveys of service managers to obtain their perspective on the obstacles they face in helping Ontario Works clients to find sustainable employment is no longer applicable. According to the Ministry, under the province's plan to transform employment services, announced in February 2019, the responsibility for providing employment supports and services would gradually transition from Ontario Works service managers to Employment Ontario service managers, selected by the Ministry of Labour, Training and Skills Development.

Three other recommendations that will not be implemented are all from the report on Public Accounts of the province. The Treasury Board Secretariat (Secretariat) indicated that it will not implement the Committee's recommended action to allow our Office to reject the proposed selection of external auditing firms hired to perform financial statement audits on agencies and Crown corporations that are consolidated into the province's financial statements, and external auditing firms that provide accounting advice to government ministries, agencies and Crown corporations. The Secretariat noted that it is in the best interests of agencies and Crown corporations and the Office to keep channels of communication open on significant accounting and auditing issues.

The Secretariat also indicated that it will not amend the *Auditor General Act* to give the Office the authority and discretion to be the appointed financial statement auditor of agencies, organizations and Crown corporations consolidated into the province's financial statements, citing that the Office is currently able to directly conduct financial

statement audits for entities that are consolidated into the public accounts, if there is a need.

Last, the province does not plan to implement the Committee's recommendation to amend Ontario Regulation 395/11 in the *Financial Administration Act* to convey in law that the financial statements for the province of Ontario will be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) in letter and spirit.

More specific details are presented in the section that follows **Figure 1**.

Figure 1: Overall Status of Implementation of Recommendations from the Standing Committee on Public Accounts

Prepared by the Office of the Auditor General of Ontario

Report Section	# of Recs	# of Actions Recommended	Status of Actions Recommended			
			Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented No Longer Applicable
3.01 Cancer Treatment Tabled October 2019	21	40	19	16.5	3.5	1
3.02 Darlington Tabled December 2019	6	6	0	6	0	0
3.03 Ontario Works Tabled December 2019	14	35	1	3	29	1
3.04 Public Accounts of the Province Tabled February 2020	6	7	3	1	0	3
3.05 Public Health: Chronic Disease Prevention Tabled November 2019	17	22	8	14	0	0
3.06 Real Estate Services Tabled October 2019	18	31	9	16	6	0
3.07 Review of Government Advertising Tabled December 2019	1	1	0	0	1	0
3.08 Settlement and Integration Services for Newcomers Tabled February 2019	11	24	0.5	6.5	17	0
Total	94	166	40.5	63.0	56.5	5.0
%	—	100	24.4	38.0	34.0	0.6

Chapter 3

Section 3.01

Cancer Treatment Services

Standing Committee on Public Accounts Follow-Up on Section 3.02, 2017 Annual Report

On October 31, 2018, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2017 audit of Cancer Treatment Services. The Committee tabled a report on this hearing in the Legislature in October 2019. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 21 recommendations and asked the Ministry of Health (Ministry), formerly part of the Ministry of Health and Long-Term Care, and Cancer Care Ontario (CCO), which was integrated into a new provincial agency, Ontario Health, in December 2019, to report back by March 2020. The Ministry and CCO within Ontario Health [OH(CCO)] formally responded to the Committee on March 2, 2020. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 15, 2020, and June 25, 2020, and obtained written representation from the Ministry and OH(CCO) that effective October 5, 2020, they have provided us with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

As of October 5, 2020, 48% of the Committee's recommended actions had been fully implemented, and 41% of the recommended actions were in the process of being implemented. There has been little or no progress on 9% of the recommended actions. One of the recommended actions will not be implemented. Specifically, the Ministry informed us that it would not develop criteria for cancer drugs to automatically qualify for the Exceptional Access Program (EAP) because it believes that the case-by-case evaluation process of the EAP is a consistent and fair way to optimize sustainability for the health-care system. The reasons it cites to support its decision are given in the response to **Recommendation 3**. The Office of the Auditor General of Ontario continues to believe that developing and putting into effect criteria for automatic qualification of cancer drugs for the EAP has potential benefits for patients and oncologists, and for the health-care system in Ontario.

Figure 1: Summary Status of Actions Recommended in October 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2	1	1			
Recommendation 2	3	1	2			
Recommendation 3	3	2			1	
Recommendation 4	2	2				
Recommendation 5	2		1.5	0.5		
Recommendation 6	3	1		2		
Recommendation 7	2	1	1			
Recommendation 8	3	3				
Recommendation 9	1	1				
Recommendation 10	2		1	1		
Recommendation 11	2	2				
Recommendation 12	2	2				
Recommendation 13	2		2			
Recommendation 14	1		1			
Recommendation 15	1		1			
Recommendation 16	1		1			
Recommendation 17	3	1	2			
Recommendation 18	1	1				
Recommendation 19	1		1			
Recommendation 20	1		1			
Recommendation 21	2	1	1			
Total	40	19	16.5	3.5	1	0
%	100	48	41	9	2	0

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry and OH(CCO), and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care and Cancer Care Ontario should: - address geographical barriers to patient access to radiation services with the goal of reducing them; Status: In the process of being implemented by December 31, 2023. - report their plans for the new linear accelerators recommended by Cancer Care Ontario to the Standing Committee on Public Accounts. Status: Fully implemented.	In November 2018, OH(CCO) released a 10-year plan, called the Radiation Treatment Capital Investment Strategy, to the Ministry and hospital partners. This plan was intended to guide investments for new and existing radiation treatment facilities until the end of 2028 to help reduce geographical barriers to patient access to radiation services. OH(CCO) expected to update the plan in 2023. During our follow-up, we found that some hospitals have installed new radiation machines or plan to do so in order to expand their radiation treatment facilities and improve patient access. For example: - Royal Victoria Hospital installed one new radiation machine in 2019. - William Osler Health System is developing a proposal to add six new machines. - Other hospitals have also submitted capital projects to the Ministry for adding new radiation machines. These hospitals include Southlake Regional Health Centre (one new machine); Windsor Regional Hospital (one new machine); and Thunder Bay Regional Health Sciences Centre (one new machine). OH(CCO) informed us that it would continue to work with the Ministry's Health Capital Investment Branch and hospitals to secure funding approvals to ensure that radiation treatment capacity is available where and when it is needed. OH(CCO) reported its plans for the new linear accelerators to the Standing Committee on Public Accounts as part of OH(CCO)'s 10-year plan, the Radiation Treatment Capital Investment Strategy, released in November 2018. This plan provided details relating to the recommended timeline for adding radiation treatment machines to the system. Specifically, the 2018 plan indicated that the radiation equipment life cycle for linear accelerators and other high-energy treatment machines has been extended from nine to 12 years to achieve savings that can be reinvested into replacing other equipment and treatment-planning software. The plan was expected to be updated in 2023.

Committee Recommendation	Status Details
Recommendation 2 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should: work with hospitals to reduce discrepancies in wait times for urgent cancer surgery among hospitals; Status: Fully implemented.	OH(CCO) worked with hospitals to complete wait-time analyses in 2019/20. Each region completed a volume variance analysis indicating the reasons for the increased cancer surgery wait times. The reasons for delay included bed capacity issues related to alternative level of care (ALC) and incidental cancellation of oncology surgeries; leaves of absence of physicians, nurses and other hospital staff; and lack of dedicated surgical oncology hospital beds. OH(CCO) also worked with hospitals to take corrective actions to reduce discrepancies among hospitals in wait times for urgent cancer surgery. Specifically, OH(CCO)'s Surgical Oncology Program developed several new initiatives and performance management strategies, and continued ongoing strategies, to monitor cancer surgery access. For example: - the Annual Cancer Surgery Wait Times Trending Report (piloted and released in January 2019); - Quarterly Performance Review Reporting to identify hospitals below target for engagement and possible escalation; - the Monthly Cancer Surgery Wait Times Trending Report to monitor/manage regional wait times for cancer surgeries; and - surgeon-level report cards with personal wait-time information. The most recent data has shown regional improvements in multiple areas of urgent cancer surgeries as a result of corrective actions that OH(CCO) has taken. For example, 88% of urgent cancer surgeries in Toronto Central-South LHIN met the 14-day wait-time target in October 2019, increasing from 83% in April 2018. OH(CCO) will continue to address areas where urgent cancer surgery cases are not meeting the 14-day target.
work with Cancer Care Ontario and hospitals to explore a centralized referral system for cancer surgeries and make real-time wait times publicly available for each hospital; Status: In the process of being implemented by March 31, 2023.	The Ministry has been supporting electronic referrals (eReferral) through the System Coordinated Access program, which was expanded to seven LHINs across the province. eReferral, which is a starting point for developing a centralized referral system, is an electronic referral (rather than fax-and-paper referral) from primary care providers to specialists and other patient support services. eReferral helps reduce wait times and allows patients to accept their appointment time by email. As of March 31, 2020, over 130,000 eReferrals had been processed through the System Coordinated Access program. Integration work to support common referral processes, including centralized intake for cancer services, is in development for the cancer services referral pathway. For example, the System Coordinated Access program has been working with the regional cancer care program in Waterloo-Wellington to phase in eReferral for cancer services in the region. The initial implementation has focused on referrals to colonoscopies for people with positive test results for the fecal immunochemical test (FIT). eReferrals are sent to central intake for booking colonoscopy appointments, and wait times are published. Since April 1, 2020, the province began the development of a provincial eServices program that will be integrating eConsult and eReferral programs initially. Other services such as eOrdering and ePrescribing will be integrated in the future. The Ministry anticipated that there will be electronic referrals standardized across many clinical pathways expanded to other regions across Ontario by March 31, 2023.

Committee Recommendation	Status Details
report the outcomes of the Pan-LHIN Referral Management Initiative on implementing a centralized referral system to the Standing Committee on Public Accounts. Status: In the process of being implemented by March 31, 2023.	The Ministry asked the Local Health Integration Networks (LHINs) to initiate the development of a provincial eReferral strategy to help streamline the referral process across the province. The eReferral strategy is a progression of work that started with the formation of the Pan-LHIN Referral Management Working Group in October 2015. To guide the provincial eReferral strategy's work, a Provincial eReferral Strategy Steering Committee was struck in the fall of 2018 that includes representation from all 14 LHINs. Over its course of development, the provincial eReferral strategy has evolved into the current Transitions in Care strategy, which aims to help reduce time to referral and inappropriate referrals, and improve access to information for both providers and patients. The Ministry indicated that eReferral implementations in Ontario are currently lacking provincial co-ordination, and there is limited integration between the LHINs. It noted that the current Transitions in Care strategy could help address these challenges through co-ordination and standardization of clinical, technical and other processes. The Ministry anticipated that eReferrals would be standardized and expanded to other regions across Ontario by March 31, 2023.
Recommendation 3 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care and Cancer Care Ontario should further simplify and streamline the request and application process for financial support for take-home cancer drugs by: developing criteria for cancer patients to automatically qualify for the Trillium Drug Program; Status: Fully implemented.	The Trillium Drug Program (Trillium) provides coverage for prescription drugs for households with high drug costs relative to their income. The Ministry noted that it had made applying for financial assistance from Trillium more efficient and flexible for patients, as well as streamlining and enhancing transparency of the criteria. As of May 1, 2018, the application for Trillium has included mandatory consent to verify income information with the Canadian Revenue Agency for the 2018/19 fiscal year. This helps cancer patients who meet the criteria to automatically qualify for Trillium. Specifically, benefits for patients include faster application processing by reducing back-and-forth letters that result from incomplete income information; automatic renewal with no requirement for annual paper-based proof of income; and no disruption to drug coverage due to delays in providing paper-based proof of income. Following stakeholder engagement and a review of public feedback, the Ministry developed an enhanced downloadable Trillium application form with mandatory fields to assist applicants in completing their application, and to help ensure completeness and improve accuracy. The Ministry posted the new application form and guide on its website on December 20, 2019.

Committee Recommendation	Status Details
developing criteria for cancer drugs to automatically qualify for the Exceptional Access Program; Status: Will not be implemented.	The Ministry informed us that it would not implement this recommendation because it has found the case-by-case evaluation process of the Exceptional Access Program (EAP), as opposed to an automatic qualification process, to be a consistent and fair way to optimize sustainability for the health-care system. The EAP is designed to facilitate access to drugs that are not listed on the Ontario Drug Benefit Program Formulary. All drugs considered through the EAP are reviewed on a case-by-case basis to ensure that the patient's condition meets the clinical criteria. A request for consideration must be submitted by a physician or nurse practitioner. The EAP then evaluates the submitted clinical information against approved funding criteria which, for take-home cancer drugs, typically follow the same requirements as negotiated nationally through the pan-Canadian Pharmaceutical Alliance. The Ministry explained that without an EAP evaluation process, these costly products might be used for conditions and situations where their safety, effectiveness and value have not been evaluated. All drugs funded by the Ontario Drug Benefit Program, whether on the Formulary or through the EAP, have clinical criteria that are developed by medical experts. These criteria are evidence-based, relying on research, testing and other information to determine which conditions or diseases a drug should be funded for. Funding based on clinical evidence is important to maintain equity, consistency and sustainability for costly drugs and to ensure that patients with cancer and other life-threatening or serious conditions are being treated with drugs that have proven to be safe and effective, and that demonstrate outcomes and value to justify the use of public funds. The Ministry noted a rise in the cost of new take-home cancer treatments in the past decade, with typical treatment costs ranging between \$50,000 and \$130,000 per patient in a single year. Therefore, it stated that the case-by-case process used for the EAP is a consistent and fair way to optimize sustainability for the health-care system by ensuring that funding is provided for evidence-based and cost-effective therapies for all Ontarians, irrespective of the health condition for which they require financial assistance for drug coverage.
reducing the need for health care providers to fill out patient applications for the Trillium Drug Program and Exceptional Access Program. Status: Fully implemented.	The Ministry noted that the web-based IT solution that it introduced, called Special Authorization Digital Information Exchange (SADIE), is making the submission of requests for drugs, including cancer drugs, more efficient for prescribers. SADIE is available to all Ontario physicians and nurse practitioners to support patients' needs for appropriate and timely access to drugs covered through the Exceptional Access Program (EAP). In October 2019 the Ministry also introduced a Telephone Request Service (TRS) for cancer drugs, which enables prescribers to phone the EAP to orally request funding for most take-home cancer drugs and receive a funding decision during the call. Through TRS, an approval can be processed within an hour for urgent requests that had earlier required a three-business-day turnaround. The added advantage of the TRS for cancer drugs is that prescribers are able to discuss the funding criteria with EAP assessors directly during the call to better understand the requirements. The Ministry further noted that health-care providers do not fill out patient applications or supply clinical information for the Trillium Drug Program (Trillium). Trillium applications collect information only about household members and request consent to verify income with the Canada Revenue Agency, as noted in a previous recommended action.

Committee Recommendation	Status Details
Recommendation 4 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care and Cancer Care Ontario should report to the Standing Committee on Public Accounts: - on how well the Special Authorization Digital Information Exchange (SADIE) worked and how useful it was; Status: Fully implemented. - more precise cost estimates for take-home cancer drugs. Status: Fully implemented.	The Ministry replied that as SADIE is a web-based IT solution, it has made review of drug requests through the Exceptional Access Program (EAP) more efficient for prescribers and the Ministry, resulting in faster decisions to support patient care. SADIE has been fully accessible to more than 230 prescribers since April 1, 2019. Beginning July 1, 2019, SADIE became accessible to all physicians and nurse practitioners in Ontario. Any drug request to the EAP can be submitted through SADIE. The Ministry provided the following examples to show how well SADIE worked and how useful it was: - The Ministry has released over 250 drug-specific request forms. These are “smart” forms that elicit the necessary clinical details to determine if the patient meets the funding criteria through the EAP. As a result of these “smart” forms, the number of incomplete submissions for drugs requested via SADIE has been reduced by 75% versus fax-based forms. - Any EAP request can be submitted via SADIE, many taking the prescriber as little as two minutes to complete. 70% of all requests submitted through SADIE have been assessed within one business day. - There has been positive feedback from users, some of whom have completely abandoned the fax-based process in favour of SADIE. Based on the 2018/19 Ontario Drug Benefit Program drug list price and private insurance data, the Ministry’s preliminary estimate for expanding dollar coverage of take-home cancer drugs to all Ontarians was approximately \$540 million in 2020/21. The Ministry added the following side notes to this estimate: - This estimate is in addition to current expenditures on cancer medications through the New Drug Funding Program and the Ontario Drug Benefit Program. - This estimate includes coverage for (1) anti-cancer drugs used to treat cancer indications only; and (2) anti-cancer drugs used to treat cancer that may also be used to treat other non-cancer-related indications. - While drugs that are used to prevent, manage or relieve side effects from cancer or anti-cancer treatments are funded in inpatient hospital settings (such as anti-nausea medications), they are not included in the estimate. Unlike anti-cancer drugs, these cancer-supportive therapies do not target cancer cells, and they are also used in the treatment of other conditions that are not cancer-related.

Committee Recommendation	Status Details
Recommendation 5 The Standing Committee on Public Accounts recommends that Cancer Care Ontario should: establish guidelines and educational programs on the safe use of take-home cancer drugs for patients; Status: In the process of being implemented by March 31, 2021.	OH(CCO) noted that it established a Pharmacy Oncology Task Force (Task Force) to examine Ontario's pharmacy service model for take-home cancer drugs. The mandate of this Task Force was to provide recommendations and advice to OH(CCO) on potential provincial pharmacy service models for take-home cancer drugs in order to optimize safe, high-quality, person-centred care. The output of this work included recommendations on patient and provider education related to safe medication use, toxicity monitoring and adherence to proper use of drugs. The final report was completed and provided to the Ministry on March 25, 2019, and posted on OH(CCO)'s website on April 25, 2019. OH(CCO) has also developed patient education resources for the safe use of take-home cancer drugs. One remaining resource is expected to be finished by the fourth quarter of 2020/21, and all content is expected to go live on OH(CCO)'s website at this time. In addition, the Regional Cancer Programs (Programs) have undertaken additional work to support patient education. For example: - The Programs have improved oral chemotherapy monitoring by developing and implementing individualized plans for regular toxicity monitoring, as well as assessing patient adherence to treatment. The Programs that identified patient education as a gap could develop specific education tools and resources for take-home cancer drugs. - The Programs have implemented the projects planned for 2019/20 relating to educational programs on the safe use of take-home cancer drugs. As part of project close-out, key learnings were presented to the regions in July 2020.

Committee Recommendation	Status Details
ensure pharmacists who dispense cancer drugs receive specialized cancer drug therapy training, if required by Cancer Care Ontario. Status: In the process of being implemented by March 31, 2025 (for hospital pharmacies). Little or no progress (for community pharmacies).	OH(CCO) initiated discussion with the Ontario College of Pharmacists about training and education programs required for pharmacists. OH(CCO) also developed the Regional Systemic Therapy Program Standards for Training and Education for Providers. These evidence-based standards have been finalized and were published in July 2019, and can be accessed through OH(CCO)'s website. OH(CCO) also surveyed the Regional Cancer Programs (Programs) on take-home cancer drugs in the summer of 2019 and analyzed the survey results to identify gaps in training. These survey results were shared with the Programs as well as the Ontario College of Pharmacists, and will inform future local, regional and provincial quality improvement projects. OH(CCO) had planned to share the survey results, as well as a detailed implementation plan to address gaps identified in the March 2019 Task Force report, with the Ministry in the fourth quarter of 2019/20; however, this meeting was cancelled in light of the COVID-19 pandemic and will be rescheduled in the near future. As well, OH(CCO) stated that it would continue to collaborate with the Ontario College of Pharmacists to explore any opportunities to establish training and education standards for pharmacists who are managing medication used in systemic therapy. Specifically: - Pharmacists working in hospital pharmacies would be required to follow training and education standards by the end of 2024/25. However, this timeline may be delayed by the COVID-19 pandemic if the facilities are not able to send pharmacists for training in 2020/21. - OH(CCO) will continue to dialogue with the Ontario College of Pharmacists on educational requirements for community pharmacies. The Ontario College of Pharmacists has not mandated these requirements for all pharmacists working in the community pharmacies.
Recommendation 6 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care and Cancer Care Ontario should: determine what standards, if any, are needed to provide oversight to private specialty clinics; Status: Fully implemented.	OH(CCO) revised the Regional Models of Care for Systemic Treatment: Standards for the Organization and Delivery of Systemic Treatment, which were published in July 2019. This document presents a practical framework and standards to guide the delivery of systemic treatment (that is, cancer drug treatment) across the province, both within Regional Cancer Centres and in other facilities such as private specialty clinics. The primary goal is to provide safe, evidence-based systemic cancer treatment, maximizing the efficient use of resources and employing the principle of person-centred care with an emphasis on providing care as close to home as possible. These standards apply to any facility that prepares and administers systemic treatment and can be used to determine if private infusion clinics are meeting best practices.

Committee Recommendation	Status Details
work with the College of Physicians and Surgeons of Ontario to review and assess the need for inspections of cancer drug treatments at private specialty clinics; Status: Little or no progress.	In September 2018, OH(CCO) issued a briefing note to the Ministry providing an update on the private infusion clinics in Ontario and highlighting areas of concern. OH(CCO) also recommended that the Ministry explore opportunities for the College of Physicians and Surgeons of Ontario to oversee the private infusion clinics and for the Ontario College of Pharmacists to oversee the compounding areas. Without oversight, the identified risks for patients treated in private infusion clinics are that they may be receiving: - treatments where OH(CCO) safe handling guidelines (and other safety-related guidelines) are not followed; - treatments that are not evidence-informed and not funded by OH(CCO) (not consistent with current guidelines or not generally accepted best practice by oncologists in Ontario); - medications prepared in compounding areas that are not accredited pharmacies by the Ontario College of Pharmacists; or - systemic treatments prescribed by a physician without oncology or hematology training. The Ministry informed us that it continues to support this recommendation and was planning to work with the College of Physicians and Surgeons of Ontario continuously to explore the feasibility of including cancer drug therapy treatments in the College's inspections of private specialty clinics by March 31, 2021 (pending legislative approval of the <i>Oversight of Health Facilities and Devices Act, 2017</i>).
update the Standing Committee on Public Accounts on the options that were considered for supervising the quality and safety of the clinics and explain which option was chosen and why. Status: Little or no progress.	The <i>Oversight of Health Facilities and Devices Act, 2017</i> is currently pending legislative approval. This Act was designed to consolidate oversight of independent health facilities and out-of-hospital premises, and potentially also oversight of non-regulated facilities and services, including private specialty clinics. OH(CCO) helped co-ordinate discussions with the Regional Cancer Programs concerning private infusion clinics. Voluntary local or regional partnerships between the Regional Cancer Centres and private infusion clinics were proposed as an option to obtain some oversight on the quality and safety of care delivered at these clinics. Other options would continue to be developed, and no option had been chosen yet.

Committee Recommendation	Status Details
Recommendation 7 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should work with hospitals, to: implement the Ministry's 2013 recommendation regarding the traceability of computer-based clinic and hospital records for patients and their treatments; Status: In the process of being implemented by December 31, 2020.	The Ministry noted that it had been working with partners including Health Canada, the Ontario College of Pharmacists, the Ontario Hospital Association and OH(CCO) to determine whether the implementation of this recommendation could be considered complete. This work was expected to be completed by the end of December 2020. The Ministry explained that it had to work with the Ontario College of Pharmacists (College) to implement this recommendation because the College is responsible for overseeing the pharmacists in hospital pharmacies. The role of the College is to regulate the profession in the public interest. The <i>Safeguarding Health Care Integrity Act, 2014</i> (Act) was passed in December 2014, and provisions relating to the College's oversight of hospital pharmacies came into effect with the required amendments to the regulation of the <i>Drug and Pharmacies Regulation Act</i> approved on August 1, 2016. The Act provides the College with the authority to license and inspect pharmacies within public and private hospitals in the same manner as it currently licenses and inspects community pharmacies; to enforce licensing requirements for hospital pharmacies; and to make regulations to establish the requirements and standards for licensing, operation and inspection of hospital pharmacies.
review the recommendations from the Standing Committee on Social Policy's 2014 report, <i>Diluted Chemotherapy Drugs</i>, to prevent improper dosing of cancer treatments. Status: Fully implemented.	The Ministry informed us that all recommendations from the review of the chemotherapy drug supply system that can be implemented directly by the Ministry had been completed. The Ministry also informed us that the Ontario College of Pharmacists has also implemented the standards developed by the National Association of Pharmacy Regulatory Authorities (NAPRA) for pharmacy compounding in Ontario. These standards cover three areas: non-hazardous sterile preparations, hazardous sterile preparations, and non-sterile preparations. Therefore, implementing these standards also helps address the recommendations from the Standing Committee on Social Policy's 2014 report, <i>Diluted Chemotherapy Drugs</i>, to prevent improper dosing of cancer treatments.

Committee Recommendation	Status Details
Recommendation 8 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care and Cancer Care Ontario should: - establish provincial protocols and guidelines to manage drug shortages; Status: Fully implemented. - develop a province-wide network to communicate with LHINs, hospitals, pharmacies, and health care providers about anticipated and impending cancer-drug shortages; Status: Fully implemented. - assist hospitals to develop policies on appropriate cancer-drug inventory levels and handling cancer-drug shortages. Status: Fully implemented.	The Ministry informed us that, together with OH(CCO), it has established routine practices for stakeholder communication and drug sharing at the provincial level. They have adopted a practice to prioritize patients, which relies on information about cancer drug shortages and other data, in addition to a way to assess the impact of drug shortages in consultation with provincial cancer leads and clinical experts. OH(CCO) informed us that it also developed an action plan for drug shortages that includes consultation with stakeholders to refine and formalize the current process. In addition, OH(CCO) drafted the Drug Shortages Management Protocol (Protocol) to manage responses during drug shortages. The Protocol was approved and began operating in April 2020. The purpose of this protocol is to outline OH(CCO)'s role and processes for responding to cancer drug shortages at the provincial level. OH(CCO) used Health Canada's Multi-Stakeholder Steering Committee on Drug Shortages Communication and Notification Protocol as a guide. The Ministry informed us that it had been using an online tool, Ontario Drug Stock Monitoring, to share information with hospitals, pharmacies and health-care providers. Materials posted on this website include OH(CCO) and Ministry memos on drug shortages updates, manufacturer information and other resources. The Ministry developed and launched an inventory tracking tool called DTrack, which allows the Ministry to collect real-time inventory levels to track cancer and non-cancer drug shortages. OH(CCO) supports the Ministry in inventory management at the regional level. The Ministry and OH(CCO) have created an online communication network at the provincial level for OH(CCO) to communicate directly with hospital pharmacies and regional cancer leads. Additionally, the Ministry emails Health Canada's drug supply alerts, Ontario's drug supply alerts and OH(CCO)'s memos to hundreds of stakeholders including hospital pharmacies, community pharmacies, professional associations and regulatory bodies for Ontario pharmacists and physicians. OH(CCO) and the Ministry have been updating stakeholders via drug shortage memos. These memos have contained information on supply status, duration of shortages and patient prioritization or drug conservation strategies as required. OH(CCO) and the Ministry have also improved information sharing on manufacturer supply levels. Additionally, OH(CCO) has developed clinical guidance and drug conservation strategies. Unlike cancer agencies in other provinces, OH(CCO) is not involved in the purchase or distribution of cancer drugs in Ontario. Inventory is managed locally at the hospital level and regionally by the Local Health Integration Networks (LHINs). During a drug shortage, stock redistribution is led by the hospital and LHIN-level protocols.

Committee Recommendation	Status Details
Recommendation 9 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should work with Cancer Care Ontario and hospitals to implement a process to regularly assess the future need for stem cell transplants. Status: Fully implemented.	The Ministry noted that it had expedited the planning and construction of investment projects in the following six facilities after assessing the need for increased access to stem cell transplants: • University Health Network (Princess Margaret Hospital); • The Ottawa Hospital; • Hamilton Health Sciences; • Sunnybrook Health Sciences Centre; • London Health Sciences Centre; and • The Hospital for Sick Children. To expedite the review and approval of projects that address facilities' capacity for stem cell transplants, the Ministry's Health Capital Investment Branch streamlined the capital planning process by combining the planning stage submissions (Stage 1: Proposal and Stage 2: Functional Program) and/or design development stage submissions (Stage 3.1 and Stage 3.2), where appropriate. The Ministry's Health Capital Investment Branch continues to expedite the review of project submissions relating to stem cell transplants.
Recommendation 10 The Standing Committee on Public Accounts recommends that Cancer Care Ontario should work with hospitals to: • measure and assess how the use of the telephone triage system under the Ministry's symptom-management program affects emergency room visits and patients' well-being; Status: In the process of being implemented by December 31, 2020. • analyze how other forms of digital communications could be utilized to enhance patient care. Status: Little or no progress.	OH(CCO) informed us that, in partnership with the vendor, Bayshore HealthCare, it had established 24/7 oncology nursing tele-triage support for cancer patients to address toxicity issues and reduce the use of emergency rooms. To date, 65 of the total 74 hospitals have implemented Bayshore's program. Data from December 2019 showed that 74% of all calls received by Bayshore's nurses were managed by the nurse and 26% were advised to visit the emergency room. OH(CCO) also has been working on the analytics capabilities to track these patients and see if they followed the nursing advice to visit the emergency room, and if so, if they were admitted or treated as outpatients (indicating appropriate use of the emergency room). OH(CCO) continued working with Bayshore to introduce 24/7 oncology nursing tele-triage support at the remaining nine hospitals by December 31, 2020. As part of its Toxicity Management Advisory Committee recommendation to improve the monitoring of patient symptoms, OH(CCO) conducted an analysis of various types of digital communication. It determined an electronic tool (eTool) to be the most appropriate form of communication. OH(CCO) informed us that clinical content development for the eTool was underway, and a proof-of-concept was being designed that would be reviewed with Ontario Health. OH(CCO) explained that the eTool project would go to Ontario Health for approval because of changes in the provincial health-care system and the transition of CCO into Ontario Health, and that timelines may change depending on the direction given.

Committee Recommendation	Status Details
Recommendation 11 The Standing Committee on Public Accounts recommends that Cancer Care Ontario should work with hospitals to: - establish province-wide standards for the delivery of psychosocial services; Status: Fully implemented. - increase the availability of psychosocial oncology services for cancer patients at all stages of the cancer journey. Status: Fully implemented.	OH(CCO) released a report called <i>Recommendations for the Delivery of Psychosocial Oncology Services in Ontario</i> to specify the standard of psychosocial care expected for cancer patients and their families. This report aimed to ensure that necessary psychosocial services were provided consistently and in a timely manner to all cancer patients and their families in Ontario. OH(CCO) noted that recommendations in this report were based on person-centred care principles and core values, as well as existing models of care across Canada. The service delivery framework was released in the first quarter of 2018/19 and was available on OH(CCO)'s website. OH(CCO)'s Psychosocial Oncology Program collaborated with its capacity planning team to develop a long-term strategy, as well as capacity and human resource recommendations relating to psychosocial services. Initial analysis was completed for social workers and dietitians. In addition, hospitals completed system gap analysis to explore appropriate levels of funding of psychological oncology services for cancer patients and their families. OH(CCO) reported back to the Regional Cancer Programs on key observations and next steps for this work. OH(CCO) noted that it was developing a new radiation funding model with psychosocial oncology services built in. This work requires consensus from experts to quantify radiation patients' needs for these services. Expert panels were convened for disciplines including occupational therapy, physiotherapy, dietetics, social work and speech language therapy. In January 2020, consensus had been finalized for all expert panels but physiotherapy. Completion of this work would address the need to establish provincial standards and allow hospitals to determine if they are appropriately resourced based on the standards. OH(CCO) completed the capacity analysis of psychosocial oncology services for social work, dietetics, speech language therapy, occupational therapy, physical therapy and psychology. The analysis determined how many full-time equivalent staff are required during the consultation and treatment phases for cancer patients.

Committee Recommendation	Status Details
Recommendation 12 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should: - streamline the process for adopting and funding new PET scan technology; Status: Fully implemented. - make a referral for PET scans based on appropriate criteria defined by CCO and negotiate with the Ontario Medical Association to update the Schedule of Benefits for Physician Services. Status: Fully implemented.	The Ministry informed us that it and OH(CCO) had enacted processes to support the adoption and funding of new radioactive tracers in positron emission tomography (PET) scanning, while complying with Health Canada regulatory requirements. For example: - A new PET scan radioactive tracer for neuroendocrine cancer patients obtained Health Canada and Ontario Cancer Research Ethics Board approvals in the fourth quarter of 2018/19 and has been available for use since mid-March 2019. - A new radioactive tracer for PET scans for recurrent prostate cancer has been approved and available at six hospital sites across the province. These sites are London Health Sciences Centre, University Health Network (Princess Margaret Hospital), St. Joseph's Healthcare Hamilton, The Ottawa Hospital, Sunnybrook Health Sciences Centre, and Thunder Bay Regional Health Sciences Centre. The Ministry informed us that OH(CCO) had developed and distributed referral forms with all eligibility criteria for PET scans. By having all eligibility criteria on one form, referring physician specialists have all the information they need in one location and can refer their patients for scans more easily. In addition, OH(CCO) revised its website that launched in July 2019 (www.petscansontario.ca) to better guide physicians and patients to information relevant to patient care and referrals. A comprehensive communication plan to support outreach to referring physicians in areas where PET is underused was reviewed with the PET Steering Committee in fall 2019 and was approved. Additionally, the Schedule of Benefits for Physician Services was revised on October 1, 2019, to include two new fee codes that make PET for myocardial perfusion imaging an insured service.

Committee Recommendation	Status Details
Recommendation 13 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should: implement a centralized referral and booking process for CT scans and MRIs in order to improve wait times for cancer patients; Status: In the process of being implemented by March 31, 2023.	As mentioned in Recommendation 2, the Ministry has been supporting electronic referrals (eReferral) through the System Coordinated Access program, which has expanded to seven LHINs across the province. eReferral, which is a starting point for developing a centralized referral system, is an electronic referral (rather than fax-and-paper referral) from primary care providers to specialists and other patient support services. eReferral helps reduce wait times, automate scheduling, and minimize scheduling delays. As of March 31, 2020, over 130,000 eReferrals had been processed through the System Coordinated Access program. Integration work to support common referral processes, including central intake for cancer services, is in development. For example, the System Coordinated Access program has been working with the regional cancer care program in Waterloo-Wellington to set up eReferral for cancer services in the region. The initial implementation has focused on referrals to colonoscopies for people with positive test results for the fecal immunochemical test (FIT). eReferrals are sent to central intake for booking colonoscopy appointments, and wait times are published. eReferrals under the System Coordinated Access program include centralized referral and booking processes for MRI and CT scanning services and expansion of diagnostic imaging pathway. Since April 1, 2020, the province began developing a provincial eServices program that will be integrating eConsult and eReferral programs initially. Other eServices such as eOrdering and ePrescribing will be integrated in the future The Ministry anticipated that eReferrals, including a centralized referral and booking process for CT scans and MRIs, would be standardized and expanded to other regions across Ontario by March 31, 2023.
assess whether it should continue providing ongoing funding for high-risk cancer patients to reduce wait times. Status: In the process of being implemented by March 31, 2021.	OH(CCO) drafted recommendations for the Ministry to continue funding additional procedures for high-priority MRI and CT patients. In the fourth quarter of 2019/20, OH(CCO) provided the Ministry with a detailed analysis of hospital MRI and CT capacity (operating hours and capital equipment) and identified additional funding needed to achieve access targets. In addition, the business unit analyzed the impact of one-time funding targeted to MRI for cancer patients, including patients under the High Risk Ontario Breast Screening Program (OBSP), at the end of the 2019/20 fiscal year to determine if the funding achieved wait-time reductions. The Ministry leveraged the diagnostic imaging funding recommendations and the impact analysis of targeted funding to provide additional targeted funding for 2020/21. At the beginning of 2020/21, the Ministry transferred program oversight of MRI funding for OBSP patients to the OBSP under OH(CCO). From 2020/21 onwards, allocation and oversight of this funding will be managed by OH(CCO). The Ministry will continue to monitor the MRI wait times related to OBSP to ensure funding is being used to achieve its intended goal (i.e., improved MRI wait times from high risk OBSP patients).

Committee Recommendation	Status Details
Recommendation 14 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should work with Cancer Care Ontario and hospitals to implement a province-wide mandatory peer-review program for diagnostic imaging based on recommendations from Health Quality Ontario. Status: In the process of being implemented by March 31, 2022.	In 2018/19, Health Quality Ontario (now referred to as the Quality business unit in Ontario Health) initiated a Diagnostic Imaging Peer Learning Community, a program supporting radiology teams in Ontario hospitals to set up peer learning programs for imaging services. The program is based on recommendations in Health Quality Ontario's expert panel report on diagnostic imaging quality and aligns with guidelines from the Canadian Association of Radiologists. This peer learning community is meant to work with various stakeholders on continuous quality improvement for diagnostic imaging. As of March 2020, the program had been launched in the following four hospitals: 1. Campbellford Memorial Hospital 2. Perth and Smiths Falls District Hospital 3. Markham Stouffville Hospital 4. Windsor Regional Hospital The program was also in the process of being set up in the following seven hospitals: 1. Bluewater Health 2. Brockville General Hospital 3. Grey Bruce Health Services 4. Hamilton Health Sciences 5. Lakeridge Health 6. St. Joseph's Healthcare Hamilton 7. St. Joseph's Health Centre Toronto The Diagnostic Imaging Peer Review program is voluntary. A discussion between the Ministry and Ontario Health is needed about the future of the program depending on resources. Project completion date is expected to be March 31, 2022.

Committee Recommendation	Status Details
Recommendation 15 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care, Cancer Care Ontario, and hospitals should, in a consistent manner, regularly track and monitor wait times for biopsies performed in clinics, hospital procedure rooms, and hospital operating rooms. Status: In the process of being implemented by March 31, 2023.	OH(CCO) noted that it was leading projects to improve data capture around access to biopsy surgery procedures, aimed at better understanding delays to definitive diagnosis. The objective is to improve data available on biopsy wait times that would inform performance management. Three project streams target areas where potential barriers to diagnostic services had been identified: • diagnostic biopsies in diagnostic imaging or interventional radiology; • diagnostic biopsies in specialized procedure or clinic facilities; and • diagnostic procedures in fully equipped operating rooms. OH(CCO) provided recommendations and digital options or solutions in March 2020 aimed at improving wait-time information on biopsy procedures for performance management purposes. The project requires provincial engagement, technical development and operational integration at various facilities that do not currently report data on diagnostic procedures. Implementation timing and pace depends on the Ministry's priorities and funding. Data collection is projected to be implemented over three years by March 31, 2023 upon Ministry approval.
Recommendation 16 The Standing Committee on Public Accounts recommends that Cancer Care Ontario should evaluate and revise the funding methodology for radiation services. Status: In the process of being implemented by April 30, 2022.	OH(CCO) informed us that it was developing the radiation quality-based procedure funding model in close partnership with stakeholders across the province and the Ministry. OH(CCO) completed the identification of clinical best practices in radiation treatment in December 2019 and the associated costing in May 2020. It planned to phase in the radiation quality-based procedure funding model and have it fully implemented by April 30, 2022.
Recommendation 17 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should: • review and assess if integrating an aspect of performance-based funding would incentivize hospitals to improve cancer treatment services; Status: In the process of being implemented by March 31, 2021.	The Ministry informed us that it had been exploring opportunities to incorporate performance-based funding in its current hospital funding model, based on lessons learned internationally and from Ontario's Emergency Department Pay-for-Results program. The Ministry launched a pilot project called Linking Quality to Funding (LQ2F) in acute care hospitals across the province from April 2018 to April 2019. The project simulated the linking of funding to outcomes of care that matter to patients such as patient-centredness, effectiveness and safety. (No actual funding was provided to hospitals for changes in their performance on the indicators.) At the conclusion of the pilot, hospital performance data was analyzed to demonstrate how performance on a small set of quality indicators would theoretically impact hospital funding. During the pilot period, none of the quality indicators were cancer-specific, as this was not in the scope of the LQ2F pilot. If, when evaluated, the pilot is deemed to be an appropriate methodology for linking quality of care to funding, the inclusion of cancer-specific indicators would be investigated in consultation with key stakeholders and providers. This work was expected to be completed by March 31, 2021.

Committee Recommendation	Status Details
- provide CCO with timely funding decisions to facilitate proper planning and budgeting of cancer services; Status: Fully implemented. - explore multi-year funding options for CCO to assist with proper planning and budgeting of cancer services. Status: In the process of being implemented by April 1, 2021.	The Ministry began the 2018/19 OH(CCO)'s Master Accountability Agreement approvals process in December 2017 and received Minister's approval and funding confirmation in the first quarter of 2018/19. This was an improvement from 2017, when we noted in our audit that OH(CCO) had only received funding commitments late in the fiscal year. For 2019/20, the Ministry approved OH(CCO)'s Master Accountability Agreement (including confirmed funding) in November 2019. This delay was due to the transition planning of CCO to Ontario Health. Before the transition to Ontario Health, CCO submitted an annual business plan, which provided a three-year outlook on various programs (both current and new) and funding requirements for each program. The Ministry noted that it would work with OH(CCO) to approve its latest business plan and that OH(CCO) would request any new funding that it may require through the provincial government's annual exercise for multi-year planning. As CCO has transitioned to Ontario Health as of December 2019, the Ministry informed us that it would review and determine whether the current process will remain the same. This review was expected to be completed by April 1, 2021.
Recommendation 18 The Standing Committee on Public Accounts recommends that Cancer Care Ontario should regularly collaborate with the Ministry of Health and Long-Term Care, Local Health Integration Networks, and hospitals when determining cancer-related performance indicators and targets. Status: Fully implemented.	OH(CCO) informed us that it collaborated with the Ministry and the Local Health Integration Networks (LHINs) to establish priority indicators and targets. In developing the 2019/20 priority indicators, OH(CCO) asked the regional vice-presidents to share the indicators with stakeholders (including hospital CEOs and LHINs) for feedback. Additionally, OH(CCO) held regular meetings with the Ministry, LHINs and hospitals. For example: - On February 27, 2018, a meeting was held to discuss OH(CCO)'s Regional Performance Scorecard, review indicators and targets for the 2018/19 fiscal year, and discuss potential alignment with LHIN priority indicators. - On August 20, 2019, a meeting was held to discuss OH(CCO)'s Performance and Issues Management Guidelines (including review of indicators and targets for the 2019/20 fiscal year) as well as OH(CCO)'s Issues and Crises Management Guideline.

Committee Recommendation	Status Details
Recommendation 19 The Standing Committee on Public Accounts recommends that Cancer Care Ontario should continue to support the Aboriginal Patient Navigator program and strengthen its relationships with First Nations, Métis, Inuit, and Urban Indigenous communities. Status: Fully implemented.	OH(CCO) informed us that it had been supporting Indigenous Navigators at nine regional cancer programs across the province (North West, North East, Champlain, South East, Central East, Toronto Central, North Simcoe Muskoka, South West, and Erie St. Clair). These programs were identified based on the population, number and size of communities within their areas. An Indigenous Navigator offers services and supports for Indigenous people and their families living with cancer, from diagnosis and treatment through to recovery, or to palliative or end-of-life care. Specifically, the Indigenous Navigators have provided the following services: • facilitating and co-ordinating access to cancer services for palliative and supportive care; • addressing cultural and spiritual needs; and • networking with Indigenous and non-Indigenous partners to make the cancer journey a culturally safe experience. OH(CCO) noted that it would continue to develop and foster relationships as well as funding and putting into effect cancer care initiatives with and for Indigenous partners and communities as guided by the <i>First Nations, Inuit, Métis and Urban Indigenous Cancer Strategy (2019–2023)</i>. These initiatives aim to improve the performance of the cancer system with and for First Nations, Inuit, Métis and Urban Indigenous peoples. The cancer strategy was launched digitally on March 4, 2020.
Recommendation 20 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should ensure health care practitioners regularly providing cancer care treatment to Indigenous Peoples complete Indigenous Cultural Safety Training. Status: Fully implemented.	In 2015, OH(CCO) launched the Indigenous Relationship and Cultural Safety (IRCS) courses, which stress the importance of front-line health-care professionals providing effective person-centred care through understanding and applying First Nations, Inuit, Métis and Urban Indigenous cultural safety practices. The courses address a key recommendation of the Truth and Reconciliation Commission of Canada report, to provide skills-based training in cultural competency, conflict resolution, human rights and anti-racism. The Ministry informed us that the IRCS courses are available free of charge and have been certified by the College of Family Physicians of Canada. Since the launch of these courses in 2015, there have been over 31,000 course enrolments and over 25,000 course completions, representing a completion rate of about 81%. The IRCS courses have been included in many Canadian medical school curriculums, including family medicine resident courses at the University of Ottawa and Queen's University, and undergraduate medical courses at McMaster University. Indigenous leads at the University of Toronto succeeded in their campaign to have the IRCS courses offered by all six medical schools in Ontario starting in the fall of 2019. The courses are also widely promoted within several nursing and social work schools. Other institutions that have made the completion of the IRCS courses part of their curriculum include the Pallium Foundation of Canada, Indigenous Services Canada (for primary care nurses), and public health units. The Ministry noted that the Learning Management System housing the IRCS would be active until September 2020, and that transition from CCO to Ontario Health would require finding a longer-term or sustainable model to host the courses beyond 2020. It also noted that work is underway to have the IRCS accredited with the Royal College of Physicians and Surgeons of Canada in order to engage and support specialists.

Committee Recommendation	Status Details
Recommendation 21 The Standing Committee on Public Accounts recommends that the Ministry of Health and Long-Term Care should: complete a cross-jurisdictional scan to learn the best practices in medical technology innovation for cancer treatments or procedures; Status: Fully implemented.	The Ministry noted that OH(CCO) had adopted several processes to identify and prioritize issues and best practices in cancer treatment. OH(CCO) had been funding Ontario cancer leads and provincial program heads, and regional clinical leads, whose role descriptions include jurisdictional scanning to identify and prioritize issues as well as best practices and innovations in medical technology and cancer treatment. The eight Ontario cancer leads also convene and chair provincial cancer advisory committees that meet regularly, with jurisdictional scanning for emerging technologies as a standing agenda item. In addition, the provincial PET Steering Committee has performed regular jurisdictional scans to identify emerging technologies (for example, PET/MRI) and oversee the evaluation of emerging technologies through PET registries (real-world evaluations) and/or provincial PET clinical trials. OH(CCO)'s advisory committee on molecular oncology also performs jurisdictional scans to identify new trends, opportunities and risks associated with genetic testing. The Ministry informed us that OH(CCO) does not conduct health technology assessments but does provide advice and input. An example of this work is the business case submitted to the Ministry regarding proton beam therapy. In 2018, the Ministry requested OH(CCO) to provide a feasibility assessment of introducing proton beam therapy in Ontario versus sending patients out of country for treatment. OH(CCO) was asked to outline the current and projected need for this therapy and do a budget impact analysis. It recommended building an in-province proton beam therapy facility, on the basis that operating this facility in Ontario would improve patient experience, reduce health inequities, and improve health outcomes. The Ministry noted that its Capital Investment Branch had submitted an application for a planning grant for developing a comprehensive business plan for an Ontario proton beam therapy facility, including a review of candidate technology, siting options, engineering and construction considerations, and costs.

Committee Recommendation	Status Details
explore potential savings to the health care system and/or benefits for patients deriving from the implementation of technological improvements, including robotic surgery, for cancer treatments or procedures. Status: In the process of being implemented by December 31, 2021.	The Ministry noted that cancer advisory committees chaired by the Ontario cancer leads, which are funded by OH(CCO), typically monitor emerging evidence on new technologies for cancer treatments and partners with OH(CCO)'s Program in Evidence Based Care to develop evidence-based clinical guidance on new interventions once there is a knowledge base of scientific evidence. The Ministry also informed us that OH(CCO) had been working with the Ontario Health Technology Advisory Committee, which is a committee of Health Quality Ontario, to provide input on cancer-related technology assessment. The funding recommendation associated with each would include a budget impact analysis that potentially could identify cost savings for the health system. The Ontario Health Technology Advisory Committee has identified and reviewed several cancer-related topics in collaboration with OH(CCO). Examples include: - a robotic surgical system for radical prostatectomy; - use of cell-free circulating tumour DNA to manage lung cancer; - gene expression profiling tests for early stage invasive breast cancer; - ultrasound as an adjunct to mammography for breast cancer screening; and - MRI as an adjunct to mammography for breast cancer screening in women at less than high risk for breast cancer. With integration into Ontario Health, CCO and Health Quality Ontario (now referred to as the Quality business unit in Ontario Health) are discussing the feasibility of establishing processes to better align the completion of health technology assessments when adoption of new technologies is recommended in various OH(CCO)'s clinical guidance. A cost benefit assessment of an emerging cancer surgery and/or other technology will be proposed to trial this new process. It is expected that this work will be undertaken in 2020 through to the end of December 2021.

Chapter 3

Section 3.02

Darlington Nuclear Generating Station Refurbishment Project

Standing Committee on Public Accounts Follow-Up on Section 3.02, 2018 Annual Report

On April 10, 2019, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2018 audit of the Darlington Nuclear Generating Station Refurbishment Project (Project). The Committee tabled a report on this hearing in the Legislature in December 2019. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made six recommendations and asked Ontario Power Generation (OPG) to report

back by April 2020. OPG formally responded to the Committee on April 7, 2020. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 15, 2020, and July 10, 2020, and obtained written representation from OPG that effective October 6, 2020, it has provided us with a complete update of the status of the recommendations made by the Committee.

Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1		1			
Recommendation 2	1		1			
Recommendation 3	1		1			
Recommendation 4	1		1			
Recommendation 5	1		1			
Recommendation 6	1		1			
Total	6	0	6	0	0	0
%	100	0	100	0	0	0

Overall Conclusion

As of October 6, 2020, none of the Committee's recommended actions had been fully implemented and all of the recommended actions were in the process of being implemented. As these recommendations span the lifetime of the Project, they will be in the process of being implemented up to October 2026.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from Ontario Power Generation (OPG), and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 Ontario Power Generation should periodically update its forecast of the future supply of skilled trades identified as being at risk of shortage over the lifetime of the Project. Status: The Project is expected to be completed by October 2026. As such, this recommendation will be in the process of being implemented up to October 2026.	In 2018, OPG developed a Trades Capacity Initiative to collect supply and demand data on skilled trades, optimize the current supply of trades, and build up new sources of trades via outreach activities. In February 2020, OPG updated its forecasts for skilled trades (boilermakers, millwrights, pipefitters and carpenters) using information from Bruce Power related to its nuclear reactor life extension project work as well as information from non-nuclear industries in Ontario. This process identified that boilermakers remained the skilled trade of highest demand. OPG has taken mitigating actions to address this risk. For example, • OPG created a demand and supply model in collaboration with Bruce Power and the International Brotherhood of Boilermakers, which is a trade union in the United States and Canada for boilermakers, to clarify the need for boilermakers on the Project. • OPG participated in a pre-apprentice program with Durham College and the International Brotherhood of Boilermakers to train 95 graduates to work as boilermaker apprentices. These recruits will be available to both OPG and Bruce Power for their respective nuclear projects. • OPG, together with other employers (including Bruce Power) in Ontario's nuclear industry, applied to the federal government to hire boilermakers from outside Canada as temporary foreign workers. The federal government approved this application in November 2019. OPG applied lessons learned from past Project work to schedule Project work for Unit 3, so that the peak and average staff headcounts needed at specific periods of time will be lower overall. OPG is collaborating with Bruce Power and the Electrical Power Systems Construction Association to continue to review and forecast industry-wide demand and supply of skilled trades for nuclear work in Ontario until October 2026 when the Project is expected to be completed.

Committee Recommendation	Status Details
Recommendation 2 Ontario Power Generation should continue to leverage industry best practices to ensure appropriate succession planning programs are in place over the duration of the Project. Status: The Project is expected to be completed by October 2026. As such, this recommendation will be in the process of being implemented up to October 2026.	OPG has developed and implemented enterprise-wide succession planning and development programs to continue to build the skilled work force, management, and the executive team to ensure successful completion of the Project. OPG has also identified successors for key management and executive management positions, and for roles that require specialized skills or significant experience to be proficient. Apart from enhancing its internal succession strategies, OPG has also taken external candidates into consideration to diversify staff experiences. As well, OPG's performance management process requires all regular management staff to have an Individual Development Plan, including those who have been identified as potential successors for the Project. Employees work collaboratively with their leaders to identify specific areas for training and development. These efforts ensure that they continue to develop and improve in their current role and/or become ready to be the successful candidate for a future role for which they have been identified as a potential candidate. In addition, OPG has rolled out a number of training and mentorship programs aimed at identifying and preparing future leaders to assume key roles as the Project unfolds. Corporate-level initiatives are also under way to ensure Individual Development Plans are specific to OPG's corporate succession plans. OPG will continue to leverage industry best practices to ensure appropriate succession programs are in place for Project staff until October 2026 when the Project is expected to be completed.
Recommendation 3 Ontario Power Generation should continue to track the costs associated with the support provided to contractors and retain contractual rights to recover these amounts at a later date. Status: The Project is expected to be completed by October 2026. As such, this recommendation will be in the process of being implemented up to October 2026.	OPG has continued to provide additional support to contractors through secondments. OPG indicated that seconding, or letting its staff work for the contractors, leverages unique plant-specific expertise while also reducing training and travel costs as seconded staff tend to live locally. OPG has tracked the number of its staff being seconded and anticipated about five to eight of its staff will be seconded to a single contractor for Unit 3. The total salary estimated to be paid to these employees while they are seconded is about \$3 million, which OPG would pay whether the staff were OPG or contractor personnel. OPG will continue to track the costs associated with the support provided to contractors and retains contractual rights to recover these costs, as deemed appropriate, at a later date until October 2026 when the Project is expected to be completed.

Committee Recommendation	Status Details
Recommendation 4 Ontario Power Generation should continue to monitor and analyze safety events in order to identify common causes, better respond to emerging trends, assess the effectiveness of corrective actions, apply lessons learned over the duration of the Project, and introduce new safety indicators if needed. Status: The Project is expected to be completed by October 2026. As such, this recommendation will be in the process of being implemented up to October 2026.	OPG has continued to monitor and analyze safety events. In May 2019, OPG rolled out a safety awareness and planning initiative that uses past data and lessons learned to proactively assess upcoming Project work to identify areas of higher risk and develop targeted initiatives aimed at preventing safety events. OPG also made other changes in 2019, including providing staff with new gloves and cut-resistant liners, to improve safety for staff working on the Project. As a result, the number of first aid and medically treated injuries has dropped, from six before these changes to three (as of June 2020). In December 2019, OPG performed an analysis of all 2018 and 2019 safety events, to assess the effectiveness of corrective actions implemented in response to specific safety events. This analysis identified that the overall number of safety incidents deemed as having a “High Maximum Reasonable Potential for Harm” has dropped from 13 in 2017 to four in 2018 and five in 2019. For example: • the number of safety incidents involving working at heights dropped from seven in 2017 to one in 2018 and two in 2019; • the number of safety incidents involving material handling dropped from two in 2017 to zero in 2018 and zero in 2019; and • the number of safety incidents involving falling objects changed from three in 2017 to one in 2018 and three in 2019. OPG will continue to monitor and analyze safety events in order to identify common causes, better respond to emerging trends, assess the effectiveness of corrective actions, apply lessons learned, and introduce new safety indicators if needed until October 2026 when the Project is expected to be completed.
Recommendation 5 Ontario Power Generation should provide vendors with regular updates about safety standards and industry best practices to remind all vendor staff of the importance of good safety practices. Status: The Project is expected to be completed by October 2026. As such, this recommendation will be in the process of being implemented up to October 2026.	OPG has continued to collaborate with its vendors to reinforce safety standards and best practices. As previously mentioned, in May 2019, OPG rolled out a proactive safety awareness and planning initiative that uses past data and lessons learned to assess upcoming Project work, identify areas of higher risk, and develop targeted initiatives aimed at preventing safety events. These initiatives have been embedded into the work schedule and provide all staff with important safety messages to reinforce a safety mindset in advance of starting higher-risk work. OPG will continue to work collaboratively with its vendors to ensure industry-best safety practices are incorporated into the planning and execution of work until October 2026 when the Project is expected to be completed.

Committee Recommendation	Status Details
Recommendation 6 Ontario Power Generation should periodically review its evaluation scorecards as part of its procedure for procurement activities and adjust the weightings applied to technical criteria and bid price as necessary. Status: The Project is expected to be completed by October 2026. As such, this recommendation will be in the process of being implemented up to October 2026.	OPG revised its procedures for procurement activities in July 2018. In our follow-up, we found that OPG has followed these revised procedures. For example, if an OPG internal group requisitions for a contractor, it must now collaborate with OPG's internal supply chain group to determine the evaluation criteria and weightings (such as weighting of technical criteria over bid price) for a competitive procurement. These criteria and weightings must then be fully disclosed to all participants. Subsequent to our 2018 audit, OPG has undertaken one competitive procurement related to engineering oversight work for the remaining units that need to be refurbished. The updated procedures were followed, including disclosure of the evaluation criteria and weightings (75% for technical criteria and 25% for bid price). OPG will continue to periodically review its procedures for procurement activities, including determining the proper weighting of technical criteria as part of its future competitive procurements, as necessary.

Chapter 3

Section 3.03

Ontario Works

Standing Committee on Public Accounts Follow-Up on Section 3.11, 2018 Annual Report

On March 20, 2019, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2018 audit of Ontario Works. The Committee tabled a report on this hearing in the Legislature in December 2019. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 14 recommendations and asked the Ministry of Children, Community and Social Services (Ministry) to report back by April 2020. The Ministry formally responded to the Committee on April 3, 2020. The status of each of the Committee's recommended actions is shown in Figure 1.

Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1					1
Recommendation 2	4			4		
Recommendation 3	1			1		
Recommendation 4	5			5		
Recommendation 5	2			2		
Recommendation 6	4	1		3		
Recommendation 7	2		1	1		
Recommendation 8	2			2		
Recommendation 9	1			1		
Recommendation 10	4			3	1	
Recommendation 11	4		2	2		
Recommendation 12	1			1		
Recommendation 13	1			1		
Recommendation 14	3			3		
Total	35	1	3	29	1	1
%	100	3	9	82	3	3

We conducted assurance work between April 7, 2020 and August 31, 2020, and obtained written representation from the Ministry that effective October 6, 2020, it has provided us with a complete update of the status of the recommendations made by the Committee.

in the process of being implemented. There had been little or no progress on 29 recommended actions (82%).

Overall Conclusion

As of April 2020, only one (3%) of the Committee's recommended actions had been fully implemented, and three (9%) of the recommended actions were

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of Children, Community and Social Services (Ministry), and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should conduct annual surveys of service managers to obtain their perspective on the obstacles they face in helping Ontario Works clients to find sustainable employment. Status: No longer applicable; alternatively addressed.	In February 2019, Ontario's plan to transform employment services was announced. The plan includes a new service delivery model to integrate social assistance employment services into Employment Ontario. The Ministry advised us that through these changes, the responsibility for the provision of employment supports and services would gradually transition from Ontario Works service managers to Employment Ontario service system managers. Service system managers are to be selected by the Ministry of Labour, Training and Skills Development (MLTSD). MLTSD selected three service system managers in 2020 for three different catchment areas where the prototype for the new employment services model will begin. According to the Ministry, these three service system managers are scheduled to begin providing services in January 2021, at which point Ontario Works service managers in these catchment areas would no longer be delivering employment services.

Committee Recommendation	Status Details
Recommendation 2 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should incorporate in its contracts with service managers some specific program requirements, service delivery targets, and accountability measures, including: • requirements to comply with Ontario Works contracts, legislation, Ministry directives and policies; • performance indicators and targets for service managers' progress in assisting Ontario Works recipients to find employment and to become self-sufficient; • other targets for service delivery, including reducing and preventing overpayments; and • mechanisms to hold service managers accountable for meeting the terms of the agreements. Status: Little or no progress.	The Ministry is in the early stages of addressing this recommendation. The Ministry indicated that it was working to transform the accountability model for social assistance, and that the model would include new, strengthened agreements with service managers by January 2022. The Ministry has also established a provincial-municipal working group to support the work toward a transformed outcomes-based approach to social assistance accountability.
Recommendation 3 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement a process to monitor and review service managers' compliance with its contracts, legislation, and Ministry policies and directives. Status: Little or no progress.	The Ministry is in the early stages of addressing this recommendation. As noted in its response to Recommendation 2, the Ministry indicated that it was working to transform the accountability model for social assistance, and that the model would include a series of new program-monitoring mechanisms that would be put into operation through new, strengthened agreements with service managers by January 2022. The Ministry indicated that in the meantime, it planned to introduce new accountability measures, including an interim performance-monitoring strategy.

Committee Recommendation	Status Details
Recommendation 4 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement a process to effectively evaluate the Ontario Works program by: • collecting information to be able to analyze and understand the amount of time recipients spend on social assistance; • defining indicators for what constitutes “stable” employment, and measuring whether recipients find stable employment; • developing performance indicators, inclusive of demographic and geographic factors, to measure and improve outcomes for recipients with significant barriers to employment; • developing targets to reduce the increasing amounts of time on assistance; and • monitoring the performance of the program and service managers overall to identify and take corrective action where targets and expectations are not being met. Status: Little or no progress.	As noted in its response to Recommendation 2, the Ministry has established a provincial-municipal working group to support the work toward putting in place an outcomes-based approach to social assistance accountability. However, the Ministry’s progress toward implementing this recommendation is otherwise limited. The Ministry indicated that its work to transform the accountability model for social assistance includes creating an outcomes framework with corresponding performance indicators and related targets that are intended to address the recommendation. However, the Ministry does not have a timeline for the completion of the framework. The Ministry also indicated that it planned to incorporate the performance indicators and related targets it would develop into new, strengthened agreements with service managers it planned to put in place by January 2022, and that it would subsequently monitor service manager results and take corrective actions where warranted.
Recommendation 5 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: • obtain data on service manager staffing levels and caseloads to determine whether service managers are staffed according to Ministry guidelines and follow up on significant differences to determine and take corrective action where needed; Status: Little or no progress. • compare differences in service manager administration costs to determine if they are reasonable and to take corrective action where they are not. Status: Little or no progress.	The Ministry has not taken specific steps to implement this recommendation, but indicated that it still intended to address it. The Ministry is in the early stages of addressing this recommendation. The Ministry indicated that it was working to transform the accountability model for social assistance, and that this model would include a new program delivery funding model intended to ensure the efficient and effective delivery of the Ontario Works program and the achievement of intended outcomes. The Ministry noted that when developed, the funding model will be supported by a new outcomes framework and levers to promote continuous performance improvement. The Ministry indicated that the new funding model, which it expected to develop by January 2022, would also reflect the most effective approach to cost-sharing to maximize recipient outcomes.

Committee Recommendation	Status Details
Recommendation 6 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: - require service managers to reassess the eligibility of Ontario Works recipients annually to detect and prevent overpayments; Status: Little or no progress. - enhance its systems and processes so that service managers are able to record the causes of overpayments, analyze the reasons, and take action to minimize their occurrence; Status: Little or no progress. - monitor and review the effectiveness of service managers in recovering overpayments; Status: Little or no progress. - ensure that efforts to recover overpayments do not force clients and their dependents into financial hardship. Status: Fully implemented.	The Ministry has not taken specific steps to implement this recommendation, but indicated it still intends to address it. The Ministry indicated that as a result of COVID-19, it expects a surge in the Ontario Works caseload and is considering its response, including implementing a risk-based approach to address the recommendation. The Ministry has not taken specific steps to implement this recommendation, but indicated it still intended to enhance its systems and processes to determine and record the cause of overpayments. The Ministry also indicated that by March 2021, it is planning to review overpayments to determine their primary cause, and to take corrective action to address the reasons for the overpayments. The Ministry has not taken specific steps to implement this recommendation, but indicated it still intended to address it. In May 2019, the Ministry changed its guidelines to increase the standard overpayment recovery rate to 10% when the cause of the overpayment is deemed to have been within the recipient's control to prevent.
Recommendation 7 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: - investigate the reasons for the increased take-up rate of the special diet allowance and make changes as needed; Status: In the process of being implemented by December 2020. - put in place changes to ensure that Ontario Works recipients are treated equitably and receive allowances for a special diet only when required for a medical condition. Status: Little or no progress.	The Ministry completed a review of special diet allowance forms signed off on by doctors from 2015 to 2018. The Ministry identified doctors completing an unusually high number of special diet allowance forms and isolated three doctors who completed over 900 forms each in 2017/18, including one who completed over 2,000 forms. The Ministry referred these three doctors to the College of Physicians and Surgeons of Ontario (College), which subsequently launched an investigation. The Ministry also indicated that by December 2020, it intended to begin a twice-yearly review of special diet allowance forms completed by doctors for anomalies in their prescribing practices, and where necessary it would refer additional doctors to the College. The Ministry also indicated that these reviews would include reviewing regional disparities in approved special diet allowances. The Ministry has not made progress toward implementing this recommendation.

Committee Recommendation	Status Details
Recommendation 8 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: - review and analyze differences in discretionary benefits provided by service managers, and their impact on recipient outcomes; and - establish guidelines so that Ontario Works recipients are treated equitably when decisions are made on whether or not they receive discretionary benefits. Status: Little or no progress.	The Ministry has not yet taken steps to implement the recommendation. The Ministry advised us that, to support local decision-making, it planned to analyze the provision of discretionary benefits across service managers to identify local strategies that have a positive impact on recipient outcomes. In addition, the Ministry noted that, based on this analysis, it would develop best practice guidelines. However, the Ministry had not set a timeline for completing these actions.
Recommendation 9 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement changes to its case management system to enable service managers to better track recipients' skills, barriers to employment, referrals to employment and community programs, and recipient progress. Status: Little or no progress.	The Ministry has not yet made progress toward implementing this recommendation. The Ministry indicated that it planned to enhance functionality in the Social Assistance Management System by January 2021 to support improved tracking of recipients' skills, barriers to employment and referrals.
Recommendation 10 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: work with the federal government to modernize and increase the efficiency of their information-sharing to allow timely validation of the immigration status of Ontario Works recipients, and to identify recipients who are no longer eligible for Ontario Works; Status: Little or no progress.	The Ministry has made some progress toward addressing this recommendation. The Ministry indicated it was in the process of conducting a pilot test with Immigration, Refugees and Citizenship Canada (IRCC) and the Canada Border Services Agency (CBSA). One of the aims of the pilot test is to confirm the technical feasibility of an automated exchange of personal information between the Ministry, IRCC and the CBSA relating to Ontario Works clients' immigration status for the purposes of verifying their eligibility. The intent is to use the results of this pilot to inform analysis on whether and how to move forward with an automated information-sharing process to replace the manual information-sharing process currently in place between IRCC and the Ministry. The Ministry expects to receive results from the pilot in January 2021, and to subsequently use the results to determine the cost/benefit of automating the information-sharing process. However, it has not set a timeline for when it expects to decide on the automation of this process, or on when it plans to fully implement the recommendation.

Committee Recommendation	Status Details
- work with the Canada Border Services Agency to establish an information-sharing agreement to obtain information about Ontario Works recipients whose out-of-country travel, or periods of out-of-country residency, exceed allowable limits for Ontario Works eligibility; Status: Little or no progress. - work with other provinces to establish an information-sharing agreement to obtain information about Ontario Works recipients whose out-of-province travel or periods of out-of-province residency exceed allowable limits for Ontario Works eligibility; Status: Will not be implemented. - use tax filing information to verify the residency status of Ontario Works recipients. Status: Little or no progress.	The Ministry has made some progress toward addressing this recommendation. Through the pilot test the Ministry is conducting with IRCC and the CBSA, it expects to receive aggregate information from the CBSA relating to Ministry clients who have departed from Canada. The Ministry advised us that by June 2021 it intended to use results of this pilot to determine whether establishing an information-sharing agreement with the CBSA would be beneficial in helping to identify Ontario Works recipients who are no longer eligible for Ontario Works. However, at this time, the Ministry does not have a timeline of when it expects to fully implement this recommendation. The Ministry indicated that it did not have any plans to establish agreements to identify Ontario Works recipients who have been out of the province for extended periods. The Ministry indicated that there are no requirements or mechanisms to identify or register individuals who travel within Canada that could enable it to obtain this information. The Ministry has not yet taken steps to address this recommendation.
Recommendation 11 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with service managers to: - formalize a requirement to use third-party verification checks that will be most effective in verifying an applicant's financial circumstances; Status: Little or no progress. - complete high-risk targeted eligibility reviews assigned to service managers by the Ministry; Status: In the process of being implemented by January 2022.	The Ministry indicated that prior to the COVID-19 outbreak, it had drafted updates to its directives to more clearly identify the Canada Revenue Agency and Equifax as mandatory third-party checks. However, it did not finalize and implement these changes and shifted its focus to activities to support the emergency response to COVID-19. As the emergency response phase has stabilized, the Ministry indicated it has begun social assistance renewal work that includes policies and processes relating to intake and eligibility determination and review, which may result in broader revisions to its policy directives. The Ministry anticipates completing this work by the summer of 2021. The Ministry identified that service managers increased the number of eligibility verifications they completed by over 50% in 2019—from 20,498 in 2018 to 31,522 in 2019. In addition, the Ministry identified that service managers have increased the proportion of reviews they complete on a timely basis. While service managers completed 46% of the reviews assigned to them in November 2018 within 60 days, they completed 69% of those assigned to them in January 2020 within 60 days. In March 2020 the Ministry temporarily suspended the requirement for service managers to complete such reviews due to COVID-19. The Ministry noted that it planned to put in place revised agreements with service managers by January 2022 that would formalize the requirement for service managers to complete eligibility verification reviews on a timely basis, and to monitor service manager compliance relative to those agreements thereafter.

Committee Recommendation	Status Details
- investigate fraud tips promptly to ensure that only those eligible for the program are receiving assistance; Status: In the process of being implemented by January 2022. - reassess recipients' ongoing eligibility to ensure only those eligible for the program receive assistance. Status: Little or no progress.	The Ministry identified that between December 2018 and April 2020, service managers decreased the number of outstanding fraud referrals by 20% and fraud investigations by 30%. In addition, the Ministry identified that between January 1, 2019, and April 30, 2020, 59% of the fraud referrals reviewed by service managers were reviewed within 30 days as required, and 83% of investigations completed by service managers were completed within six months as required. The Ministry indicated that by the summer of 2021, it also planned to set a target for the proportion of fraud referrals and investigations it expects service managers to review and investigate on a timely basis, and that it would include those targets in revised contracts with service managers by January 2022. After that date, the Ministry planned to monitor service manager compliance with established targets. The Ministry has not taken specific steps to implement this recommendation, but indicated it still intends to address it.
Recommendation 12 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with service managers to ensure that they only waive the requirement to participate in employment support activities in eligible circumstances and also when supported by the necessary documentation. Status: Little or no progress.	The Ministry is in the early stages of addressing this recommendation. As noted in its response to Recommendation 2, the Ministry has established a provincial-municipal working group to support the work toward putting in place an outcomes-based approach to social assistance accountability. The Ministry indicated that it was working to transform the accountability model for social assistance. As part of this model, expectations would be defined and supported by a new outcomes framework and strengthened agreements with service managers by January 2022. The Ministry indicated that in the meantime, it planned to introduce new measures to support an outcomes-based approach to accountability, including an interim performance-monitoring strategy. The Ministry also noted that as a priority for 2021 it would work with service managers to clearly identify expectations relating to recipient participation.
Recommendation 13 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with service managers to ensure they meet with clients regularly in accordance with Ministry requirements and connect all participants to appropriate employment supports. Status: Little or no progress.	The Ministry is in the early stages of addressing this recommendation. As noted in its response to Recommendation 2, the Ministry has established a provincial-municipal working group to support the work toward putting in place an outcomes-based approach to social assistance accountability, and is working to transform the accountability model for social assistance. As part of this model, expectations would be defined and supported by a new outcomes framework and strengthened agreements with service managers by January 2022. The Ministry indicated that in the meantime, it planned to introduce new measures to support an outcomes-based approach to accountability, including an interim performance-monitoring strategy. The Ministry also noted that as a priority for 2021 it would work with service managers to clearly identify expectations relating to recipient participation.

Committee Recommendation	Status Details
Recommendation 14 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with other ministries that provide services to help newcomer settlement and integration to: - increase the proportion of recipients referred to employment supports that have a track record of successfully assisting recipients to obtain employment; Status: Little or no progress. - ensure that service managers collect information about the employment outcomes for clients who are referred to Employment Ontario; Status: Little or no progress. - use this and other relevant data to develop targets and indicators to improve the effectiveness of Ontario Works. Status: Little or no progress.	The Ministry has not undertaken specific steps to address this recommendation. The Ministry identified that it is developing an interface between its Social Assistance Management System and the Ministry of Labour, Training and Skills Development's case management system for Employment Ontario, which is intended to share client-level information between the two systems so that client activities and their outcomes can be tracked and monitored. The Ministry expected this interface to be operational by January 2021. However, the Ministry advised that only nine of the 47 service managers would be able to use the interface at that time. A timeline for the rest of the service managers had not yet been established. The Ministry has not undertaken specific steps to address this recommendation.

Chapter 3

Section 3.04

Public Accounts of the Province

Standing Committee on Public Accounts Follow-Up on Chapter 2, 2018 Annual Report

On April 3, 2019, the Standing Committee on Public Accounts (Committee) held public hearings on Chapter 2, Public Accounts of the Province, of the 2018 Annual Report of the Office of the Auditor General of Ontario. The Committee tabled a report in the Legislature resulting from this hearing in February 2020. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made six recommendations and asked the Treasury Board Secretariat (Secretariat) to report back by the end of June 2020.

See **Figure 1** for the status of the Committee's recommendations.

We conducted assurance work between July 2020 and September 2020, and obtained written representation from the Secretariat that effective October 13, 2020, it has provided a complete status update of the recommendations made by the Committee.

Figure 1: Summary Status of Actions Recommended in June 2020 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2	1			1	
Recommendation 2	1				1	
Recommendation 3	1	1				
Recommendation 4	1		1			
Recommendation 5	1				1	
Recommendation 6	1	1				
Total	7	3	1	0	3	0
%	100	43	14	0	43	0

Overall Conclusion

As of September 24, 2020, 43% of the Committee's recommendations had been implemented, 14% were in the process of being implemented, and 43% will not be implemented.

Detailed Status of Recommendations

Figure 2 shows the recommendations and the status details that are based on responses from the Secretariat, and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 The Standing Committee on Public Accounts recommends that the <i>Auditor General Act</i> should be amended to: Require government ministries, and agencies and Crown corporations which are consolidated into the province's financial statements, to give advance notice to the Auditor General and ask for comment regarding external auditing firms they propose to hire to perform an audit or provide accounting advice; Status: Fully implemented in an alternative manner.	The interests of government ministries, agencies, crown corporations, the Office of the Provincial Controller Division (OPCD) and the Office of the Auditor General of Ontario (Office) are best served when there are early discussions on accounting treatments in relation to Public Sector Accounting Standards and International Financial Reporting Standards and any potential impacts on the Public Accounts. As an alternative to promoting legislative changes, the OPCD has been working with ministries, agencies and crown corporations to encourage them to communicate to the OPCD and the Office when they intend to engage with external accounting firms for accounting advice. To this end, the OPCD has established a group, called the Controllershship Policy and Accounting Consultation Branch (CPAC), dedicated to researching and addressing complex accounting issues, and providing accounting advice to ministries. The Secretariat has implemented instructions that require government ministries to notify the OPCD and the Office and seek comment prior to engaging external accounting advice. Agencies and crown corporations are also encouraged to notify the OPCD and the Office when they engage external accounting advice. Agencies will still be encouraged by their respective ministries to consult their own external financial statement auditors when accounting issues arise. In addition, agencies will be directed by their ministries to provide accounting position papers (if significant) in addition to their draft financial statements (when available) to the OPCD and the Office prior to the finalization of the agency's financial statements.
Allow the Office of the Auditor General to reject the proposed selection of external auditing firms hired to perform financial statement audits on agencies and crown corporations which are consolidated into the Province's financial statements, and those that provide accounting advice to government ministries or agencies and crown corporations. Status: Will not be implemented.	The Office has the ability to either perform financial statement audits as the legislated auditor or can choose to perform a financial statement audit of an entity as a special audit. The Office has oversight over private sector external auditors that audit agencies and crown-controlled corporations both by virtue of the Act and under Canadian Auditing Standard 600 (CAS 600), which is an auditing standard that provides the requirements of a group audit. The Office can also perform work on audit files completed by external audit firms and have access to the private sector auditing firms working papers. It is in the best interests of agencies and crown corporations and the Office to keep channels of communication open on significant accounting and auditing issues.

Committee Recommendation	Status Details
Recommendation 2 The Standing Committee on Public Accounts recommends that the Auditor General Act should be amended to give the Office of the Auditor General of Ontario the authority and discretion to be the appointed financial statement auditor of agencies, organizations and crown corporations consolidated into the Province's financial statements. Status: Will not be implemented.	The agencies, organizations and crown corporations consolidating into the province's financial statements are encouraged to provide the OPCD and the Office with a final draft copy of their financial statements prior to the finalization and approval of the statements by the entity's board of directors (excluding hospitals and school boards). This process will allow the OPCD and the Office to understand the significant transactions occurring during the fiscal year and to review any accounting policy changes at the entity that may not have been brought to the attention of the OPCD or the Office otherwise. In addition, this will allow the OPCD and the Office to provide any relevant commentary on the financial statements prior to approval by the entity's Board. As mentioned in the previous recommendation response, the Office is currently able to directly conduct financial statement audits for entities that are consolidated into the public accounts, if there is a need. This was demonstrated when the Office audited the Independent Electricity System Operator in 2018.
Recommendation 3 The Standing Committee on Public Accounts recommends that Treasury Board Secretariat should communicate to ministries, agencies, and crown corporations that any external auditing firm that audits the financial statements of a ministry, agency or crown corporation which consolidates into the Province's statements, and which is deemed material by the Office of the Auditor General of Ontario, shall not provide accounting advice or accounting advisory services for the ministry that the agency or crown corporation reports to, or to Treasury Board Secretariat, or to other ministries, agencies or crown corporations that may be involved in a related party transaction. Status: Fully implemented.	Since the Office is the primary auditor for the province, under professional conduct standards, there is a requirement for private sector audit firms to notify the Office prior to being engaged to provide accounting advisory services. The Office has been meeting with private sector audit firms to discuss this requirement, including discussions around the CAS 600 group audit relationship and the <i>Auditor General Act</i>. The OPCD will continue to inform ministries, agencies and crown corporations on the need to be aware of the CPA professional conduct standards as they relate to the provision of accounting advisory services, the CAS 600 requirements and the <i>Auditor General Act</i> and how these impact the private sector firms that they may hire to provide accounting advisory services that would impact the Public Accounts. This understanding is important in order to avoid situations of conflict of interest arising as it did a few years ago in the case of the Fair Hydro Plan.
Recommendation 4 The Standing Committee on Public Accounts recommends that the Province should formally document, publicly communicate, and then implement the long-term debt reduction strategy. Status: In process of being implemented by November 15, 2020.	The Secretariat informed the Office that the government is focused on funding the response to COVID-19 and ensuring that it has sufficient liquidity to meet current needs despite more difficult capital markets than existed even in the 2008/9 financial crisis. The government passed the <i>Fiscal Sustainability, Transparency and Accountability Act, 2019</i> (FSTAA), which the Secretariat indicated puts sustainability at the centre of provincial fiscal accountability and reporting. The FSTAA defines sustainability as a governing principle of Ontario's fiscal policy and sets out the requirement that a budget include information on a debt strategy (including government objectives for the projected net debt-to-GDP ratio and progress report on actions and implementation of the strategy). According to the Secretariat, the 2020 Budget will include an update on the government's debt strategy, in line with the FSTAA legislative requirements.

Committee Recommendation	Status Details
Recommendation 5 The Standing Committee on Public Accounts recommends that the Province should amend Ontario Regulation 395/11 in the <i>Financial Administration Act</i> which could foster and encourage accounting treatments that vary from generally accepted accounting principles and amend the <i>Financial Administration Act</i> to convey in law clearly that the financial statements for the Province of Ontario will be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) in letter and spirit. Status: Will not be implemented. The Office of the Auditor General of Ontario continues to support the Committee's recommendation.	The Secretariat informed the Office that the government is committed to preparing its financial statements in accordance with generally accepted accounting principles in order to provide high-quality financial reports that support transparency and accountability in reporting to the public, the Legislature and other users. However, the government does not plan to revisit legislation and regulations that prescribe accounting methods followed by the province, nor has it indicated an intention to enact requirements that there be compliance with Canadian PSAS.
Recommendation 6 The Standing Committee on Public Accounts recommends that the Office of the Provincial Controller Division (OPCD) should continue to print or provide an online substitute for the financial statements previously available in Volume 2 of the Public Accounts of Ontario and have this information accessible online simultaneously with the annual tabling of the Public Accounts. This online substitute should list all the entities which consolidate into the Province's financial statements and electronically link their respective financial statements. Status: Fully implemented.	The OPCD has worked on and continues to work on ensuring the timely and complete disclosure of the audited financial statements of the province's consolidated organizations at the time of the release of future Public Accounts. This includes working with ministries so that financial statements of organizations that were previously published in paper form will be available in digital form at the same time as other supplementary volumes of future Public Accounts. While communications to all affected ministries have been made to support the public availability of audited financial statements for 2019/20, the Secretariat has updated the Agency and Appointments Directive for provincial agencies to clarify the requirement. The Secretariat is also revising the Broader Public Sector Business Documents Directive to implement the recommendation that audited financial statements be posted no later than the release of the Public Accounts.

Chapter 3

Section 3.05

Ministry of Health

Public Health: Chronic Disease Prevention

Standing Committee on Public Accounts Follow-Up on Section 3.10, 2017 Annual Report

On October 24, 2018 and February 20, 2019, the Standing Committee on Public Accounts (Committee) held public hearings on our 2017 audit of Public Health: Chronic Disease Prevention. The Committee tabled a report on these hearings in the Legislature in November 2019, which erroneously indicated an October 3, 2018 hearing date. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 17 recommendations and asked the Ministry of Health (Ministry), formerly part of the Ministry of Health and Long-Term Care, to report back by early March 2020. The Ministry formally responded to the Committee on March 10, 2020. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 1, 2020 and September 21, 2020, and obtained written representation from the Ministry that effective October 5, 2020, it has provided us with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

As of September 21, 2020, 36% of the Committee's recommended actions had been fully implemented, and 64% of the recommended actions were in the process of being implemented.

The Ministry has fully implemented recommendations such as supporting co-ordination among provincial ministries and local public health units to ensure that public health units plan and deliver programs more efficiently; requiring public health units to develop measurable program objectives for their chronic disease prevention programs and services, and establish time frames for achieving these objectives; and publicly reporting on the performance of public health units, including annual results and targets of their performance indicators.

In addition, the Ministry was in the process of implementing recommendations such as collaborating with other ministries to develop a comprehensive Health in All Policies, a whole-of-government approach to assessing the public health impact of legislation and policy development and setting standards for evidence-based program evaluation methodology.

Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1		1			
Recommendation 2	1		1			
Recommendation 3	1		1			
Recommendation 4	1		1			
Recommendation 5	1	1				
Recommendation 6	1		1			
Recommendation 7	1	1				
Recommendation 8	1		1			
Recommendation 9	1	1				
Recommendation 10	1	1				
Recommendation 11	4		4			
Recommendation 12	1	1				
Recommendation 13	3		3			
Recommendation 14	1		1			
Recommendation 15	1	1				
Recommendation 16	1	1				
Recommendation 17	1	1				
Total	22	8	14	0	0	0
%	100	36	64	0	0	0

Detailed Status of Recommendations

Figure 2 shows the recommendations and the status details that are based on responses from the Ministry of Health (Ministry), and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 The Chief Medical Officer of Health should conduct assessments of, and publicly report on, the overall state of public health in Ontario in the Chief Medical Officer of Health's annual report. Status: In the process of being implemented by December 2020.	The Ministry has worked with Public Health Ontario to make key population health status data publicly available for Ontario overall and by geographical region. Publicly available health status indicators and data summaries are now reported through the Public Health Ontario website, with topics listed below: Chronic Disease • Cancer incidence • Cancer mortality • Chronic disease hospitalization • Chronic disease mortality • Self-reported chronic health problems Injuries • Injury emergency department visits • Injury hospitalization • Injury mortality • Neurotrauma emergency department visits • Neurotrauma hospitalization Health Behaviours • Nutrition and healthy weights • Oral health • Physical activity Health Equity • Alcohol-attributable hospitalizations health inequities • Assault-related emergency department visits health inequities • Cardiovascular disease hospitalizations health inequities • Chronic obstructive pulmonary disease hospitalizations health inequities • Low birth weight health inequities • Mental health emergency department visits contributed by health inequities (such as residential instability and material deprivation) • Oral health emergency department visits health inequities • Potentially avoidable mortality health inequities • Respiratory disease hospitalizations health inequities • Social determinants of health • Youth self-harm emergency department visits health inequities Mortality and Overall Health • All-cause mortality • Potential years of life lost • Potentially avoidable mortality • Self-reported overall health Reproductive and Child Health • Healthy child development • Maternal health • Reproductive health Substance Use • Alcohol use • Cannabis harms • Smoking

Committee Recommendation	Status Details
	The Ministry is exploring other options for publicly reporting on the overall state of public health in Ontario and anticipates this analysis will be completed in December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.
Recommendation 2 The Ministry of Health and Long-Term Care (now the Ministry of Health) should implement a provincial strategy to guide activities on chronic disease prevention that includes measurable goals for population health; provides timelines for achieving these goals; and also delineates responsibilities for achieving these goals. Status: In the process of being implemented by December 2020.	In January 2017, the Ministry started to develop a comprehensive and co-ordinated provincial approach to guide its activities on chronic disease prevention. The Ministry expects its next steps to be aligned with public health modernization, and informed by the second report of the Premier's Council on Improving Healthcare and Ending Hallway Medicine, which was released on June 25, 2019. The Ministry plans to complete development work on the provincial approach, including implementation planning, by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.
Recommendation 3 The Ministry of Health and Long-Term Care (now the Ministry of Health) should develop comprehensive policies focusing on the key risk factors of chronic diseases such as physical inactivity, unhealthy eating, and alcohol consumption, in addition to tobacco use. Status: In the process of being implemented by December 2020.	The Ministry developed and implemented the <i>Ontario Public Health Standards: Requirements for Programs, Services, and Accountability</i> in January 2018. These standards include new requirements for local public health units to develop and implement chronic disease prevention programs to address key risk factors including physical inactivity, unhealthy eating, harmful use of alcohol and poor mental health. As mentioned in Recommendation 2, the Ministry is considering these risk factors as part of the comprehensive and co-ordinated provincial approach that it expects to be complete by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.
Recommendation 4 The Ministry of Health and Long-Term Care (now the Ministry of Health) should ensure that Public Health Ontario provides scientific, technical, and other support to assist local public health units with population health assessment, epidemiology, and program planning and evaluation. Status: In the process of being implemented by December 2020.	The Ministry has worked with Public Health Ontario to develop a provincially defined and centrally provided set of epidemiological data and population health indicators. As mentioned in Recommendation 1, the Ministry has made population health status indicators and data summaries of public health units available to the public on the Public Health Ontario website. The Ministry intends to consider the impact of the government's announced public health modernization and broader transformation of the health system on the further provision of technical supports and availability of evidence-based resources. The Ministry expects to complete stakeholder consultations on public health modernization by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.

Committee Recommendation	Status Details
Recommendation 5 The Ministry of Health and Long-Term Care (now the Ministry of Health) should actively support co-ordination among provincial ministries and local public health units to ensure that public health units plan and deliver programs more efficiently. Status: Fully implemented.	The Ministry has established a Directors Forum with the Ministry of Education to identify opportunities for collaboration in population and public health programs in school settings. The forum has been meeting on a bi-monthly basis since September 2018. In addition, the Ministry has established a Health Equity Forum to facilitate information sharing between the Ministry and public health units to support implementation of the <i>Health Equity Standard and Guideline</i>. The Health Equity Forum has been held twice since November 2019 and will continue to take place every three months.
Recommendation 6 The Ministry of Health and Long-Term Care (now the Ministry of Health) should collaborate with other ministries to develop a comprehensive Health in All Policies, whole-of-government approach to assessing the public health impact of legislation and policy development. Status: In the process of being implemented by December 2020.	The Ministry has completed a review of relevant information, including literature evidence, expert recommendations, existing approaches within Ontario and other jurisdictions and has evaluated the pros and cons of adopting an approach that requires policy-making to evaluate the impact on health. In addition, the Ministry is considering implementation options for integrating the Health in All Policies approach into policy development and expects to complete this work by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.
Recommendation 7 The Ministry of Health and Long-Term Care (now the Ministry of Health) should work with Public Health Ontario, the Ministry of Education, and the Ministry of Children, Community and Social Services to co-ordinate public health units' planning, development, and delivery of programs to children and youth. Status: Fully implemented.	In April 2018, the Ministry implemented a new <i>School Health Guideline</i> that outlined approaches for public health units to support effective partnerships and collaboration with school boards and schools. For example, public health units are required to consider developing memoranda of understanding with local education partners to help implement public health programs and services in schools. The Ministry also implemented a new School Health Standard, which brings together all the school-based requirements for public health units. Under the standard, public health units are required to offer support to school boards and schools to implement programs to address needs such as concussions and injury prevention, mental health promotion, violence and bullying. As mentioned in Recommendation 5, the Ministry has established a Directors Forum with the Ministry of Education to identify opportunities for collaboration in population and public health programs in school settings.

Committee Recommendation	Status Details
Recommendation 8 The Ministry of Health and Long-Term Care (now the Ministry of Health) should work with Public Health Ontario and the Ministry of Education to ensure that public health units conduct health equity audits to identify and engage with priority populations in schools as well as with school communities at risk for increased health inequities and negative health outcomes. Status: In the process of being implemented by December 2020.	The Ministry has implemented the <i>Health Equity Standard and Health Equity Guideline</i> under the <i>Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018</i>, which outlines requirements for public health units to engage in public health practice that results in decreased health inequities, to engage priority populations and to design strategies to improve the health of the entire population. The Ministry requires public health units to attest to their compliance with the <i>Health Equity Standard and Guideline</i>. For example, public health units are required to conduct health equity assessments to support decision-making about policy and program development. Through the annual report, public health units are required to attest to statements such as: • Did the board of health undertake population health assessments that included the identification of priority populations, social determinants of health and health inequities and measure and report on them? • Did the board of health collect and analyze relevant data to monitor trends over time, emerging trends, priorities, and health inequities and report and disseminate the data and information in accordance with the Ontario Public Health Standards? In addition, public health units are required to provide details to the following questions: • Describe how population health assessments were used to influence planning in order to meet the needs of priority populations. • Describe how health equity strategies and approaches were embedded into programs and services to reduce health inequities in the following areas: • Chronic disease prevention and well-being • Food safety • Healthy environments • Healthy growth and development • Immunization • Infectious and communicable diseases prevention and control • Safe water • School health • Substance use and injury prevention As mentioned in Recommendation 5, the Ministry has established a Health Equity Forum to facilitate information sharing between the Ministry and public health units to support implementation of the <i>Health Equity Standard and Guideline</i>. Also, the Ministry will work with the Ministry of Education through the Directors Forum. The Ministry intends to hold these forums on a continuous basis and plans to address health equity issues through these forums by December 2020.

Committee Recommendation	Status Details
Recommendation 9 The Ministry of Health and Long-Term Care (now the Ministry of Health) should work with Public Health Ontario and the Ministry of Education to educate children and young people on the health impacts of both e-cigarettes and cannabis consumption. Status: Fully implemented.	The Ministry has worked with the Ministry of Education on providing cannabis-related materials for educators, parents and students, pre- and post-cannabis legalization in October 2018, including: • Cannabis Fact Sheet for Parents/Guardians and Caregivers • Fact Sheet for Educators • Kids Help Phone web information for youth on cannabis • Cannabis resource for mental health professionals in schools • Cannabis: What Parents/Guardians and Caregivers Need to Know Fact Sheet • Review of Health and Physical Education curriculum to ensure the inclusion of cannabis-related content In addition, the Ministry has worked with the Ministry of Education on the enforcement of the <i>Smoke-Free Ontario Act, 2017</i> (Act), in particular on the issue of vaping on school property. Public health units are responsible for the enforcement of the Act. The Ministry of Education shared the following with public health units in November 2019: • A presentation deck and a Questions/Answers document with information taken from webinars with school boards on Recreational Cannabis in June 2019. • An information one-pager on the responsibility and authority of a school principal for student safety and discipline when students are off school property. The Ministry has worked with the Ministry of Education and the Centre for Addiction and Mental Health to develop vaping-related resources for educators, parents and students including: • Elementary educator fact sheet • Secondary educator fact sheet • Youth fact sheet These resources were provided to elementary and secondary educators in June 2020.
Recommendation 10 The Ministry of Health and Long-Term Care (now the Ministry of Health) should work with Public Health Ontario to prevent the advertising and sale of vaping products to young people under the age of 19. Status: Fully implemented.	The government announced that, effective January 1, 2020, the promotion of vapour products is allowed only in specialty vape stores and cannabis retail stores, which restrict access to people aged 19 and older. In addition, the government announced that the following regulatory changes will come into force on July 1, 2020: • The retail sale of flavoured vapour products is restricted to specialty vape stores and cannabis retail stores, except for menthol, mint and tobacco flavoured vapour products. • Specialty vape stores are required to ensure that indoor vapour product displays and promotions are not visible from outside their stores. • The retail sale of vapour products with high nicotine concentrations (>20mg/ml) is restricted to specialty vape stores.

Committee Recommendation	Status Details
Recommendation 11 The Ministry of Health and Long-Term Care (now the Ministry of Health) should work with Public Health Ontario and public health units to a) evaluate the feasibility of centralizing epidemiological expertise that can perform analysis or provide support to all public health units; Status: In the process of being implemented by December 2020. b) establish benchmarks for the extent of epidemiological analyses of chronic diseases needed and monitor whether these benchmarks are met; Status: In the process of being implemented by June 2022. c) collaborate with Indigenous community leaders to obtain epidemiological data that would serve to inform program development that would benefit Indigenous communities in Ontario; Status: In the process of being implemented by December 2020. d) identify other areas in which relevant data is not consistently available to all public health units, such as data on children and youth, and develop and implement a process to collect such data. Status: In the process of being implemented by December 2020.	a) The Ministry has worked with Public Health Ontario to develop a provincially defined and centrally provided set of epidemiological data and population health indicators. As mentioned in Recommendation 1, the Ministry has made population health status indicators and data summaries displayed by public health units through Public Health Ontario's website. The Ministry expects to further review opportunities to support epidemiological capacity as part of the public health modernization. The Ministry expects to complete stakeholder consultations on public health modernization by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic. b) The Ministry had implemented new processes and mechanisms to collect information from each public health unit. Starting in 2018, public health units have been required to submit Annual Service Plans to the Ministry and include information on the required epidemiological resources needed for program planning and evaluation. The Ministry plans to collect at least three rounds of data to ensure issues with data collection are identified and resolved. The Ministry expects to analyze the submitted data by June 2022 in order to establish related benchmarks. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic. c) The Ministry was collaborating with the Sioux Lookout First Nations Health Authority (SLFNHA) and the Weeneebayko Area Health Authority (WAHA) to design and implement a data surveillance system to support public health initiatives for both organizations. SLFNHA and WAHA together represent 39 communities out of a total of 133 First Nations communities in Ontario. SLFNHA and WAHA aim to improve the collection, analysis, dissemination and use of First Nations data in their regions. In addition, the Ministry is planning to implement the following initiatives by December 2020: • collaborating with Mamow Ahyamowen, a data initiative that includes nine First Nations-governed organizations serving 74 Northern Ontario First Nations communities; • an information management infrastructure in First Nations communities, such as the Mustimuhw Community Electronic Medical Record; and • collaborating with WAHA and SLFNHA epidemiologists, building capacity in epidemiology and aligning indicators with the data collection processes. The Ministry will reassess the implementation timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic. d) The Ministry was working with the federal government to obtain more reliable and accurate data at the local level. By obtaining better representation of children and youth data through the federal government-administered 2019 Canadian Health Survey on Children and Youth, the Ministry is able to access local results on healthy behaviours in children and youth. The Ministry is working on helping public health units to access national-level surveys by December 2020 in order to assist local planning and evaluation. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.

Committee Recommendation	Status Details
Recommendation 12 The Ministry of Health and Long-Term Care (now the Ministry of Health) should require public health units to develop measurable program objectives for their chronic disease prevention programs and services, and establish time frames for achieving these objectives. Status: Fully implemented.	In January 2018, the Ministry implemented the <i>Ontario Public Health Standards</i> that require public health units to develop and implement chronic disease prevention programs and to report to the Ministry on their specified program objectives, as well as time frames for achieving those objectives, starting with the public health units' 2018 annual reports.
Recommendation 13 The Ministry of Health and Long-Term Care (now the Ministry of Health) should a) set standards for evidence-based program evaluation methodology; Status: In the process of being implemented by December 2020. b) require all public health units to conduct evaluations of their programs; Status: In the process of being implemented by December 2020. c) support capacity-building for local public health units to conduct program evaluations. Status: In the process of being implemented by December 2020.	a) The Ministry has implemented new program evaluation requirements for public health units effective January 1, 2018 as part of the <i>Ontario Public Health Standards, 2018</i>. The Ministry intends to consider the impact of the government's announced public health modernization and broader transformation of the health system on how boards of health are supported in their efforts to evaluate programs and services. The Ministry expects to complete stakeholder consultations on public health modernization by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic. b) The Ministry implemented new processes and mechanisms to monitor public health unit activities, which are required under the <i>Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018</i>. Starting in 2018, public health units have been required to submit Annual Service Plans and Budget Submissions that include activities which public health units propose to conduct over the course of the year. The activities that were conducted are captured in the annual reports. The Ministry plans to consider the impact of the government's announced public health modernization and broader transformation of the health system on how boards of health are supported in their efforts to evaluate programs and services. The Ministry expects to complete stakeholder consultations on public health modernization by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic. c) The Ministry entered into an agreement with the University of Waterloo to provide it with grant funding of up to \$1 million, beginning in April 2018. This work was subsequently taken over by Southwest Public Health. The Ministry expects this project to produce the following guidance materials by December 2020: • chronic disease prevention evaluation guidelines; • standardized tools to support implementation of the guidelines; and • online materials for education and training to evaluate chronic disease prevention programs and initiatives. The Ministry will reassess the implementation timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.

Committee Recommendation	Status Details
Recommendation 14 The Ministry of Health and Long-Term Care (now the Ministry of Health) should establish performance indicators and targets, linked to the new Ontario Public Health Standards, for public health units. Status: In the process of being implemented by December 2020.	The Ministry had developed and released a Public Health Indicator Framework that includes a set of indicators that are linked to the 2018 <i>Ontario Public Health Standards</i> and measure areas attributable to the public health sector. In addition, the Ministry is in the process of collecting a list of locally determined program outcome indicators from public health units relating to their delivery of health promotion programs and services, examples of which include: • number of participants who completed a structured program on diabetes and increased their knowledge of healthy eating and physical activity; and • number of public engagements that local public health units held through social media channels focusing on healthy eating. The Ministry plans to consider refining the Public Health Indicator Framework to align with public health modernization by December 2020. The Ministry will reassess this timeline in the context of the Ministry's ongoing response to the COVID-19 pandemic.
Recommendation 15 The Ministry of Health and Long-Term Care (now the Ministry of Health) should publicly report on the performance of public health units, including annual results and targets of their performance indicators. Status: Fully implemented.	The Ministry had implemented the 2018 <i>Ontario Public Health Standards</i>, which require boards of health to post their Strategic Plan and Annual Performance and Financial Report on their websites. Since 2018, all but one board of health have been publishing their current public health units' performance on their websites. In the case of the remaining board of health—the Eastern Ontario Health Unit—the latest information on its website is from 2015.
Recommendation 16 The Ministry of Health and Long-Term Care (now the Ministry of Health) should monitor the resources invested by public health units in chronic disease prevention programs against the program outcomes. Status: Fully implemented.	The Ministry had developed and implemented a process to monitor the amount of board of health resources invested in chronic disease prevention programs against the outcomes of those programs. Under the 2018 <i>Ontario Public Health Standards</i>, public health units are required to report to the Ministry on all costs associated with their chronic disease prevention programs as well as their locally developed outcome indicators.

Committee Recommendation	Status Details
Recommendation 17 The Ministry of Health and Long-Term Care (now the Ministry of Health) should expedite its efforts to ensure equitable funding for public health units. Status: Fully implemented.	In August 2019, the Ministry notified boards of health and public health units of a revised public health modernization implementation plan and funding approach for the 2020 funding year. Effective 2020, public health funding will be moving to a 70% provincial and 30% municipal cost-sharing arrangement, which is being applied consistently across all public health units and municipalities and based on actual costs incurred at the local level, to ensure equitable funding. The Ministry of Health also noted that it would provide one-time funding in the first two years to public health units so that municipalities would not experience an increase of more than 10% over their current public health costs as a result of the cost-sharing change. In August 2020, the Ministry increased the one-time funding for public health units to ensure that municipalities do not experience any increase as a result of the cost-sharing change for both 2020 and 2021 funding years. As a result of these changes, the Ministry indicated that funding disparities between health units have been reduced compared to 2016/17. While per capita funding is one measure of funding equity, other factors such as geography and socio-economic factors can also affect the health outcomes of a population and the programs needed to address them. The Ministry also notified public health units of their 2020 funding allocations, including adjustments to funding based on the revised cost-sharing arrangement/funding formula, in August 2020.

Chapter 3

Ministry of Infrastructure

Section 3.06

Real Estate Services

Standing Committee on Public Accounts Follow-Up on Section 3.02, 2018 Annual Report

On October 17, 2018, and November 28, 2018, the Standing Committee on Public Accounts (Committee) held public hearings on our 2017 audit of Real Estate Services. The Committee tabled a report on these hearings in the Legislature in October 2019. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 18 recommendations and asked the Ministry of Government and Consumer Services (Ministry) and Infrastructure Ontario to report back by February 25, 2020. The Ministry and Infrastructure Ontario formally responded to the Committee on February 25, 2020. A number of the issues raised by the Committee were similar to the observations of our 2017 audit, which we followed up on in 2019. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between February 2020 and July 2020, and obtained written representation from Infrastructure Ontario and the Ministry that effective October 9, 2020, they had provided us with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

At the time of our follow-up, the Ministry and Infrastructure Ontario had implemented, or had plans to implement the Committee's

recommendations. According to the information the Ministry and Infrastructure Ontario provided to us at the time of the follow-up, 29% of the Committee's recommended actions had been fully implemented; 52% were in the process of being implemented; and 19% had little or no progress.

The Ministry's and Infrastructure Ontario's completed actions included verifying that external project managers' reasons for revising completion dates are valid; ensuring that all ministries and agencies have the information they need on the services provided under the operating and maintenance service contracts; monitoring and reviewing on an ongoing basis significant increases in operating and maintenance costs to drive efficiencies; improving how variations (i.e., work not originally included in the Alternative Financing and Procurement agreement) P3 agreements are handled; clearly defining contractors' responsibilities and types of failures; and ensuring future agreements minimize contract disputes.

Recommendations that the Ministry and Infrastructure Ontario were in the process of implementing include setting up a reasonable time for reducing office space usage; and working with the Property and Land Management Service Provider and with Project Management Service Providers to improve project cost estimates.

Infrastructure Ontario had made little to no progress in conducting a jurisdictional scan of procurement practices for project management services either through the Property and Land

Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	3		1	2		
Recommendation 2	1		1			
Recommendation 3	1		1			
Recommendation 4	1		1			
Recommendation 5	2		1	1		
Recommendation 6	4	1	3			
Recommendation 7	3	2	1			
Recommendation 8	1		1			
Recommendation 9	1			1		
Recommendation 10	1		1			
Recommendation 11	2	1	1			
Recommendation 12	3		1	2		
Recommendation 13	1		1			
Recommendation 14	1	1				
Recommendation 15	1	1				
Recommendation 16	2	2				
Recommendation 17	2		2			
Recommendation 18	1	1				
Total	31	9	16	6	0	
%	100	29	52	19	0	

Management Service Provider (PLMSP), or the Project Management Service Provider (PMSP). As well, although Infrastructure Ontario told the Committee that it would be competitively procuring the PLMSP and PMSP contracts in 2009, it instead extended them to March 2022 with Board approval before and after the Public Accounts Committee hearing.

Both the Ministry and Infrastructure Ontario had also made little or no progress in implementing a plan to further reduce deferred maintenance. The Ministry addressed the Committees' recommendation to update base rents, by instead developing a new realty model to eliminate the allocation of rents and centralize the funding and management of realty assets.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of Government and Consumer Services (Ministry) and Infrastructure Ontario, and our review of the information provided.

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 Infrastructure Ontario should review its procurement process for project management services with the objective of increasing competition by: - conducting a cross-jurisdictional scan of procurement practices in similarly sized jurisdictions; Status: Little or no progress. - exploring all the proposals outlined in a 2014 consultant's report for the best approaches for outsourcing project management services; Status: In the process of being implemented by January 2022. - consulting with small to medium-sized businesses to understand their barriers to bidding on Project Management Service Provider contracts. Status: Little or no progress.	At the time of this follow-up, Infrastructure Ontario had not conducted a cross-jurisdictional scan of procurement practices in other similarly sized jurisdictions. Infrastructure Ontario had planned to reach out to three organizations, two of which were in the same jurisdiction. It had begun to schedule future meetings with one these organizations in June 2020 to discuss procurement practices. On December 1, 2017, a few days prior to the release of our 2017 audit report, staff at Infrastructure Ontario presented options to its Executive Committee to address the March 2020 expiry of the Property and Land Management Service Provider (PLMSP) and Project Management Service Provider (PMSP) contracts. The options presented included negotiating contract extensions to March 2022, instead of going to market to competitively procure these services through an open Request for Proposal (RFP) when the contracts expire. Infrastructure Ontario indicated it wanted more time to develop a procurement strategy for these contracts. On June 6, 2018, the Board of Infrastructure Ontario approved the extension of the PLMSP contract until March 31, 2022 and also approved that work commence on extending the PMSP contract to align with the new expiry date of the PLMSP contract. On November 28, 2018, the Chief Executive Officer of Infrastructure Ontario informed the Public Accounts Committee that Infrastructure Ontario would be going out in 2019 to competitively procure the PMSP contracts and look at ways to increase the number of competitors. However, On October 24, 2019, the Board of Infrastructure Ontario approved the extension of the existing PMSP contracts to March 31, 2022. A number of the Committee's recommendations address the procurement of new PMSP contracts. However, there has been little or no progress on the implementation of related recommendations as a result of the June 2018 and October 2019 contract extensions. At the time of this follow-up, Infrastructure Ontario was drafting a request for proposal to procure a consultant that could provide technical advice and research for the next Project Manager Service Provider (PMSP) contract. Although the request for proposal, dated July 13, 2020, does not specifically mention the 2014 consultant's report, it does note that past reports will be used in deciding on recommendations for the future PMSP contract. Infrastructure Ontario informed us that the proposals from the 2014 consultant's report will be considered in developing the next PMSP procurement in January 2022. At the time of this follow-up, Infrastructure Ontario had not consulted with medium-sized businesses to understand their barriers to bidding on PMSP contracts. The draft request for proposal for a technical consultant to provide advice on the next PMSP contract outlines the requirement to consult with service providers; however, we noted that there is no requirement to consult with small to medium-sized businesses specifically.

Committee Recommendation	Status Details
Recommendation 2 Infrastructure Ontario should standardize the Project Management Service Provider (PMSP) deduction regime for all future RFPs for PMSP contracts. Status: In the process of being implemented by January 2022.	In March 2020, Infrastructure Ontario extended the Project Manager Service Provider (PMSP) contract until March 2022. This contract was extended to provide more time to prepare a business case for creating a new standard contract using recommendations from our Office's past audit, as well conduct market research and obtain technical advice on a standard PMSP contract. As noted earlier, as of June 2020, Infrastructure Ontario was in the process of drafting a request for proposal to procure a consultant to provide technical advice and research for the next PMSP contract. During our follow-up, Infrastructure Ontario revised the draft request for proposal to require the consultant to incorporate our Office's past audit recommendation on performance and quality management. The proposal also specifically requires the consultant to include standard performance deductions in the new PMSP contracts starting in January 2022. The proposal was posted in August 2020, and Infrastructure Ontario expects the contract to be awarded in October 2020. The advisor's report is expected to be completed by July 2021.
Recommendation 3 Infrastructure Ontario should implement a method to incorporate a Project Management Service Provider's (PMSP's) past performance into the future procurement of PMSPs and determine appropriate technical requirements for being awarded future PMSP contracts. Status: In the process of being implemented by January 2022.	During this follow-up, Infrastructure Ontario also revised the draft request for proposal to require the consultant to include recommendations on assessing the past performance of service providers. Infrastructure Ontario informed us that this advice will be used in the procurement of future PMSPs in January 2022.
Recommendation 4 Infrastructure Ontario should continuously monitor and collect information on procurements conducted by external project managers and analyze data to ensure the procurement process functions as intended. Status: In the process of being implemented by fall 2020.	At the time of this follow-up, Infrastructure Ontario had begun to collect procurement data from external project managers, such as, the number of vendors that compete for contracts and which are successful in winning contracts. However, Infrastructure Ontario had not begun to continuously monitor the data. Infrastructure Ontario plans to conduct trend analysis meetings beginning in fall 2020 to assess this data on procurements.
Recommendation 5 Infrastructure Ontario should: collect information on the total number of and reasons for manual adds (manually invoked firms) to the vendor of record to determine any trends that suggest non-cost-effective procurement practices; Status: In the process of being implemented by fall 2020.	At the time of this follow-up, Infrastructure Ontario had begun to collect some information on the number of times specific vendors that had been manually added to a competition. However, we were unable to identify a noticeable trend due to the limited information collected by Infrastructure Ontario. Infrastructure Ontario had also started collecting information on the reasons why a vendor was manually added, but we found that it had not yet analyzed this information. Infrastructure Ontario informed us that it will begin to analyze this information in fall 2020. Although this analysis has been planned, more timely analysis would be more effective to identify potential issues earlier.

Committee Recommendation	Status Details
use the information collected on manual adds to improve its procurement practices to ensure a competitive and economically sound process. Status: Little or no progress	As noted earlier, even though Infrastructure Ontario had begun collecting some information on manual adds, at the time of our follow-up, it had not assessed this information and used it to improve its procurement practices.
Recommendation 6 Infrastructure Ontario should improve capital project planning by: - working with the Property and Land Management Service Provider and with Project Management Service Providers to improve project cost estimates; Status: In the progress of being implemented by March 2021. - reviewing best practices to incentivize project managers to complete projects on time and on budget; Status: In the process of being implemented by January 2022. - verifying external project managers' reasons for revising completion dates are valid; Status: Fully implemented. - assessing whether initial budget estimates are reliable for prioritizing projects. Status: In the process of being implemented by fall 2020.	In March 2018, Infrastructure Ontario had retained a third-party consultant to review project estimates. Infrastructure Ontario began adding contingencies in its estimates for costs that may be incurred above initial estimates, such as for other specialized consultants, miscellaneous permits, after-hours work, designated substance removal, security guards, remote location factors, and loss of economy of scale. According to Infrastructure Ontario, at the time of this follow-up, not enough projects had been completed to determine whether the contingency cost additions had improved the accuracy of the initial estimates to the actual cost of the projects. Infrastructure Ontario expected to have sufficient data by March 2021 to determine this. The third-party technical advisor that Infrastructure Ontario was in the process of engaging at the time of this follow-up (see Recommendation 1) is to also research best practices for providing incentives to project managers to complete projects on time and on budget, and make recommendations. The recommendations of the advisor are to be presented to the Board in November 2020, and incorporated into the Project Management Service Provider contracts in January 2022. Infrastructure Ontario developed and implemented a guideline in December 2018 that outlines the reasons acceptable for project schedule revisions, such as new or additional work not included in the original scope, unusual or adverse weather conditions, and changes in emission reductions or energy efficiency standards. The guideline also requires external managers to provide a description and relevant supporting documentation when project schedule dates are revised. Infrastructure Ontario reported that it had intended to develop a performance indicator to monitor the variance between initial budget estimates and actual project costs beginning in April 2020. However, because of the pandemic, priorities shifted and Infrastructure Ontario has not been able to track and assess whether initial budget estimates are reliable for prioritizing projects. According to Infrastructure Ontario, apart from a disruption in operations from staff working remotely, its resources were also redeployed in many cases to work on the construction of two health clinics in response to COVID-19 and in planning for the return to the workplace in government offices. It plans to develop and roll out this performance indicator by fall, 2020.

Committee Recommendation	Status Details
Recommendation 7 Infrastructure Ontario should support the effective use of operating and maintenance service contracts for ministries and agencies by: - renewing any expired operating and maintenance service agreements; Status: In the process of being Implemented by September 2021. - ensuring that all ministries and agencies have the information they need on the services provided under the operating and maintenance service contracts; Status: Fully implemented. - monitoring and reviewing on an ongoing basis significant increases in operating and maintenance costs to drive efficiencies. Status: Fully implemented	On June 20, 2019, Infrastructure Ontario proposed a draft agreement to the Ministry to replace the operating and maintenance agreements that had expired in 2015. The proposed agreement outlined the real estate services to be provided to ministries and agencies, such as strategic advisory and planning services as well as asset, property and land management services. However, two initiatives will need to be completed to fully implement the new agreement: a new office realty model; and consultations for the transformation of broader public realty. These initiatives are currently under way and scheduled to be completed by September 2021. In June 2019, Infrastructure Ontario implemented a customer-service portal that shows the volume, frequency and type of services that ministries and agencies receive specific to each property so that they can determine whether they are receiving the amount and type of services they are paying for. In October 2018 and 2019, Infrastructure Ontario shared information at the Chief Administrative Officer forum on how to offset increasing operating and maintenance expenses, such as wages and energy utility rates. For example, it suggested negotiating price reductions directly with existing service providers and implementing a program aimed at reducing energy consumption. According to Infrastructure Ontario, it plans to share this information annually at the forum, which includes the Chief Administrative Officers from all provincial government ministries.
Recommendation 8 The Ministry of Government and Consumer Services and Infrastructure Ontario should update the base rents, incorporating a portion to be used to address the deferred maintenance. Status: In process of being implemented by March 2027.	On April 8, 2020, the Ministry reported to the Committee that rather than continue with the current realty model of charging and collecting base rent from tenants, it is developing a new realty model that will eliminate rents and centralize the funding and management of realty assets. As such, the Ministry is in the process of developing other approaches, such as consolidating office space to help address the capital repair funding gap. It expects to fully implement the new model following the completion of the reconstruction of the Macdonald Block in 2024 and the occupancy of the Grosvenor Tower in 2027.
Recommendation 9 The Ministry of Government and Consumer Services and Infrastructure Ontario should implement a plan to further reduce deferred maintenance in government-owned buildings. Status: Little or no progress.	At the time of this follow-up, the amount of deferred maintenance in government owned buildings had grown to \$862 million. The Ministry and Infrastructure Ontario is currently renovating the Queen's Park complex, which is expected to be completed in 2024. The reconstruction of the Queen's Park complex is estimated to reduce deferred maintenance by \$400 million however, it was already underway during our audit in 2017. Since then, the Ministry has not implemented other initiatives to further reduce deferred maintenance in government-owned buildings.

Committee Recommendation	Status Details
Recommendation 10 The Ministry of Government and Consumer Services should set a reasonable timeline for reducing office space usage in government properties to 180 rentable square feet per person. Status: In the process of being implemented by March 2027.	In February 2019, the Treasury Board Secretariat approved amendments to Ontario's Realty Directive to incorporate a new standard for office accommodation space. On February 27, 2020, Cabinet ratified the approval of up to 180 rentable square feet or 160 useable square feet per workspace and a minimum sharing ratio of 1.3 staff persons per workspace. The Ministry has completed an office optimization plan for several downtown Toronto locations and for five regional hubs (London, Kingston, Oshawa, North Bay and Sudbury) that have the greatest opportunities for decreasing office space footprints, reducing reliance on costly leased space, and achieving the greatest annual rent savings. The expected completion date for the Toronto and regional office optimization plan is March 2027.
Recommendation 11 Infrastructure Ontario should continue to reduce the costs associated with maintaining vacant buildings by: • following a current divestment plan approved by the Government for all vacant buildings intended for disposal; Status: In the process of being implemented by March 2024. • consistently tracking building vacancy data. Status: Fully implemented.	The following three Orders-in-Council were approved to dispose of 327 properties in the government's real estate portfolio (if they were no longer needed for government use): • December 2018: Disposal approved for up to 231 government properties identified as surplus in the portfolio. • August 2019: Disposal approved for up to 11 additional government properties identified as surplus in the portfolio. • March 2020: Disposal approved for up to 85 additional government properties identified as surplus in the portfolio. As of June 17, 2020, Infrastructure Ontario had disposed of 62 properties; it expects to dispose of the remaining 265 government properties by the end of March 2024. On March 1, 2020, Infrastructure Ontario implemented a centralized database that integrates the tracking of vacant building information with changes in occupancy status. The dates of all vacancies in the real estate portfolio previously tracked manually are now uploaded into the database. As of March 31, 2020, there were 514 vacant buildings with a total annual operating and maintenance cost of \$9,630,765.
Recommendation 12 Infrastructure Ontario, in conjunction with the Ministry of Government and Consumer Services, in order to comply with AODA, should: • assess the current level of accessibility of government properties; Status: In the process of being implemented by March 2021. • review and prioritize properties for potential and future investment to improve accessibility; Status: Little or no progress. • execute based on an approved and funded government plan. Status: Little or no progress.	Infrastructure Ontario is currently assessing the accessibility of government buildings in use and buildings that may be put into use. As of March 17, 2020, 525 of 783 buildings had been assessed. The remaining assessments are expected to be completed by March 2021. In conjunction with Infrastructure Ontario, the Ministry will review the results of the accessibility assessments and prioritize properties for potential and future investment to improve accessibility. On April 8, 2020, the Ministry reported to the Committee that once a funding plan is developed and approved, Infrastructure Ontario will then be able to make the required accessibility changes to government properties.

Committee Recommendation	Status Details
Recommendation 13 The Ministry of Government and Consumer Services should review the operating model for government properties, including exploring different delivery options, which transfer responsibility from Project Management Service Providers to the Ministry. Status: In the process of being implemented September 2021.	The Ministry engaged all ministries to assess their resource requirements and develop a business case for a new real estate model. In December 2019, this model was approved by the Treasury Board. The new model will transfer responsibility for government properties from Project Management Service Providers to the Ministry, which will be solely accountable for overseeing properties using centralized funding and decision-making. The work to implement the new model and its oversight and accountability measures is expected to be completed by September 2021.
Recommendation 14 Infrastructure Ontario should improve how variations (i.e., work not originally included in the Alternative Financing and Procurement (AFP) agreement) are handled and reduce the risk for hospitals to use outside vendors in all future AFP agreements. Status: Fully Implemented.	Between February 2017 and November 2018, Infrastructure Ontario revised the AFP template agreement to address issues that had been raised by facility owners on existing projects. For example, it provided a clearer definition of reimbursable costs, clarified how mark-ups are calculated, added further requirements to substantiate costs, and gave owners more discretion over requiring project companies to competitively tender variations. These revisions apply to both the construction and operations phases of projects and have been included in agreements for all new AFP projects. Also, Infrastructure Ontario reported to the Committee that it will continue making changes to the AFP agreements as needed through its Continuous Improvement Committee.
Recommendation 15 Infrastructure Ontario should clearly define contractors' responsibilities and types of failures, especially availability failures, during the maintenance phase of all future Alternative Financing and Procurement agreements. Status: Fully Implemented.	Infrastructure Ontario reported that all Alternative Financing and Procurement (AFP) agreements after September 2019 define categories of performance failures to ensure that contractors comply with their obligations during the maintenance phase of the project. In addition, Infrastructure Ontario created a training program for facility owners and contractors on contractors' obligations contained in the agreements. Infrastructure Ontario also reviewed past AFP agreements and clarified what falls under availability or service failures through two bulletins issued to hospitals in April 2018 and June 2018.
Recommendation 16 Infrastructure Ontario should: • be mandated to support public-private partnership (P3) hospital clients for the duration of the P3 agreement (including during the dispute resolution process), taking into account feedback provided by hospitals and other P3 assets; and Status: Fully implemented.	On July 25, 2019, Infrastructure Ontario began providing contract management advisory support to 16 hospitals during the maintenance phase of P3 (AFP) project agreements. The cost of these advisory services is estimated to be \$150,000 per hospital per year, and includes dedicated technical assistance, decision support, capital planning, and assistance with financial, legal, and energy matters. Infrastructure Ontario will use unspent capital funds in the original project budget to cover the costs associated with these advisory services. Infrastructure Ontario and the MOH formalized the provision of such services via a Memorandum of Understanding dated August 2019.

Committee Recommendation	Status Details
ensure the terms of future P3 agreements minimize contract disputes. Status: Fully Implemented.	Infrastructure Ontario made two rounds of revisions to the AFP agreement template in 2017 and 2018 to reflect the feedback of project owners, limit the cost of variations, and minimize disputes. These changes included: defining reimbursable costs more clearly, clarifying how mark-ups are calculated, adding further requirements to substantiate costs, and giving owners more discretion over requiring project companies to competitively tender variations. These revisions apply to both the construction, operations and maintenance phases of projects and have been included in agreements for all new AFP projects.
Recommendation 17 Infrastructure Ontario should: - implement a formal evaluation program to assess private sector companies' performance during the public-private partnerships' (P3s') maintenance periods in existing and future P3 agreements; Status: In the process of being implemented by fall 2020. - consider this when awarding future contracts. Status: In the process of being implemented by February 2021.	On May 27, 2020, the Continuous Improvement Committee approved Infrastructure Ontario's performance criteria relating to infractions. These criteria are to be included in a formal vendor performance program for the maintenance periods of P3 (AFP) projects. Infrastructure Ontario expects that the program will be fully implemented by fall 2020. Infrastructure Ontario intends to begin monitoring vendor performance monthly starting in fall 2020. It will measure the effectiveness of the program on an annual basis and will incorporate the vendors' performance when evaluating future bids. Any performance deductions will be considered when awarding future contracts starting in February 2021.
Recommendation 18 Infrastructure Ontario should ensure that private-public partnership (P3) contracts and procurement processes include stronger provisions to prevent risks and costs that are assigned to a contractor from being shifted back onto the public, including in cases where a contractor faces financial insolvency or is otherwise unable or unwilling to meet contractual obligations. Status: Fully implemented.	On September 6, 2019, Infrastructure Ontario reported to the Committee that it worked with facility owners to develop and implement a framework for the intake, tracking, management and resolution of notices such as delays and insolvency. This framework will help project teams determine whether a claim is the facility owner's responsibility or the contractors. For example, when a contractor seeks relief (in the form of either financial compensation or a deadline extension) based on alleged negligence of the facility owner, the project teams will follow the notice management procedure to assess the merits of the claim. If it is determined that the contractor's claim is without merit, Infrastructure Ontario will reject the claim and deny relief. If the root cause of the delay is the contractor's responsibility, the facility owner can use provisions in the contract to require the contractor to accelerate construction at its own expense. In potential situations of insolvency, this will trigger the facility owner's rights to terminate the agreement. The framework encourages Infrastructure Ontario's project teams to watch for and promptly escalate early warnings of project risks. Early warnings of insolvency, for example, may include increased subcontractor claims, reduced capital expenditures and declining maintenance standards.

Chapter 3

Section 3.07

Review of Government Advertising

Standing Committee on Public Accounts Follow-Up on Chapter 4, 2018 Annual Report

On May 15, 2019, the Standing Committee on Public Accounts (Committee) held a public hearing on Chapter 4 of our *2018 Annual Report*. The Committee tabled a report on this hearing in the Legislature in December 2019. A link to the full report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made one recommendation and asked the Treasury Board Secretariat (Secretariat) to report back by May 2020. It formally responded to the Committee on May 29, 2020. The status of the Committee's recommendation is shown in **Figure 1**.

We conducted assurance work between April 15, 2020, and July 17, 2020, and obtained written representation from the Secretariat that effective October 5, 2020, it had provided us with a complete update of the status of the recommendation made by the Committee.

Overall Conclusion

As of July 17, 2020, there had been little or no progress on the Committee's recommendation.

Detailed Status of Recommendation

Figure 2 shows the recommendation and status details that are based on responses from Treasury Board Secretariat, and our review of the information provided.

Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1			1		
Total	1	0	0	1	0	0
%	100	0	0	100	0	0

Figure 2: Committee Recommendation and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 The <i>Government Advertising Act, 2004</i> , as it appeared on June 3, 2015, be reinstated, while leaving in the amendment that added digital advertising as a reviewable medium. Status: Little or no progress.	The government indicated that it continues to explore options for the review of government advertising. The government stated that it reviews all advertising paid for by the province to ensure it is delivered in the most efficient and cost-effective manner to maximize value for taxpayers.

Chapter 3

Section 3.08

Settlement and Integration Services for Newcomers

Standing Committee on Public Accounts Follow-Up on Section 3.13, 2017 Annual Report

On October 3, 2018, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2017 audit of Settlement and Integration Services for Newcomers as administered by the former Ministry of Citizenship and Immigration.

On June 29, 2018, the Ontario government announced that as part of a realignment, the former Ministry of Citizenship and Immigration would be integrated into the new Ministry of Children, Community and Social Services (MCCSS). In addition, the government announced that the immigration training programs would transfer from the former Ministry of Citizenship and Immigration to the Ministry of Training, Colleges and Universities. The transfer of these programs was completed in November 2018. Following a realignment between the Ministry of Labour and the Ministry of Training, Colleges and Universities, effective October 21, 2019, the program area responsible for the bridge training program is now within the Ministry of Labour, Training and Skills Development (MLTSD). The Committee tabled a report on this hearing in the Legislature in February 2019. The report can be found at www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 11 recommendations and asked MCCSS to report back by June 2019. MCCSS formally responded to the Committee on June 19, 2019. A number of the issues raised by the Com-

mittee were similar to the audit observations in our 2017 audit, which we followed up on in 2019. The status of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between June 1, 2020, and July 17, 2020, and obtained written representation from MCCSS that effective October 6, 2020, it has provided us with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

As of July 17, 2020, only 2% of the Committee's recommended actions had been fully implemented, and 27% of the recommended actions were in the process of being implemented. There has been little or no progress on 71% of the recommended actions.

Detailed Status of Recommendations

Figure 2 shows the recommendations and the status details that are based on responses from MCCSS, and our review of the information provided.

Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	4		1.5	2.5		
Recommendation 2	4			4		
Recommendation 3	4	0.5	1.5	2		
Recommendation 4	3		1.5	1.5		
Recommendation 5	2			2		
Recommendation 6	1			1		
Recommendation 7	1			1		
Recommendation 8	1		1			
Recommendation 9	1			1		
Recommendation 10	2			2		
Recommendation 11	1		1			
Total	24	0.5	6.5	17	0	0
%	100	2	27	71	0	0

Figure 2: Committee Recommendations and Detailed Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Committee Recommendation	Status Details
Recommendation 1 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: define what constitutes a successfully settled and integrated newcomer to provide a basis for assessing whether it is meeting its objectives to successfully settle and integrate newcomers; Status: In the process of being implemented by March 2021.	MCCSS advised us that it is in the process of finalizing sample settlement and integration milestones for newcomers, time frames to reach such milestones and a definition of a successfully settled and integrated newcomer. MCCSS has developed sample milestones for areas of integration that include language, education, economics, health, housing and community involvement. MCCSS plans to complete consultations on these milestones, time frames and definition with partner ministries, including the ministries of Health, Colleges and Universities, Finance, Education, Municipal Affairs and Housing, and MLTSD, and to finalize them by March 2021.

Committee Recommendation	Status Details
assess the needs of newcomers to guide its allocation of funding to the most appropriate settlement and integration services; Status: Little or no progress.	MCCSS informed us that as of April 2019, all transfer payment funding for settlement and integration programs had been consolidated into one program funding envelope that would provide it with the flexibility to allocate funding based on the demand and need for each of its services. In 2019 MCCSS also completed reviews of its language training program and newcomer settlement program that included an analysis of the demand for each program. MCCSS noted it would use these reviews, along with stakeholder consultations, to determine the future direction of the programs which it plans to redesign and fund by April 2022. MCCSS advised that the redesign process will include an assessment of the optimal mix of services to better meet the needs of newcomers.
implement rigorous guidelines and standards to ensure that funding is allocated to the most effective providers of newcomer settlement and integration services; Status: MCCSS is in the process of implementing this recommendation by April 2022, MLTSD has made little or no progress.	MCCSS advised us that it has reviewed its assessment tools and standards for awarding funding to service providers and has developed new guidelines for the allocation of funding. The new guidelines, which are intended to ensure that funding is allocated to the most effective service providers, establish a minimum score of 60% that service providers must achieve to be considered for new or continued funding. MCCSS expects to finalize and implement these guidelines for use in the spring of 2021, and to allocate funding to service providers under its redesigned programs using these guidelines by April 2022. MLTSD, which is now responsible for the bridge training program, has not made significant progress toward implementing this recommendation. MLTSD indicated that it was in the process of developing a new selection process to allocate bridge training program funding to service providers. MLTSD noted that the selection process will include a minimum required score that service provider proposals will have to meet to be eligible for program funding. MLTSD expects to develop its new selection process by December 2020 and to allocate bridge training program funding using its new selection process in the spring of 2021.
ensure that newcomers are able to access appropriate settlement and integration services when and where they are needed. Status: Little or no progress.	MCCSS has made limited progress toward implementing this recommendation. MCCSS noted that it has implemented procedures that allow for the tracking of wait lists by individual course. MCCSS has also developed draft wait-list guidelines that are intended to help reduce wait times and improve service access for newcomers. However, MCCSS noted that due to the impact of COVID-19, it is not clear when it will finalize and implement these guidelines. In addition, MCCSS has collected and analyzed information on client barriers and wait lists, based on data reported in 2018/19 by newcomer settlement service providers. However, the Ministry's analysis highlighted concerns about the clarity and reliability of the information collected. MCCSS noted that it expects to address the recommendation to periodically collect relevant information, including information on wait times and barriers to accessing services, and to take corrective action with the redesign of its programs that it expects to complete in April 2022.

Committee Recommendation	Status Details
Recommendation 2 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with the Ministry of Training, Colleges and Universities, and the appropriate regulatory bodies, to: • identify barriers to newcomer participation in bridging programs and develop and implement strategies to address those barriers; Status: Little or no progress. • assess labour market demand to determine whether there is a need to either add or reduce capacity in existing bridging programs, or to develop new bridging programs; Status: Little or no progress. • ensure that criteria for funding bridging programs prioritizes both cost-effectiveness and successful outcomes for participants; Status: Little or no progress. • follow up with clients who have completed a bridging program but not found employment in their field; identify the reasons that they have not found such employment, and take appropriate action. Status: Little or no progress.	MLTSD has made little progress toward implementing this recommendation. MLTSD noted that by the end of 2020 it will develop a monitoring strategy that will allow it to track the outcomes of participants in the bridge training programs it funds. It expects the strategy will help to identify barriers that exist for newcomers' participation and success. MLTSD noted that it plans to consult with stakeholders to help identify barriers to newcomer participation in bridge training programs. MLTSD expects to introduce some changes by the fall of 2021 to improve access to the program. In addition, MLTSD noted that it plans to monitor the new projects it will select and fund in 2021/22 to gather information on whether these changes will improve access and address barriers experienced by immigrants in accessing bridge training programs. MLTSD has not made progress toward implementing this recommendation. MLTSD intends to address this recommendation through the development of a new process to select bridge training service providers. MLTSD noted funding applicants will be required to demonstrate labour market demand. MLTSD intends to use the labour market information collected through this process to make program funding decisions. MLTSD intends to allocate funding to service providers using the new selection process in the spring of 2021. MLTSD has not made progress toward implementing this recommendation. MLTSD intends to address this recommendation through the development of a new process to select bridge training service providers that will include criteria that prioritize cost-effectiveness and successful outcomes for participants. MLTSD intends to allocate funding to service providers using the new selection process in the spring of 2021. To address this recommendation, MLTSD intends to develop performance indicators for the bridge training program. It also intends to put in place mechanisms to track participant outcomes and follow up with individual bridge training program clients, including clients who have completed a bridge training program but have not found employment. MLTSD expects that follow-up with individual clients will begin as early as December 2021, including with clients who have not found employment to help identify the reasons they have not done so.

Committee Recommendation	Status Details
Recommendation 3 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: - implement a process for periodically validating the accuracy of service and financial information reported by service providers; Status: In the process of being implemented by March 2022. - identify instances when service providers do not meet their contracted service and financial targets, follow up to assess the reasonableness of deviations from targets, and take corrective action when needed; Status: MCCSS has fully implemented the recommendation and MLTSD is in the process of implementing this recommendation by January 2021. - periodically review and assess whether significant differences between service provider costs are reasonable, and take corrective action when needed; Status: Little or no progress.	MCCSS advised us that it has revised all transfer payment agreements for newcomer settlement services and language training to include a requirement for project-specific audited financial schedules in order to provide third-party confirmation of program-specific expenditures. In addition, MCCSS expects to have tools in place to verify the accuracy of service data reported by service providers by March 2021. It intends to fully implement the recommendation and undertake data verification on a sample basis by March 2022. MLTSD introduced a new monitoring strategy for the bridge training program in April 2020. This strategy includes steps that allow the Ministry to validate the accuracy of service information, including on-site visits and reviews of client files. MLTSD expects to fully implement the recommendation and perform site visits and validation of service information by December 2020. MCCSS has fully implemented this recommendation. MCCSS indicated that, effective fall 2018, reporting templates were updated to reflect new procedures designed to support consistent follow-up with service providers who fail to meet targets. MCCSS informed us that for the 2018/19 and 2019/20 fiscal years, it had taken follow-up and/or corrective action in 94 and 52 instances respectively where service providers did not meet contracted service or financial targets. These actions included changes to payments and requests for additional financial and service information to address discrepancies between approved budgets and reported targets. MLTSD introduced a new enhanced monitoring strategy in May 2020 to manage the performance of bridge training program service providers who do not meet employment and licensure outcome targets. MLTSD notes that under this new monitoring strategy corrective action can include reducing targets and/or reducing funds allocated to the service provider. MLTSD expects to take corrective action, where it is required, beginning in January 2021. MCCSS has not yet taken steps to implement this recommendation. MCCSS expects to redesign its language training and newcomer settlement services programs by March 2022. MCCSS advised us that this process will include developing service cost benchmarks relative to service outputs and outcomes to enable assessment and comparisons of costs among service providers. MCCSS plans to initiate cost comparisons in the summer of 2021 as part of its process to select service providers under the redesigned programs that MCCSS expects to begin delivering in April 2022. MLTSD has not yet taken steps to implement this recommendation. MLTSD plans to address this recommendation through the new selection process it is developing to select the bridge training service providers it will fund. MLTSD expects that by March 2021 it will have used the new selection process that is under development to assess the reasonableness of program costs and to select service providers to fund that have reasonable program costs.

Committee Recommendation	Status Details
periodically collect relevant information (such as wait times and barriers to accessing services) from service providers, newcomers, and other stakeholders, and take corrective action when needed. Status: Little or no progress.	MCCSS has taken some steps toward implementing this recommendation, but significant efforts are still required to fully implement it. MCCSS noted that it has implemented procedures that allow for the tracking of wait lists for language training by individual course. MCCSS has also developed draft wait-list guidelines that are intended to help reduce wait times and improve service access to language training for newcomers. However, MCCSS noted that due to the impact of COVID-19 it is not clear when it will finalize and implement these guidelines. In addition, MCCSS has collected and analyzed information on client barriers and wait lists, based on data reported in 2018/19 by newcomer settlement service providers. However, the Ministry's analysis highlighted concerns about the clarity of the information collected. MCCSS noted that it expects to address the recommendation to periodically collect relevant information, including on wait times and barriers to accessing services, and to take corrective action with the redesign of its programs that it expects to complete by April 2022. MLTSD has not yet taken significant action to address this recommendation. MLTSD plans to develop and implement a new information technology (IT) system by the summer of 2021 that will be able to collect relevant information, such as client satisfaction, employment outcomes and barriers to employment, from bridge training service providers and participants. MLTSD also expects to collect information on barriers to participation in the bridge training program. MLTSD expects, by September 2021, to begin collecting the information that it will assess so that it can take corrective action.
Recommendation 4 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should: - clearly define the benchmarks and time frames of successful newcomer settlement and integration; Status: In the process of being implemented by March 2021. - establish performance indicators and targets that provide sufficient information to help the Ministry measure the progress of newcomers and the outcomes from specific settlement and integration services provided; Status: Little or no progress.	MCCSS advised us that it is in the process of finalizing sample settlement and integration milestones for newcomers, time frames to reach such milestones and a definition of a successfully settled and integrated newcomer. MCCSS has developed sample milestones for areas of integration that include language, education, economics, health, housing and community involvement. MCCSS plans to complete consultations on these milestones, time frames and definition with partner ministries, including the ministries of Health, Colleges and Universities, Finance, Education, Municipal Affairs and Housing, and MLTSD, and to finalize them by March 2021. MCCSS has not made progress toward implementing this recommendation. MCCSS plans to put in place a performance measurement strategy that is aligned with the settlement and integration milestones it is developing. MCCSS plans to implement a new performance measurement strategy, including establishing performance indicators and targets, as part of its redesign of its programs by April 2022. MLTSD has not made significant progress toward implementing this recommendation. MLTSD is in the process of developing a performance measurement framework for the bridge training program based on a review of the current performance indicators and targets. MLTSD intends to implement a new bridge training performance management framework in phases, starting in 2021/22, with the launch of new bridge training projects funded under the new selection process MLTSD is developing.

Committee Recommendation	Status Details
consistently monitor the performance of service providers and services to identify and take corrective action where needed. Status: MCCSS has made little or no progress and MLTSD is in the process of implementing the recommendation by January 2021.	MCCSS has made little progress toward implementing this recommendation. MCCSS advised us that it is collecting language training data that will assist it to monitor and assess the effectiveness of language training services. MCCSS also plans to implement a new performance measurement strategy and corrective action processes as part of the redesign of its programs by April 2022. MLTSD introduced a new enhanced monitoring strategy in May 2020 to manage the performance of bridge training program service providers who do not meet employment and licensure outcome targets. MLTSD notes that under this new monitoring strategy corrective action can include reducing targets and/or reducing funds allocated to the service provider. MLTSD expects to take corrective action, where it is required, beginning in January 2021.
Recommendation 5 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with the Anti-Racism Directorate to: develop a protocol for newcomers to report their perceived experiences of racism and discrimination in accessing and using settlement and integration services; and also in accessing employment information and opportunities; Status: Little or no progress.	MCCSS advised us that in May 2019 it had established a working group that includes MLTSD and the Anti-Racism Directorate to review the following: - existing mechanisms in the reporting of incidents of discrimination both in and outside of government; - the extent to which current agencies involved in discrimination and racism reporting can identify and track immigrants specifically in their data; - what barriers may potentially exist for immigrants to accessing services; and - what are the best practices and protocols in discrimination reporting and data collection processes (including administrative, privacy and legal considerations). MCCSS also noted that it has researched the role of service providers in racism and discrimination reporting, and in tracking and supporting client awareness of mechanisms to report discrimination. However, significant steps remain outstanding toward implementing this recommendation. This includes identifying and assessing options for reporting racism and discrimination, consulting with stakeholders on the feasibility and implementation considerations of identified options and developing an implementation plan for a proposed approach by January 2021. MCCSS has not made progress toward implementing this recommendation. The Ministry expects to develop an implementation plan to report racism and discrimination by January 2021. Once the plan is implemented, MCCSS intends to begin using information collected about newcomers' perceived experiences of racism and discrimination by March 2022.
use information collected about newcomers' perceived experiences of racism and discrimination to improve settlement and integration services and programs. Status: Little or no progress.	

Committee Recommendation	Status Details
Recommendation 6 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should require service providers to assess the language needs of their clientele, and have staff who are proficient in the languages needed. Status: Little or no progress.	MCCSS progress to implement this recommendation has been limited. MCCSS advised us that the newcomer settlement program's funding application process requests service providers to identify the top languages spoken by their clients and to identify the languages in which they propose to deliver services. Accordingly, MCCSS noted that the language of service delivery is built into funding agreements with service providers. However, MCCSS also noted that it does not have a process in place to assess whether service providers deliver services in the languages they indicated they support and whether clients' language needs are met. MCCSS noted that by the end of 2020, it plans to explore opportunities to obtain more information about the measures agencies take to ensure client language needs are met.
Recommendation 7 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement a formal communications strategy, and assess the effectiveness of its communications efforts to determine whether they are meeting the needs of newcomers. Status: Little or no progress.	MCCSS has made little progress toward implementing this recommendation. To date, MCCSS has not developed a formal communications strategy. MCCSS informed us that it collects information on web traffic on its website, including with respect to specific pages. In addition, MCCSS also collects traffic on its social media accounts on Facebook and Twitter. Although MCCSS informed us that it compares year-over-year use of its website and social media accounts, and that these comparisons highlight increased use, MCCSS has not assessed the effectiveness of its communication efforts to determine whether it is meeting the information needs of newcomers.
Recommendation 8 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should coordinate with the federal government to ensure that provincially-funded newcomer settlement and integration services complement, but do not duplicate, services funded by the federal government. Status: In the process of being implemented by April 2022.	MCCSS signed a Memorandum of Understanding (MOU) in December 2017 with the federal government on settlement and integration to establish a framework for working collaboratively on planning, design and delivery of settlement services for newcomers. A joint priority of the MOU is to reduce duplication of services and address service gaps. MCCSS advised us that a mapping of all federal and provincial settlement and integration services across the province has been completed. In addition, MCCSS completed a review of its language training program in September 2019 that identified opportunities to reduce duplication with services funded by the federal government. For example, MCCSS advised us that it worked with the federal government to develop referral protocols to reduce the number of permanent residents who are eligible for federally funded services that are enrolled in provincial language training classes. Under these referral protocols that took effect in February 2020, language assessment centres are to refer permanent residents to federally funded language training on a priority basis. MCCSS noted that it is also planning to gradually increase provincial investment in employment-related language training to support labour market integration and to better differentiate federal and provincial services. MCCSS expects to explore opportunities to further reduce duplication of services where possible through prioritizing funding to agencies that have a strong focus on clients who are not eligible for federally funded services. MCCSS expects to complete this work and fully implement this recommendation with the introduction of its redesigned settlement and integration programs in April 2022.

Committee Recommendation	Status Details
Recommendation 9 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with other ministries providing newcomer settlement and integration services to survey newcomers about why they have chosen specific federal or provincial services. Status: Little or no progress.	MCCSS has made limited progress toward implementing this recommendation. MCCSS advised us that with the introduction of new referral protocols for language training in February 2020, whereby language assessment centres are to refer permanent residents to federally funded language training on a priority basis, newcomers will also be asked which course (federal or provincial) they prefer and the reasons for their preference. MCCSS will use this information to better understand the factors that lead clients to select a federal or provincial language training program. MCCSS noted that it will assess additional options to fully respond to this recommendation as part of its program redesign process. It plans to have collected sufficient information to respond to the recommendation by the time it introduces its redesigned settlement and integration programs in April 2022.
Recommendation 10 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with other ministries that provide services to help newcomer settlement and integration to: - collect information on the number of, and outcomes for, newcomers served, and use this information to assess the degree to which newcomers are settling and integrating; Status: Little or no progress. - identify opportunities to increase the use of services that make a significant contribution to the settlement and integration of newcomers. Status: Little or no progress.	MCCSS has made limited progress toward implementing this recommendation. In 2019, MCCSS distributed a survey to other Ontario ministries to identify programs and services supporting newcomer integration, and to identify whether the ministries collect information on use of services by newcomers. MCCSS noted that its review of these survey responses identified the need for follow-up consultations with ministries to better understand the programs and whether data collected could be used to understand newcomers' usage and outcomes achieved. MCCSS plans to complete its follow-up engagements with other ministries to develop an inventory of programs that provide services that help newcomer settlement and integration, and an implementation approach to collecting data from these programs, by March 2021. Thereafter, MCCSS will begin to collect information from these programs that it will use to help assess the degree to which newcomers are settling and integrating. MCCSS hopes to be able to assess the degree to which newcomers are settling and integrating as early as the summer of 2021. MCCSS has not made progress toward implementing this recommendation. MCCSS plans to develop an inventory of programs that provide services that help newcomer settlement and integration, and an implementation approach to collecting data from these programs by March 2021. The Ministry anticipates that it will be able to identify opportunities for increasing the use of services that make a significant contribution to the settlement and integration of newcomers by the middle of 2021.

Committee Recommendation	Status Details
Recommendation 11 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should evaluate the effectiveness of provincially-funded language instruction for newcomers and ensure the funding is allocated to appropriate and effective language training providers. Status: In the process of being implemented by April 2022.	MCCSS completed a review of its language training program in 2019 to assess the continued need for the program, its effectiveness and to identify opportunities to improve program efficiency and to reduce duplication with federally funded services. MCCSS determined that there is a gap between the large number of learners pursuing language training for employment reasons and the availability of training for the workplace. As a result, MCCSS' review recommended shifting a portion of provincial investments in language training services to employment-related language training. MCCSS is working toward redesigning its language training program, which MCCSS advised will include steps to ensure funding is allocated to appropriate and effective language training providers. MCCSS expects its redesigned language training program to begin delivery in April 2022.

Chapter 4

Follow-Up on Audit Recommendations from 2013 to 2018

1.0 Summary

All of our value-for-money audit reports include specific recommended actions that aim to promote accountability, transparency, increased efficiency and cost-effectiveness and better service delivery for Ontarians.

An important part of our Office's work is to follow up on our past audits to assess the progress made by ministries, Crown agencies and broader-public-sector organizations (also collectively referred to as organizations) in implementing our recommended actions.

Two years after we table our audit reports, we follow up on the implementation status of our recommendations that organizations agreed to implement when the initial audit was completed (**Chapter 1** of this volume contains our follow-up work on recommendations in our *2018 Annual Report*). After the two-year follow-up is completed, as part of our continuing effort to track the status of our past recommendations and support increased implementation efforts, we continue to follow up on these recommendations.

This year, we returned to our annual reports of 2013, 2014, 2015 and 2016, and we added the *2017 Annual Report*, to effectively “follow up on the follow-ups.” In **Section 4.0**, we also report on the implementation status of recommendations made by the Standing Committee on Public Accounts (Committee).

Between 2013 and 2017, we audited a total of 62 ministries, Crown agencies and broader-public-sector organizations, issued 66 value-for-money audit reports and recommended 1,496 (2012 to 2016—1,306) actions overall in value-for-money audit reports. This represents a 15% increase in total actions over what we followed up on last year.

From this year's continuing follow-up work, we noted the following:

- **Organizations continue to misrepresent their progress in implementing recommended actions when reporting to us.** We found that of the 186 value-for-money and Committee-recommended actions that organizations self-assessed as “fully implemented” this year, we assessed that only 24% (or 44) were actually fully implemented. Last year, of a total of 260 actions that organizations self-assessed as “fully implemented”, we assessed that only 36% (or 93), were in fact, fully implemented. Again, organizations misrepresenting their “fully implemented” statuses resulted in a significant use of time and resources by both our Office as well as the organizations.
- **Overall, the implementation rates of our recommended actions have increased from the time of our two-year follow-up to when we assessed their implementation this year, as shown in Figure 1.** The rate increased from 29% to 59% for recommended actions issued in 2013; from 41% to 72% for

Figure 1: Overview of Follow-Up of Our 2013 to 2017 Annual Reports Recommended Actions

Prepared by the Office of the Auditor General of Ontario

Continuous Follow-Up Year	% Fully Implemented	# of Recommended Actions Still Outstanding
2013 Recommended Actions		
At two-year follow-up (2015)	29	112
2017	49	79
2018	57	68
2019	59	63
2020	59	63
2014 Recommended Actions		
At two-year follow-up (2016)	41	172
2017	49	144
2018	66	95
2019	70	83
2020	72	78
2015 Recommended Actions		
At two-year follow-up (2017)	36	176
2018	52	133
2019	54	126
2020	56	120
2016 Recommended Actions		
At two-year follow-up (2018)	34	259
2019	41	229
2020	45	211
2017 Recommended Actions		
At two-year follow-up (2019)	31	245
2020	34	235

recommended actions issued in 2014; from 36% to 56% for recommended actions issued in 2015; from 34% to 45% for recommended actions issued in 2016; and from 31% to 34% for recommended actions issued in 2017.

- **Although the implementation rates are generally increasing, we are disappointed to see that this year the rates have increased only minimally.** As seen in **Figure 1**, the implementation rate of recommended actions from our *2013 Annual Report* did not change between 2019 and 2020, and there is only a small increase in the implementation rate for recommended actions from our *2014, 2015, 2016 and 2017 Annual Reports*. In some cases, recommended actions

remained outstanding due to potential program changes and long-term strategies, or due to changes resulting in the creation of new organizations. Some organizations also attributed the slower implementation of our recommended actions this year to COVID-19 and its impact on their regular operations. However, we requested organizations to submit updated statuses of their outstanding recommended actions as of March 31, 2020. The government did not declare a state of emergency until March 17, 2020, a difference of only about two weeks.

- **Implementation continues to lag for short-term recommendations.** We consider recommended actions as short-term if they

could reasonably be implemented within two years. This year we continue to note a lower-than-expected implementation rate for recommended actions considered to be short-term. The following short-term recommended actions remain outstanding: 29% from 2013 (seven years ago); 20% from 2014 (six years ago); 39% from 2015 (five years ago); 48% from 2016 (four years ago); and 64% from 2017 (three years ago). By now, we would have expected all of these recommended actions to be implemented.

- **Recommended actions addressing public reporting, access to care or services, and funding allocation have the lowest implementation rates.** From a review of all recommended actions issued from 2013 to 2017, we noted that those addressing public reporting, access to care or services, and funding have the lowest implementation rates. The following are some examples related to these categories with the lowest implementation rates:
 - In our 2016 report on Child and Youth Mental Health we recommended that the Ministry of Children, Community and Social Services ensure that accurate and meaningful results on the performance of the program are publicly reported to ensure the public's confidence in the program is maintained.
 - In our 2013 report on Rehabilitation Services at Hospitals we recommended that the Ministry of Health establish a province-wide co-ordinated system for rehabilitation so that Ontarians can receive the rehabilitation services they need when required.
 - In our 2017 report on Cancer Treatment Services we recommended that the Ministry of Health and Ontario Health (Cancer Care Ontario) evaluate and revise existing funding methods for radiation treatment to ensure funding reflects the actual services delivered by hospitals.
- **Some organizations are better at implementing our recommendations.** Fourteen

organizations, mainly Crown agencies and broader-public-sector organizations, had fully implemented 75% or more of our recommended actions from our 2013 to 2017 *Annual Reports*. These organizations included hospitals, Ontario Power Generation, the Financial Services Regulatory Authority of Ontario, the Ontario Energy Board, and the Independent Electricity System Operator.

- **Some organizations are slow to implement our recommended actions.** We noted that several of the organizations we audited were slow in implementing our recommended actions, and that many of the same issues we noted last year are still outstanding in 2020. We urge these organizations to take the actions needed to implement our recommended actions that they committed to implementing when we conducted our original audits. Most notably, the following organizations had low implementation rates and a high number of outstanding recommended actions.
 - The Ministry of Health was responsible for implementing 321 recommended actions from 19 different audit reports included in our annual reports from 2013 to 2017. Currently, 68% or 219 of these recommended actions remain outstanding. An example of an outstanding recommendation can be found in our 2014 report on Immunization, where we recommended that the Ministry obtain and review information on vaccine wastage by each health-care provider, and follow up on providers with higher wastage levels to minimize vaccine wastage and maintain vaccine potency.
 - The Ministry of Children, Community and Social Services was responsible for implementing 118 recommended actions from seven different audits conducted between 2013 and 2017. Currently, 55% or 65 of these actions are still outstanding. The audits with the highest number of outstanding recommended actions are the Settlement

and Integration Services for Newcomers in our 2017 Annual Report, with 86% or 19 of 22 still outstanding, and the Residential Services for People with Developmental Disabilities in our 2014 Annual Report, with 41% or 13 of 32 still outstanding. For example, in our report on Settlement and Integration Services for Newcomers audit, we recommended that the Ministry assess the effectiveness of its communication efforts to ensure newcomers are aware of available services that can help them successfully settle and integrate in Ontario.

- The Ministry of the Environment, Conservation and Parks was responsible for implementing 87 recommended actions from five audit reports between 2013 and 2017. Currently 63%, or 55, remain outstanding from these reports. The majority of the outstanding actions are related to two reports from 2016, Environmental Approvals and Environmental Assessments. An example of an outstanding recommendation can be found in our 2016 report on Environmental Approvals where we recommended that the Ministry establish guidelines and targets for the timely review and update of existing Environmental Compliance Approvals.
- The Ministry of Education was responsible for implementing 116 recommended actions from five audit reports between 2013 and 2017, of which 43%, or 50 actions, were still outstanding. An example of an outstanding recommendation can be found in our 2017 report on Ministry Funding and Oversight of School Boards where we recommended that the Ministry complete its review of the process school boards use when considering school closures and work with school boards to address the issues uncovered in the review to work toward achieving the appropriate level of physical infrastructure required to meet current and future needs.
- The Ministry of the Solicitor General was responsible for implementing 57 recommended actions from two audit reports, Emergency Management in Ontario (2017) and Adult Community Corrections and Ontario Parole Board (2014). Currently, 72% or 41 of these recommended actions remain outstanding. An example of an outstanding recommendation can be found in our report on Emergency Management in Ontario where we recommended that the Ministry, through the Provincial Emergency Management Office, work with ministries and municipalities to determine what prevention and mitigation activities are being done in the province to ensure that Ontario is making reasonable efforts to prevent potential hazards or mitigate their impacts, and that these efforts are co-ordinated with emergency management programs. Implementing this recommended action may have helped the province in its response to the COVID-19 pandemic.
- **Some organizations were also slow to implement the recommended actions issued by the Standing Committee on Public Accounts (Committee).** We noted that for some of the organizations audited, there was very slow progress toward implementing the Committee's recommendations. Three of the organizations noted below, also noted in our *2019 Annual Report*, continue to show slow implementation of the Committee's recommended actions. They are as follows:
 - The Ministry of Health was responsible for implementing a total of 103 recommended actions from six reports, of which more than two-thirds remain outstanding.
 - The Ministry of Labour, Training and Skills Development was responsible for implementing a total of 25 recommended actions from the Committee's 2017 report on our audit of Employment Ontario; 80% of these recommended actions remain outstanding.

- The Ministry of Economic Development, Job Creation and Trade was responsible for implementing nine recommended actions from the Committee's 2017 report on our audit of University Intellectual Property; 78% of these recommended actions remain outstanding.

2.0 How We Evaluated Implementation

We recommended a total of 1,496 actions in our *2013 to 2017 Annual Reports*. Based on our review this year, we agreed with the organizations that 50 of the actions were “no longer applicable,” mainly because of changes in legislation or policies resulting in the organization no longer having responsibility to implement the recommended action. This left a total of 1,446 recommended actions.

For the remaining recommended actions, we asked organizations to self-assess their progress

in implementing their outstanding recommended actions, as of March 31, 2020, and to provide appropriate documentation to support their assessments.

Our review work consisted of inquiries and reviews of the supporting documentation for those recommended actions reported to be fully implemented to gain assurance that the recommended action was, in fact, fully implemented. Where necessary, we also conducted sample testing to help determine the status.

We also reviewed information and documentation for recommended actions assessed as “no longer applicable” and “will not be implemented” to determine the reasonableness of the rationale for not completing them.

We conducted our work between April 1, 2020, and September 30, 2020, and obtained written representation from the organizations on October 16, 2020, that they provided us with a complete update of the status of the recommendations we made in the original audits. **Figure 2** provides a timeline of our continuing follow-up work on recommended actions that were issued in past reports.

Figure 2: Annual Timeline for Continuous Follow-Up Work

Prepared by the Office of the Auditor General of Ontario

Time Period	Follow-Up Work
January to beginning of February	• Send commencement letters to Deputy Ministers, Assistant Deputy Ministers, Chief Executive Officers/Presidents and Vice Presidents • Send listing of outstanding recommended actions to ministries, Crown agencies, and broader-public-sector organizations (collectively referred to as organizations)
Beginning of February to end of March	• Obtain implementation status and supporting documentation from organizations for outstanding recommended actions by March 31 of each year
April to October	• Work with organizations to obtain sufficient appropriate evidence to support implementation statuses • Review supporting documentation for each recommended action. In certain cases, also conduct further sample testing to determine the appropriate statuses of recommended actions. • Upon completion of continuous follow-up work and discussions with management, where necessary, issue final summaries of implementation statuses for each report • Obtain confirmations of the final summaries of implementation statuses from organizations • Obtain signed Management Representation Letters from organizations
November to December	• Prepare consolidated continuous follow-up report • Consolidated continuous follow-up report is included into the Office of the Auditor General of Ontario's Annual Report which is tabled in the Legislature

As this follow-up work is not an audit, we cannot provide complete assurance that the recommended actions have been implemented effectively.

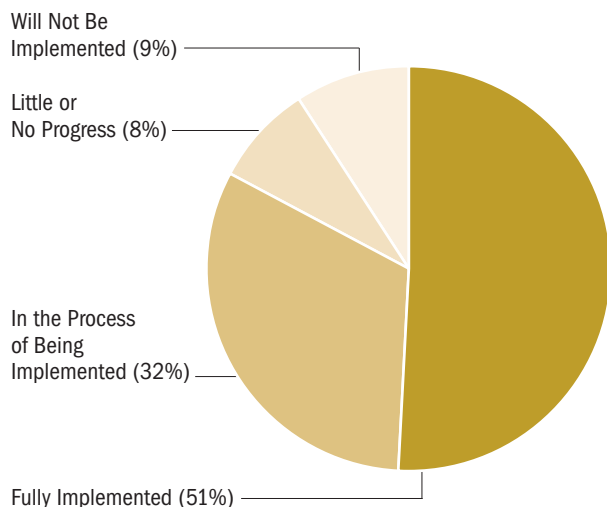
3.0 Detailed Observations for the Follow-up on Value-for-Money Audit Recommendations

3.1 Small Improvement Noted in the Full Implementation Rate of Recommendations Followed Up on Last Year

Of the total 1,446 recommended actions that we expected to be implemented from our 2013 to 2017 *Annual Reports*, we found that 51% had been fully implemented, as shown in **Figure 3**. For the remaining recommended actions, 32% were in the process of being implemented, a further 8% had little or no progress made on them, and for 9% the organizations determined that the recommendations would not be implemented (as discussed in **Section 3.7**).

Figure 3: Implementation Status of Recommended Actions Issued in Our 2013 to 2017 *Annual Reports*, as of March 31, 2020

Prepared by the Office of the Auditor General of Ontario



The full implementation rate of the total 1,136 recommended actions issued that we expected to be implemented from our 2013, 2014, 2015 and 2016 *Annual Reports* increased slightly, from 54% in 2019 to 57% in 2020.

For the first time this year, 360 recommended actions from our 2017 *Annual Report* were added to our continuing follow-up work. Currently 34% of these recommended actions have been fully implemented, a slight increase from the 31% that we reported in our 2019 *Annual Report* when we followed up on these recommended actions two years after issuing them.

As shown in **Appendix 1**, of the 54 organizations with recommended actions issued in our 2013 to 2016 *Annual Reports*, 16 had fully implemented 75% or more of our recommended actions. Organizations making the most improvements in implementing our recommended actions this year include the Ministry of Infrastructure, the Ontario Energy Board and Ontario Health—E-Health Ontario.

In addition to making little improvement in implementing our recommended actions this year, the Ministry of Health, the Ministry of the Environment, Conservation and Parks, the Ministry of Long-Term Care, the Ministry of Economic Development, Job Creation and Trade, Local Health Integration Networks, as well as some school boards and Children's Aid Societies have implemented less than 50% of the recommended actions that we issued in our 2013 to 2016 *Annual Reports*.

Figure 4 provides a detailed breakdown by year of the status of recommended actions issued in our 2013, 2014, 2015, 2016 and 2017 *Annual Reports*.

The progress of implementing the recommended actions in each of the 2013, 2014, 2015 2016 and 2017 *Annual Reports* can be seen in **Figure 5**, beginning at the initial two-year follow-up and in 2017, 2018, 2019 and 2020, after we began tracking the implementation rates subsequent to the initial follow-up. The full implementation rate of ministries, Crown agencies and broader-public-sector organizations from the time of our two-year follow-up has trended upwards: from 29% to 59%

Figure 4: Implementation Status of Recommended Actions Issued in Our 2013 to 2017 Annual Reports, as of March 31, 2020

Prepared by the Office of the Auditor General of Ontario

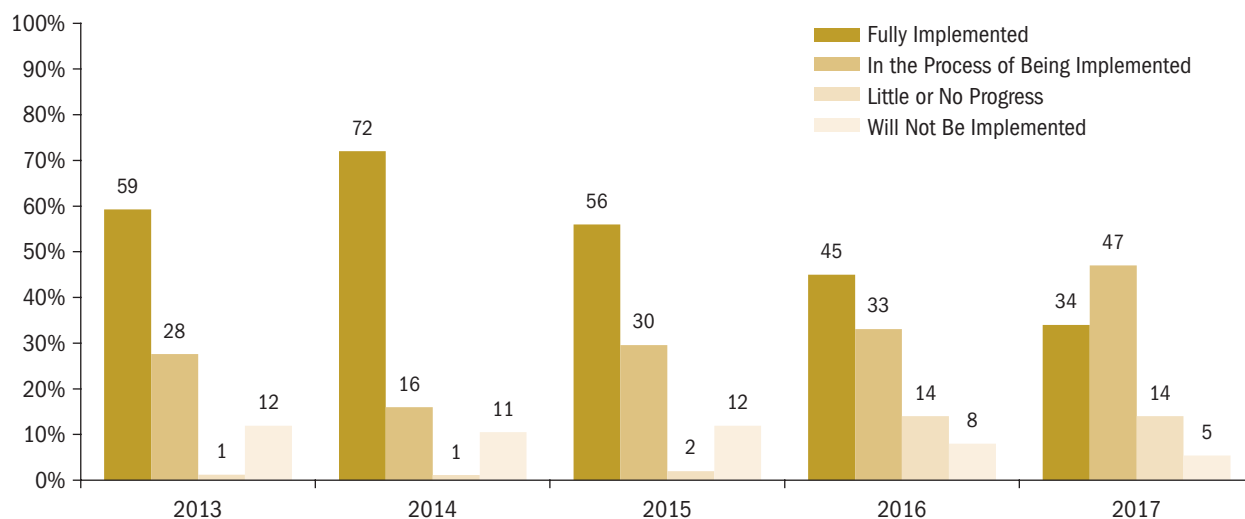


Figure 5: Progress Toward Full Implementation of Recommended Actions Issued in Our 2013 to 2017 Annual Reports

Prepared by the Office of the Auditor General of Ontario

Annual Report Year	# Issued	Implementation Rate (%)				
		At Two-Year Follow-Up	2017 Continuous Follow-Up	2018 Continuous Follow-Up	2019 Continuous Follow-Up	2020 Continuous Follow-Up
2013	158	29	49	57	59	59
2014	294	41	49	66	70	72
2015	276	36	n/a*	52	54	56
2016	408	34	n/a*	n/a*	41	45
2017	360	31	n/a*	n/a*	n/a*	34

* The recommended actions issued in our 2015, 2016 and 2017 Annual Reports were not subject to the continuous follow-up work for the noted year(s).

for recommended actions issued in 2013; from 41% to 72% for recommended actions issued in 2014; from 36% to 56% for recommended actions issued in 2015; from 34% to 45% for recommended actions issued in 2016; and from 31% to 34% for actions issued in 2017.

However, as seen in **Figure 5**, the full implementation rate of recommended actions from our 2013 Annual Report did not change between 2019 and 2020, and there is only a small increase in the full implementation rate for recommended actions from our 2014, 2015, 2016 and 2017 Annual Reports. In some cases, recommended actions remained out-

standing due to changes in programs and long-term strategies. Some organizations, such as the Ministry of Health, the Ministry of Long-Term Care and the Ministry of Education, also attributed the slower implementation of our recommended actions this year to COVID-19 and its impact on the organizations' regular operations. However, we requested organizations to submit updated statuses of their outstanding recommended actions as of March 31, 2020. The government did not declare a state of emergency until March 17, 2020, a difference of only about two weeks.

The Standing Committee on Public Accounts (Committee) can use this report to hold ministries, Crown agencies and broader-public-sector organizations, where applicable, accountable for recommended actions they committed to implementing. In **Appendix 2**, we have prepared possible questions that the Committee can consider using to hold organizations accountable for implementing recommended actions that we have issued in past reports.

3.2 Positive Impacts of Implemented Recommendations on Ontarians

Many of the recommended actions in our value-for-money audit reports from 2013 to 2017 that have been fully implemented identified areas where services can be delivered more effectively to those who use them, or in ways that help ensure that taxpayer dollars are spent more economically and efficiently.

Some examples of recommended actions recently assessed as fully implemented include:

- Large community hospitals monitored bed-wait time by acute-care wards and investigated significant delays so that patients can be transferred from emergency to an acute-care bed on a timely basis to reduce their waits in emergency rooms.
- The Ministry of Education developed guidelines to assist program advisors in assessing the competence of new child-care applicants in establishing their operations within a safe and healthy environment that encourages the social, emotional and intellectual development of children.
- The Ministry of the Environment, Conservation and Parks developed guidance for ministries so that they could consistently incorporate the social cost of carbon into their decision-making, rather than only considering the financial costs of their decisions.
- The Ministry of Municipal Affairs and Housing worked with municipal service managers

to simplify the rent-geared-to-income calculation to reduce errors in calculating the applicable rent due from tenants, and also to help tenants understand and comply with the rules on declaring income.

- Metrolinx implemented system controls to ensure that authorized payments made to contractors do not exceed the approved or authorized increased budget.
- Ontario Health—Cancer Care Ontario worked with the Ministry of Health and hospitals to establish a protocol for communication, drug-sharing and prioritizing patients in the event of a cancer-drug shortage.

3.3 Recommendations Addressing Areas of Importance to Ontarians Have Not Been Implemented

We remain concerned about the recommended actions issued five or more years ago that have still not been implemented. Specifically, 41% of the 158 recommended actions issued in 2013 (seven years ago); 28% of the 294 recommended actions issued in 2014 (six years ago); and 44% of the 276 recommended actions issued in 2015 (five years ago) still remain outstanding, as shown in **Figure 5**. By now, we would have expected all of these recommended actions to be implemented.

Many of the recommended actions not yet implemented from our *2013 to 2015 Annual Reports* address areas important to Ontarians such as social services, health and education. Some examples:

- In our 2015 report on the Child Protection Services Program—Ministry, we recommended that the Ministry of Children, Community and Social Services analyze the outcomes of children who received protection services to identify opportunities to improve protection services and ultimately the future of these children.
- In our 2015 report on Long-Term-Care Home Quality Inspection Program, we recommended that the Ministry of Long-Term Care

hold long-term-care homes accountable by monitoring their performance using inspection results.

- In our 2015 report on Student Transportation we recommended that the Ministry of Education, in conjunction with school boards, set standards on eligibility for transportation services, especially home-to-school walking distances for students, for greater consistency in transportation services across school boards.
- In our 2014 report on Palliative Care we recommended that the Ministry of Health, with stakeholders, develop and implement standardized patient eligibility practices for similar palliative-care services to ensure similar access to similar services across the province.
- In our 2013 report on Violence Against Women we recommended that the Ministry of Children, Community and Social Services review the feasibility of implementing a system to determine whether women who are referred elsewhere by an agency due to capacity issues actually receive the needed services.

recommended actions: either two years (short-term) or five years (long-term).

Of the total recommended actions from our *2013 to 2017 Annual Reports*, about 70% were considered to be short-term actions. **Figure 6** shows the recommended actions from our *2013 to 2017 Annual Reports* and the percentages that were still outstanding in each of the follow-up years 2017, 2018, 2019 and 2020.

While the percentage of outstanding short-term recommended actions has decreased for each annual report year, 29% of the 74 recommended actions issued in 2013, 20% of the 220 issued in 2014, 39% of the 204 issued in 2015, 48% of the 303 issued in 2016, and 64% of the 252 issued in 2017 were still outstanding. By now, we would have expected all of the short-term recommended actions from our *2013 to 2017 Annual Reports* to be implemented. Also, as seen in **Figure 6**, between 2019 and 2020, there were only minimal decreases in the percentage of outstanding short-term recommended actions.

3.4 Implementation of Short-Term Recommendations Taking Longer than Expected

For the purposes of analysis, our Office classified outstanding recommended actions, at the time of the audit, into what would be reasonable time frames for ministries, Crown agencies and broader-public-sector organizations to implement

3.5 Some Organizations Continue to Be Slow to Implement Our Recommended Actions

Figure 7 shows the implementation rates for the 62 ministries, Crown agencies and broader-public-sector organizations that we audited from 2013 to 2017. Of these organizations, 14 had implemented 75% or more of our recommended actions, 24 had fully implemented 50% to 74% of

Figure 6: Short-Term¹ Recommended Actions Outstanding

Prepared by the Office of the Auditor General of Ontario

Annual Report Year	# Issued	% Outstanding in 2017	% Outstanding in 2018	% Outstanding in 2019	% Outstanding in 2020
2013	74	38	31	29	29
2014	220	39	25	22	20
2015	204	n/a ²	44	41	39
2016	303	n/a ²	n/a ²	52	48
2017	252	n/a ²	n/a ²	n/a ²	64

1. Short-term recommended actions are those that can be reasonably implemented within two years.

2. The recommended actions issued in our *2015, 2016 and 2017 Annual Reports* were not subject to the continuous follow-up work for the noted year(s).

Figure 7: Percentage of Recommended Actions Issued in Our 2013 to 2017 Annual Reports Fully Implemented and in the Process of Being Implemented, as of March 2020

Prepared by the Office of the Auditor General of Ontario

Figure 7a: Organizations with More than 30 Recommended Actions	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)	Combined Rate (%)
Psychiatric Hospitals (4) ¹	96	4	100
Treasury Board Secretariat	84	13	97
Hospitals (6) ²	76	18	94
Ministry of Energy, Northern Development and Mines	71	21	92
Metrolinx	70	19	89
Ministry of Government and Consumer Services	69	27	96
Infrastructure Ontario	61	34	95
Universities (3) ³	61	16	77
Ministry of Labour, Training and Skills Development ⁴	60	27	87
Ontario Health ⁵	59	41	100
Ministry of Education	57	14	71
Ministry of Children, Community and Social Services	45	36	81
Local Health Integration Networks ⁶	43	32	75
School Boards (6) ⁷	41	37	78
Children's Aid Societies (7) ⁸	37	63	100
Ministry of the Environment, Conservation and Parks	37	44	81
Ministry of Health	32	44	76
Ministry of the Solicitor General	28	46	74

	Implementation rate of 75% or more
	Implementation rate between 50% and 74%
	Implementation rate between 25% and 49%
	Implementation rate of less than 25%

1. Psychiatric hospitals: Centre for Addiction and Mental Health, 100%; Ontario Shores Centre for Mental Health Sciences, 100%; The Royal Ottawa Health Group, 100%; Waypoint Centre for Mental Health Care; 86%.
2. Hospitals by report:
 - Rehabilitation Services at Hospitals: Hamilton Health Sciences, 79%; Providence Healthcare, 64%; The Ottawa Hospital, 62%.
 - Large Community Hospital Operations: Rouge Valley Health System, 100%; Windsor Regional Hospital, 75%; Trillium Health Partners, 70%.
3. Universities: McMaster University, 71%; University of Toronto, 61%, University of Waterloo 50%.
4. In early 2020, responsibility for implementation of the outstanding recommendations for the Provincial Nominee Program report, issued in the Office of the Auditor General of Ontario's 2014 Annual Report, was transferred from the Ministry of Economic Development, Job Creation and Trade to the Ministry of Labour, Training and Skills Development. Four recommended actions remained outstanding to be addressed by the Ministry of Labour, Training and Skills Development. For comparative purposes, the information presented as of 2019 has been adjusted to reflect this change.
5. The implementation rate for Ontario Health includes recommendations that originated with Cancer Care Ontario and eHealth Ontario, which are now part of Ontario Health. The recommendations to Ontario Health were from the following two audit reports, with the following implementation rates:
 - Cancer Care Ontario—Cancer Treatment Services, 64%; and
 - e-Health Ontario—Electronic Health Records' Implementation Status, 50%.
6. The implementation rate for Local Health Integration Networks (LHINs) includes recommendations that originated with Community Care Access Centres, which are now part of the LHINs. The recommendations to LHINs were from the following four audit reports, with the following implementation rates:
 - Ontario Health (Shared Services) co-ordinated responses for the following reports:
 - Community Care Access Centres—Home Care Program: 56%
 - LHINs—Local Health Integration Networks: 56%
 - LHINs—Community Health Centres: 20%
 - Specialty Psychiatric Hospital Services: 0%
7. School Boards by report:
 - Healthy Schools Strategy: York Catholic, 70%; Hamilton-Wentworth, 50%; Trillium Lakelands, 10%.
 - School Boards' Management of Financial and Human Resources: Hastings and Prince Edward, 52%; Toronto Catholic, 43%; Halton Catholic, 35%; Hamilton-Wentworth, 30%.
8. Children's Aid Societies: Districts of Sudbury and Manitoulin, 57%; Family and Children's Services of the Waterloo Region, 57%; Simcoe Muskoka Family Connexions, 43%; Family and Children's Services of Frontenac, Lennox and Addington, 29%; Hamilton, 29%; Toronto, 29%; Durham, 14%.

Figure 7b: Organizations with 11–30 Recommended Actions	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)	Combined Rate (%)
Ontario Power Generation	100	0	100
Financial Services Regulatory Authority of Ontario	88	8	96
Ontario Energy Board	82	9	91
Independent Electricity System Operator	75	20	95
Child and Youth Mental Health Centres (4) ¹	64	32	96
Transportation Consortia (3) ²	59	22	81
Ministry of Transportation	57	32	89
Ministry of Long-Term Care	43	57	100
Tribunals Ontario	35	48	83
Ministry of Economic Development, Job Creation and Trade ³	32	25	57
Ministry of Municipal Affairs and Housing	30	22	52
Ministry of Agriculture, Food and Rural Affairs	17	67	84

	Implementation rate of 75% or more
	Implementation rate between 50% and 74%
	Implementation rate between 25% and 49%
	Implementation rate of less than 25%

1. Child and Youth Mental Health Centres: Children's Centre Thunder Bay, 71%; Kinark Child and Family Services, 71%; Youthdale Treatment Centres, 71%; Vanier Children's Services, 43%.
2. Transportation Consortia: Sudbury Consortium, 100%; Peel Consortium, 44%; Toronto Consortium, 33%.
3. In early 2020, responsibility for implementation of the outstanding recommendations for the Provincial Nominee Program report, issued in the Office of the Auditor General of Ontario's *2014 Annual Report*, was transferred from the Ministry of Economic Development, Job Creation and Trade to the Ministry of Labour, Training and Skills Development. Four recommended actions remained outstanding to be addressed by the Ministry of Labour, Training and Skills Development. For comparative purposes, the information presented as of 2019 has been adjusted to reflect this change.

Figure 7c: Organizations with 1–10 Recommended Actions	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)	Combined Rate (%)
Women's Issues	100	0	100
Ontario Parole Board	67	0	67
Ministry of Infrastructure	60	40	100
AgriCorp	50	25	75
Ministry of Finance	0	100	100
Ontario Association of Children's Aid Societies	0	50	50

	Implementation rate of 75% or more
	Implementation rate between 50% and 74%
	Implementation rate between 25% and 49%
	Implementation rate of less than 25%

our recommended actions, 19 had implemented 25% to 49% of our recommended actions and five had implemented fewer than 25% of our recommended actions. Most notably, the following organizations had low implementation rates and a high number of outstanding recommended actions.

Ministry of Health

The Ministry of Health was responsible for implementing 321 recommended actions in 19 audits between the years 2013 and 2017. Currently, 68%, or 219, of these recommended actions remain outstanding, including the following:

- **Housing and Supportive Services for People with Mental Health Issues (Community-Based)**—Of the 34 recommended actions we issued in 2016, 97%, or 33, remain outstanding. Some of these recommended actions addressed having adequate information to cost-effectively oversee, co-ordinate and deliver housing with support services to people with mental illness. For example, we recommended that the Ministry collect overall information on wait lists and wait times by region on a regular basis to obtain a clearer picture of the demand for mental health supportive housing for the purposes of short-term and long-term planning.
- **Physician Billing**—Of the 29 recommended actions we issued in 2016, 69%, or 20, were still outstanding. Many of these recommended actions relate to the economy and effectiveness of physician payment models in meeting the needs of Ontarians. For example, we recommended that the Ministry regularly monitor and determine whether physicians participating in patient-enrolment models are meeting all their regular and after-hours requirements to ensure patients are able to access their family physicians in a timely manner when needed, and also to reduce the strain on emergency departments in hospitals.
- **Immunization**—Of the 25 recommended actions we issued in 2014, 76%, or 19, were still outstanding. Many of these recommended actions relate to the Ministry's monitoring and promotion of Ontario's immunization program so that it protects Ontarians against vaccine-preventable diseases in an efficient and effective manner. For example, we recommended that the Ministry obtain and review information on vaccine wastage by each health-care provider, and follow up on providers with higher wastage levels to minimize vaccine wastage and maintain vaccine potency.

Ministry of Children, Community and Social Services

The Ministry of Children, Community and Social Services was responsible for implementing 118 recommended actions in seven audits between 2013 and 2017. Currently, 55%, or 65, of the actions remain outstanding. The audits with the highest number of outstanding recommended actions are for Settlement and Integration Services for Newcomers from our *2017 Annual Report*, which has 86%, or 19 of 22, still outstanding, and the audit of Residential Services for People with Developmental Disabilities from our *2014 Annual Report*, which has 41%, or 13 of 32, still outstanding.

Some of the outstanding recommended actions address effectiveness, funding, access to and quality of care or services. For example, in our Settlement and Integration Services for Newcomers audit, we recommended that to ensure newcomers are aware of available services that can help them successfully settle and integrate in Ontario, the Ministry should assess the effectiveness of its communications efforts to identify and act on areas of weakness.

Ministry of the Environment, Conservation and Parks

The Ministry of the Environment, Conservation and Parks was responsible for implementing 87 recommended actions from five audit reports between 2013 and 2017, of which 63%, or 55, still remain outstanding. The majority of the outstanding actions relate to the following audit reports:

- **Environmental Approvals**—Of the 30 recommended actions we issued in 2016, 73%, or 22, are still outstanding. Many of these actions addressed areas such as effectiveness, monitoring and oversight. For example, we recommended the Ministry establish guidelines and targets for the timely review and update of existing Environmental Compliance Approvals.
- **Environmental Assessments**—Of the 21 recommended actions we issued in 2016, 81%,

or 17, are still outstanding. Many of these actions addressed areas such as effectiveness and governance. For example, we recommended that the Ministry review and revise the *Environmental Assessment Act* to ensure that projects with the potential for significant negative environmental impact are assessed, and to clarify the types of government plans and programs that must undergo an environmental assessment. Subsequent to our March 31, 2020, assessment date, the government enacted the *COVID-19 Economic Recovery Act, 2020*, which received royal assent on July 21, 2020. This Act includes significant amendments to key environmental legislation such as the *Environmental Assessment Act*. The impact of these amendments, including the implementation of our outstanding recommendations, is unknown at this time as the related regulations have not yet been filed.

Ministry of Education

The Ministry of Education was responsible for implementing 116 recommended actions from five audit reports between 2013 and 2017, of which 43%, or 50, were still outstanding. Many of the outstanding actions are related to the following audit reports:

- **Ministry Funding and Oversight of School Boards**—Of the 21 recommended actions we issued in 2017, 86%, or 18, remain outstanding. Many of these outstanding actions related to the Ministry's monitoring or oversight of school boards. For example, we recommended the Ministry complete its review of the process school boards use when considering school closures and work with school boards to address the issues uncovered in the review to work toward achieving the appropriate level of physical infrastructure required to meet current and future needs.
- **Private Schools**—Of the 29 recommended actions we issued in 2013, 41%, or 12, remain outstanding. Many of these outstanding

actions related to the Ministry's oversight of private schools. For example, we recommended the Ministry of Education consider assigning an Ontario Education Number to all private school students attending non-credit-granting schools to help verify compulsory school attendance.

Ministry of the Solicitor General

The Ministry of the Solicitor General was responsible for implementing 57 recommended actions from two audits, Emergency Management in Ontario, conducted in 2017, and Adult Community Corrections and Ontario Parole Board, conducted in 2014. Currently, 72% or 41 of these recommended actions remain outstanding.

Many of these recommended actions addressed areas such as effectiveness, governance and economy. For example, our audit of Emergency Management in Ontario recommended the Ministry, through the Provincial Emergency Management Office, work with ministries and municipalities to determine what prevention and mitigation activities are being done in the province to ensure that Ontario is making reasonable efforts to prevent potential hazards or mitigate their impacts, and that these efforts are co-ordinated with emergency management programs. Implementing this recommended action may have helped the province in its response to the COVID-19 pandemic.

Ministry of Labour, Training and Skills Development

The Ministry of Labour, Training and Skills Development was responsible for implementing 99 recommended actions from three audit reports, Provincial Nominee Program, conducted in 2014; Employment Ontario, conducted in 2016; and Settlement and Integration Services for Newcomers, conducted in 2017. Currently, 40%, or 40, of these recommended actions remain outstanding.

Many of these recommended actions addressed areas such as effectiveness, funding and the need

for better monitoring. For example, our audit of Employment Ontario recommended that the Ministry identify reasons why individuals do not complete their apprenticeship programs and required the Ministry to take the actions needed to address these reasons.

3.6 Low Implementation Rates for Recommendations Relating to Public Reporting, Access to Care or Services, and Funding

We categorized the recommended actions we issued between 2013 and 2017 by the areas they addressed, as shown in **Figure 8**.

The categories with the lowest implementation rates address public reporting, access to care or services, and funding allocations. The following are some examples related to these categories with the lowest implementation rates:

- In our 2016 report on Child and Youth Mental Health we recommended that the Ministry of Children, Community and Social Services ensure that accurate and meaningful results on the performance of the program are publicly reported to ensure the public's confidence in the program is maintained.
- In our 2013 report on Rehabilitation Services at Hospitals we recommended that the Ministry of Health establish a province-wide co-ordinated system for rehabilitation so that Ontarians can receive the rehabilitation services they need when required.
- In our 2017 report on Cancer Treatment Services we recommended that the Ministry of Health and Ontario Health—Cancer Care Ontario evaluate and revise existing funding methods for radiation treatment to ensure funding reflects the actual services delivered by hospitals.

Figure 8: Full Implementation Rate by Category¹ of Actions Recommended in Our 2013 to 2017 Annual Reports, as of March 31, 2020

Prepared by the Office of the Auditor General of Ontario

Category ¹	# of Recommended Actions (A)	# of Recommended Actions Fully Implemented (B)	Full Implementation Rate (B/A) (%)
Internal Controls	36	28	78
Information Technology	57	41	72
Other ²	7	5	71
Human Resources	27	18	67
Compliance	101	65	64
Governance	141	84	60
Quality of Care or Services	66	39	59
Monitoring and/or Oversight	217	119	55
Efficiency	66	33	50
Economy	150	71	47
Collect/Analyze Data	93	42	45
Enforcement	43	19	44
Education/Promotion	49	21	43
Effectiveness	228	97	43
Funding	56	20	36
Access to Care/Services	76	26	34
Public Reporting	33	11	33

1. Recommended actions have been assigned to a primary category, but more than one category may apply.

2. "Other" category comprises five recommended actions related to communications and two related to developing strategies.

The categories with the highest implementation rates are those dealing with internal controls, information technology, human resources and compliance.

Based on these results, there continue to be opportunities for improvements to public reporting, access to care or services, and funding allocations to ensure that value for money is achieved.

3.7 Some Recommendations Will Not Be Implemented

Of the 1,446 recommended actions that we issued between 2013 and 2017 and expected to be implemented by now, 131 (including 90 actions that were noted last year) will not be implemented by the relevant organizations.

The additional 41 recommended actions that organizations noted will not be implemented this year are listed in **Appendix 3**, along with the organizations' rationale for not implementing them, and the impact on Ontarians of not implementing these recommended actions. We continue to believe that these recommended actions should be implemented. Thirty-one percent of these actions recommended improvements to education or promotion, or addressed the effectiveness of programs or services.

3.8 Outstanding 2012 Recommended Actions Are No Longer Followed Up

At the completion of our continuing follow-up work in 2019, 13 ministries, Crown agencies and broader-public-sector organizations still had 47 of our recommended actions from our *2012 Annual Report* outstanding—more than seven years after they were issued. We expected that the majority of these would have been implemented by now. We are no longer following up on the 2012 recommended actions. Instead, we will factor the risks remaining from the related outstanding issues into our risk-based approach in selecting future audits.

The 2012 recommended actions that were not implemented addressed areas such as access to care or services, effectiveness and economy. Examples include:

- **Independent Health Facilities**—We recommended the Ministry of Health consider the costs and benefits of introducing a standardized referral form that restricts physicians from recommending a preferred facility for diagnostic services and also indicates that patients can go to other facilities that are listed on the Ministry's website.
- **Youth Justice Services Program**—We recommended the Ministry of Children, Community and Social Services improve utilization rates by reducing bed capacity in significantly underused facilities.
- **Tax Collection**—We recommended the Ministry of Finance maximize recovery of unpaid taxes by obtaining legislative authority to allow it to take legal action to collect debts from businesses and individuals residing outside the province.

4.0 Detailed Observations for the Follow-Up on Recommendations Issued by the Standing Committee on Public Accounts from 2015 to Early 2019

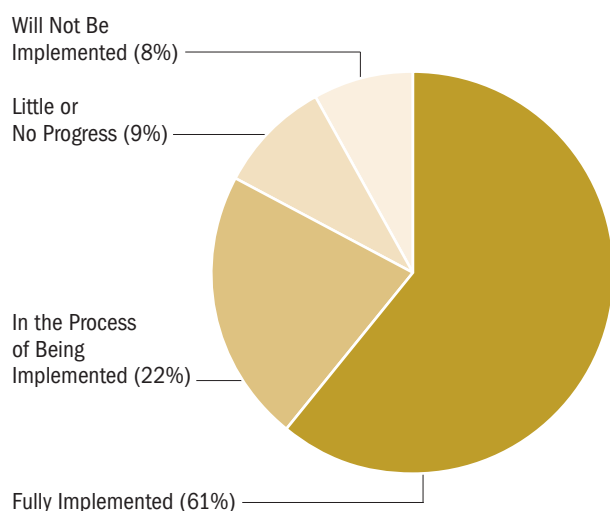
Starting in 2015, our Office began assisting the Standing Committee on Public Accounts (Committee) in following up on the status of its recommended actions to organizations. The Committee issued 397 recommended actions from March 2015 to March 2019, which we initially followed up on in our *2015 to 2019 Annual Reports*. These recommended actions involved 29 ministries, Crown agencies and broader-public-sector organizations,

which were the subject of the 28 Committee reports listed in **Appendix 4**.

Based on our review, we agreed with the organizations that 10 of the actions were “no longer applicable,” mainly due to changes in legislation or policies resulting in the organizations no longer having responsibility for the recommended actions.

Figure 9: Implementation Status of Recommended Actions Issued by the Standing Committee on Public Accounts between March 2015 and March 2019, as of March 31, 2020

Prepared by the Office of the Auditor General of Ontario



This left a total of 387 recommended actions that we followed up.

The organizations have fully implemented 61% of these 387 recommended actions. Of the remaining actions, 22% are in the process of being implemented, a further 9% had little or no progress made on them and for 8% the organizations determined that the recommendations would not be implemented (as discussed in **Section 4.4**).

Figure 9 provides the overall status of the recommended actions issued by the Committee from March 2015 to March 2019. **Figure 10** provides a breakdown of the status of the recommended actions from March 2015 to March 2019, by the year we initially followed up on them. We noted the following full implementation rates by year: 80% for 2015; 88% for 2016; 59% for 2017; 45% for 2018; and 63% for 2019.

4.1 Small Improvement Noted in the Implementation Rate of Committee Recommendations Followed Up on Last Year

Last year, in our *2019 Annual Report*, we reported that the implementation rate of the total 342 recommended actions issued by the Committee

Figure 10: Implementation Status of Recommended Actions Issued by the Standing Committee on Public Accounts, by Annual Report Year

Prepared by the Office of the Auditor General of Ontario

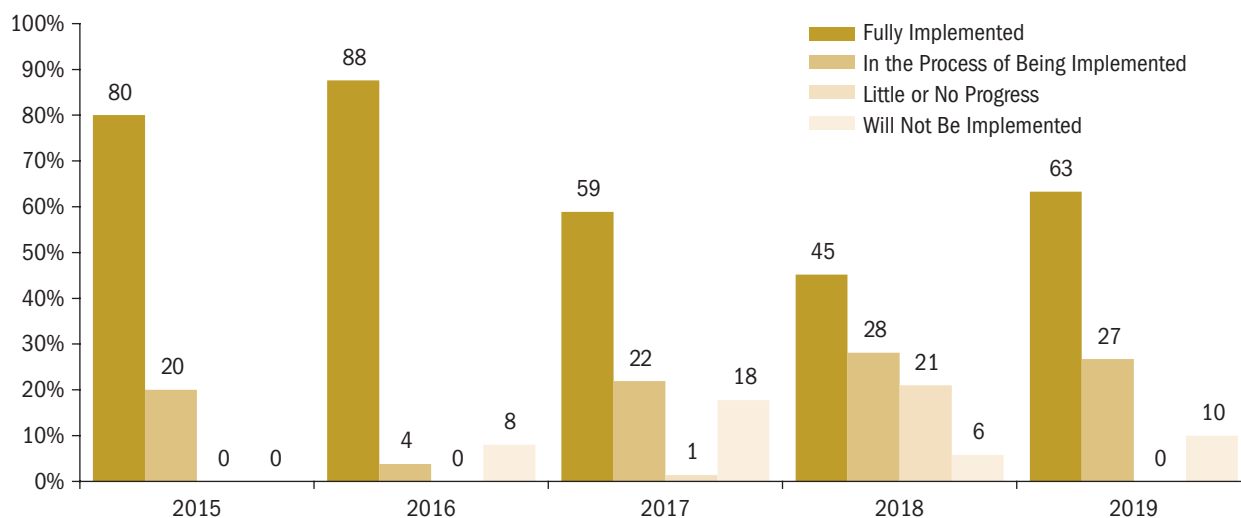


Figure 11: Increase in the Full Implementation Rate from 2019 to 2020 for the Recommended Actions Issued by the Standing Committee of Public Accounts between March 2015 and April 2018

Prepared by the Office of the Auditor General of Ontario

Organization ¹	Full Implementation Rate, 2020 (%)	Full Implementation Rate, 2019 (%)	Increase between 2019 and 2020 (%)
Ministry of Government and Consumer Services	57	43	14
Ministry of Transportation	88	76	12
Metrolinx	71	67	4
Ministry of Labour, Training and Skills Development	20	16	4
Ontario Health ²	90	90	0
Treasury Board Secretariat	89	89	0
Financial Services Regulatory Authority of Ontario	87	87	0
Hospitals (3) ³	83	83	0
Ministry of Energy, Northern Development and Mines	81	81	0
Universities (5) ⁴	58	58	0
Ministry of Children, Community and Social Services	55	55	0
Ministry of Long-Term Care	48	48	0
Ministry of Education	47	47	0
Local Health Integration Networks	40	40	0
Ministry of Health	33	33	0
Ministry of Economic Development, Job Creation and Trade	22	22	0

1. Six organizations that had fully implemented all of the Committee's recommendations as of last year are not included in the table: Ministry of Colleges and Universities, Ministry of Infrastructure, Women's Issues, Infrastructure Ontario, Independent Electricity System Operator and Ontario Power Generation.

2. The implementation rate for Ontario Health includes recommendations that originated with Cancer Care Ontario, which is now part of Ontario Health.

3. Implementation rates of individual hospitals: Rouge Valley Health System, 100%; Windsor Regional Hospital, 76%; Trillium Health Partners, 71%.

4. Implementation rates of individual universities by report:

- University Undergraduate Teaching Quality: University of Ontario Institute of Technology, 50%; Brock University, 25%; University of Toronto, 25%.
- University Intellectual Property: McMaster University, 100%; University of Toronto, 100%; University of Waterloo, 50%.

from March 2015 to March 2018 was 59%. In 2020, 60% of these recommended actions have been fully implemented. In addition, of the 45 recommended actions issued by the Committee from April 2018 to March 2019 included in our follow-up work for the first time this year, 63% had been fully implemented. Overall, in 2020, the implementation rate for all recommended actions issued by the Committee from March 2015 to March 2019 was 61%, as seen in **Figure 9**.

We also noted some improvements in the implementation rates for four of the organizations followed up on last year, as shown in **Figure 11**. For the majority of the organizations, there was no change in implementation rates from 2019 to 2020.

The lack of change for some of these organizations is due to reasons noted in **Section 3.1**.

4.2 Some Organizations Better Than Others at Implementing Committee Recommendations

Figure 12 shows that of the 29 organizations that we followed up on this year that were the subject of the Committee's reports tabled between March 2015 and March 2019, 15 had fully implemented 75% or more of the Committee's recommended actions, which is unchanged from 2019.

Nine organizations had fully implemented all of the Committee's recommended actions: Ministry

Figure 12: Percentage of Full Implementation of Recommended Actions Issued by the Standing Committee on Public Accounts between March 2015 and March 2019, as of March 31, 2020

Prepared by the Office of the Auditor General of Ontario

Organization	# of Recommended Actions (A)	# of Recommended Actions Fully Implemented (B)	Full Implementation Rate (B/A) (%)
Ontario Power Generation	17	17	100
Independent Electricity System Operator	11	11	100
Infrastructure Ontario	10	10	100
Women's Issues	3	3	100
Ministry of Infrastructure	2	2	100
Ministry of Colleges and Universities	2	2	100
Ontario Energy Board	1	1	100
Treasury Board Secretariat	21	19	90
Ontario Health ¹	10	9	90
Ministry of Transportation	17	15	88
Financial Services Regulatory Authority of Ontario	15	13	87
Hospitals (3) ²	63	52	83
Metrolinx	36	30	83
Ministry of Energy, Northern Development and Mines	18	13	72
Universities (5) ²	24	14	58
Ministry of Government and Consumer Services	7	4	57
Ministry of Children, Community and Social Services	11	6	55
Ministry of Long-Term Care	25	12	48
Ministry of Education	15	7	47
Local Health Integration Networks	5	2	40
Ministry of Health	103	32	31
Ministry of Economic Development, Job Creation and Trade	9	2	22
Ministry of Labour, Training and Skills Development	25	5	20

	Implementation rate of 75% or more
	Implementation rate between 50% and 74%
	Implementation rate between 25% and 49%
	Implementation rate of less than 25%

1. The implementation rate for Ontario Health includes recommendations that originated with Cancer Care Ontario, which is now part of Ontario Health.
2. Implementation rates of individual broader-public-sector entities:
 - Hospitals: Rouge Valley Health Partners, 100%; Windsor Regional Hospital, 76%; Trillium Health Partners, 71%.
 - Universities, by report:
 - University Undergraduate Teaching Quality: University of Ontario Institute of Technology, 50%; Brock University, 25%; University of Toronto, 25%.
 - University Intellectual Property: McMaster University, 100%; University of Toronto, 100%; University of Waterloo, 50%.

of Colleges and Universities, Ministry of Infrastructure, Independent Electricity System Operator, Infrastructure Ontario, Ontario Power Generation, Women's Issues, Ontario Energy Board, Rouge Valley Health Partners, and McMaster University.

4.3 Some Organizations Reported Low Implementation Rates

Some organizations have been slow to implement the recommended actions from the applicable audit reports. **Figure 12** shows that, similarly to 2019,

14 organizations had implemented fewer than 75% of the Committee's recommended actions, including two organizations that implemented fewer than 25%. We noted that many of the same organizations that were identified in our *2019 Annual Report* continue to have low implementation rates:

- The Ministry of Health was responsible for implementing a total of 103 recommended actions from six Committee reports. Currently, 69% of the recommended actions remain outstanding. The Child and Youth Mental Health report issued by the Committee in 2017 has the highest number of recommended actions at 27, all of which remain outstanding.
- The Ministry of Labour, Training and Skills Development was responsible for implementing 25 recommended actions from the Committee's 2017 report on our audit of Employment Ontario. Currently, 80% of the 25 recommended actions remain outstanding.
- The Ministry of Economic Development, Job Creation and Trade was responsible for implementing nine recommended actions from the Committee's 2017 report on our audit of University Intellectual Property. Currently, 78% of the actions remain outstanding.

4.4 Some Committee Recommendations Will Not Be Implemented

Of the 387 recommended actions that the Committee issued, 33 (including 26 noted last year) will not be implemented. The additional seven recommended actions that organizations noted will not be implemented this year are listed in **Appendix 5**, along with the organizations' rationale for not implementing them.

We continue to believe that these recommended actions should be implemented. The majority of these actions require the organizations to better monitor and oversee their respective programs and collect and analyze data relevant to the programs.

5.0 Organizations Misrepresented Their Progress in Implementing Recommendations

Our continuing follow-up work is initially based on information provided by the organizations as a "self-assessment" of their progress in implementing the recommended actions from both the value-for-money reports and the Committee's reports, along with supporting documentation.

Organizations must assess the most appropriate status of implementation for the outstanding recommended actions, from one of the five implementation status categories noted below:

- fully implemented;
- in the process of being implemented;
- little or no progress;
- will not be implemented; or
- no longer applicable.

This year, organizations self-assessed a total of 186 value-for-money and Committee-recommended actions as "fully implemented." However, based on our review of relevant documentation and, in certain cases, completion of sample testing, we confirmed that only about 24% or 44 of these 186 recommended actions were appropriately self-assessed as "fully implemented." Last year, of a total of 260 actions that organizations self-assessed as "fully implemented," we assessed that 36% (or 93) were, in fact, fully implemented.

Our extensive review of supporting documentation and sample testing, where appropriate, to assess the recommended actions that were self-assessed as "fully implemented," again, resulted in a significant use of time and resources by our Office as well as the organizations. This highlights the need for organizations to complete a more objective and appropriate assessment of the implementation statuses of their outstanding recommended actions.

Appendix 1: Change in the Full Implementation Rate for Recommended Actions Issued in Our 2013 to 2016 Annual Reports, 2019 to 2020

Prepared by the Office of the Auditor General of Ontario

Ministry or Agency ¹	As of 2020 (A) (%)	As of 2019 (B) (%)	Change (A-B) (%)
Organizations with more than 30 Recommended Actions			
Metrolinx	70	62	8
Ministry of Energy, Northern Development and Mines	75	71	4
Ministry of Government and Consumer Services	72	69	3
Ministry of the Environment, Conservation and Parks	37	34	3
Ministry of Health	31	28	3
Psychiatric Hospitals (4) ²	96	94	2
Ministry of Children, Community and Social Services	52	50	2
Children's Aid Societies (7) ²	37	35	2
Ministry of Education	66	65	1
Ministry of Labour, Training and Skills Development ³	66	65	1
Treasury Board Secretariat	80	80	0
Hospitals (6) ²	76	76	0
Universities (3) ²	61	61	0
Local Health Integration Networks ⁴	48	48	0
Organizations with 11–30 Recommended Actions			
Ontario Health—E-Health Ontario	50	40	10
Mental Health Centres (4) ²	64	57	7
Ministry of Transportation	57	50	7
Infrastructure Ontario	93	93	0
Financial Services Regulatory Authority of Ontario	88	88	0
Transportation Consortia (3) ⁵	59	59	0
Ministry of the Solicitor General	57	57	0
Ministry of Long-Term Care	43	43	0
School Boards (3) ²	43	43	0
Ministry of Economic Development, Job Creation and Trade ³	32	32	0
Organizations with 1–10 Recommended Actions			
Ministry of Infrastructure	60	20	40
Ontario Energy Board	80	64	16
Ontario Parole Board	67	67	0
Ontario Association of Children's Aid Societies	0	0	0

1. Three organizations that had fully implemented all of their recommended actions as of last year are not included in the table: Ontario Power Generation, Women's Issues and Independent Electricity System Operator.
2. Implementation rates of individual broader-public-sector entities:
 - Psychiatric hospitals:
 - 2020—Centre for Addiction and Mental Health, 100%; Ontario Shores Centre for Mental Health Sciences, 100%; The Royal Ottawa Health Group, 100%; Waypoint Centre for Mental Health Care, 86%
 - 2019—Centre for Addiction and Mental Health, 100%; Ontario Shores Centre for Mental Health Sciences, 100%; The Royal Ottawa Health Group, 100%; Waypoint Centre for Mental Health Care, 79%
 - Children's Aid Societies:
 - 2020—Districts of Sudbury and Manitoulin, 57%; Family and Children's Services of the Waterloo Region, 57%; Simcoe Muskoka Family Connexions, 43%; Family and Children's Services of Frontenac, Lennox and Addington, 29%; Hamilton, 29%; Toronto, 29%; Durham, 14%
 - 2019—Districts of Sudbury and Manitoulin, 57%; Family and Children's Services of the Waterloo Region, 57%; Family and Children's Services of Frontenac, Lennox and Addington, 29%; Hamilton, 29%; Simcoe Muskoka Family Connexions, 29%; Toronto, 29%; Durham, 14%
 - Hospitals, by report:
 - 2020—Rehabilitation Services at Hospitals—Hamilton Health Sciences, 79%; Providence Healthcare, 64%; The Ottawa Hospital, 62%
 - 2019—Rehabilitation Services at Hospitals—Hamilton Health Sciences, 79%; Providence Healthcare, 64%; The Ottawa Hospital, 62%
 - 2020—Large Community Hospital Operations—Rouge Valley Health System, 100%; Windsor Regional Hospital, 75%; Trillium Health Partners, 70%
 - 2019—Large Community Hospital Operations—Rouge Valley Health System, 100%; Windsor Regional Hospital, 75%; Trillium Health Partners, 70%
 - Universities, by report:
 - 2020—University Intellectual Property—McMaster University, 71%; University of Toronto, 61%; University of Waterloo, 50%
 - 2019—University Intellectual Property—McMaster University, 71%; University of Toronto, 61%; University of Waterloo, 50%
 - Mental Health Centres:
 - 2020—Children's Centre Thunder Bay, 71%; Kinark Child and Family Services, 71%; Youthdale Treatment Centres, 71%; Vanier Children's Services, 43%
 - 2019—Children's Centre Thunder Bay, 71%; Youthdale Treatment Centres, 71%; Kinark Child and Family Services, 57%; Vanier Children's Services, 29%
 - School Boards:
 - 2020—York Catholic, 70%; Hamilton-Wentworth, 50%; Trillium Lakelands, 10%
 - 2019—York Catholic, 70%; Hamilton-Wentworth, 50%; Trillium Lakelands, 10%
3. In early 2020, responsibility for implementation of the outstanding recommendations for the Provincial Nominee Program report, issued in the Office of the Auditor General of Ontario's *2014 Annual Report*, was transferred from the Ministry of Economic Development, Job Creation and Trade to the Ministry of Labour, Training and Skills Development. Four recommended actions remained outstanding to be addressed by the Ministry of Labour, Training and Skills Development. For comparative purposes, the information presented as of 2019 has been adjusted to reflect this change.
4. The implementation rate for Local Health Integration Networks (LHINs) includes recommendations that originated with Community Care Access Centres, which are now part of the LHINs. The overall rate for the LHINs is related to the following organizations, for three audit reports:
 - 2020:
 - Ontario Health (Shared Services) co-ordinated responses for the following reports:
 - LHINs—Local Health Integration Networks, 56%
 - Community Care Access Centres—Home Care Program, 56%
 - LHINs—Specialty Psychiatric Hospital Services, 0%
 - 2019:
 - Ontario Health (Shared Services) co-ordinated responses for the following reports:
 - LHINs—Local Health Integration Networks, 56%
 - Community Care Access Centres—Home Care Program, 56%
 - LHINs—Specialty Psychiatric Hospital Services, 0%
5. Implementation rates of individual broader-public-sector entities:
 - Transportation Consortia:
 - 2020—Sudbury Consortium, 100%; Peel Consortium, 44%; Toronto Consortium, 33%
 - 2019—Sudbury Consortium, 100%; Peel Consortium, 44%; Toronto Consortium, 33%

Appendix 2: Questions the Standing Committee on Public Accounts Could Consider to Hold Organizations Accountable For Implementing Recommended Actions

Prepared by the Office of the Auditor General of Ontario

Section	Organization	Recommendation ¹	Questions for Consideration
2013			
3.08 Rehabilitation Services at Hospitals	Ministry of Health	To better ensure that Ontarians requiring rehabilitation have equitable access to services, the Ministry of Health and Long-term Care (Ministry) should work with the Local Health Integration Networks to establish a province-wide co-ordinated system for rehabilitation, including both regular (shorter-term) and restorative (longer-term) inpatient services and all community-based outpatient services.	How does the Ministry of Health plan to establish a province-wide co-ordinated system for rehabilitation, including both regular (shorter-term) and restorative (longer-term) inpatient services and all community-based outpatient services?
2014			
3.10 Residential Services for People with Developmental Disabilities	Ministry of Children, Community and Social Services	To ensure that services are administered consistently and equitably, and that those most in need receive required services, the Ministry of Community and Social Services should complete timely needs assessments for all eligible individuals waiting for residential services. The Ministry of Children and Youth Services should develop a policy that is applicable to all children's residences that are funded by the government of Ontario. This would include implementing a consistent access mechanism and wait-list management process across the province for residential services for children and youth with developmental disabilities.	How does the Ministry of Children, Community and Social Services plan to complete needs assessments for all individuals who are eligible for residential services in a timely manner? How will the Ministry ensure that children and youth with developmental disabilities can access residential services in a consistent manner? How will the Ministry implement a wait-list management process across the province for residential services for children and youth with developmental disabilities?
2015			
3.02 Child Protection Services – Children's Aid Societies	Children's Aid Societies	To ensure that protection cases are not closed prematurely, Children's Aid Societies should ensure that risk factors that are present are appropriately addressed before they close these cases. As well, an annual review and analysis of all reopened cases should be performed to determine if any corrective action is necessary to minimize premature case closures.	How are the Durham Children's Aid Society and Children's Aid Society of Toronto ensuring that they appropriately address risk factors before closing cases?

Section	Organization	Recommendation ¹	Questions for Consideration
3.03 Child Protection Services Program – Ministry	Ministry of Children, Community and Social Services	To ensure that Children's Aid Societies provide quality child protection services cost-effectively, the Ministry of Children and Youth Services should work with Societies to further identify and implement opportunities for improving the efficiency of their service delivery (including further amalgamations and shared services), while keeping children's needs in the forefront.	How does the Ministry of Children, Community and Social Services plan to engage with Societies to further identify opportunities, and implement solutions, to improve the efficiency of their service delivery?
3.13 Student Transportation	Ministry of Education	The Ministry of Education, in conjunction with school boards, should set standards on eligibility for transportation services, especially home-to-school walking distances for students, to promote greater consistency in transportation services across school boards within the province.	What are the Ministry of Education and the school boards doing to promote greater consistency in transportation services across school boards within the province?
2016			
3.03 Electronic Health Records' Implementation Status	Ministry of Health	To ensure health-care professionals can access complete drug information about their patients so that potential adverse drug interactions, drug poisoning and other drug-related problems can be reduced, the Ministry of Health and Long-Term Care should include all medication information for all Ontarians in the central drug repository.	What is the Ministry of Health doing to include all medication information for all Ontarians in the central drug repository?
3.05 Environmental Approvals	Ministry of the Environment, Conservation and Parks	To ensure that all emitters that have Environmental Compliance Approvals are operating with conditions that are consistent with current environmental standards and their current operations, the Ministry of the Environment and Climate Change should establish guidelines and targets for the timely review and update of existing Environmental Compliance Approvals.	What is the Ministry's progress in establishing guidelines and targets for the timely review and update of existing Environmental Compliance Approvals?
3.06 Environmental Assessments	Ministry of the Environment, Conservation and Parks	The Ministry of the Environment and Climate Change should review and update the requirements in the <i>Environmental Assessment Act</i> to ensure that projects with the potential for significant negative impact are assessed, regardless of whether the project is initiated by the public or private sector.	What is the Ministry of the Environment, Conservation and Parks doing to ensure that projects with the potential for significant negative impact are assessed, regardless of whether the project is initiated by the public or private sector?

Section	Organization	Recommendation ¹	Questions for Consideration
3.07 Housing and Supportive Services for People with Mental Health Issues (Community-Based)	Ministry of Health	To reduce costs in the health-care system and other public services and better serve clients with mental health issues and housing needs, the Ministry of Health and Long-Term Care should evaluate whether certain clients, such as those waiting in hospitals or those who are homeless, should get priority to access housing, and provide direction to housing agencies on its decision.	Has the Ministry of Health evaluated whether certain clients, such as those waiting in hospitals or those experiencing homelessness, should get priority to access housing, and has the Ministry provided direction to housing agencies on its decision?
3.07 Housing and Supportive Services for People with Mental Health Issues (Community-Based)	Ministry of Health	To sufficiently understand the demand for mental health supportive housing for the purposes of short-term and long-term planning, the Ministry of Health and Long-Term Care should collect overall information on wait lists and wait times by region on a regular basis to inform provincial planning decisions.	When is the Ministry of Health expected to start using overall information on wait lists and wait times by region to inform provincial planning decisions?
3.08 Large Community Hospital Operations	Ministry of Health	To better ensure the equitable and timely treatment of patients requiring emergency surgery, hospitals should on a regular basis, track and assess the timeliness of emergency surgery performed.	How do the Ministry of Health and Hospitals plan to regularly track and assess the timeliness of emergency surgery performed?
3.12 Specialty Psychiatric Hospital Services	Ministry of Health	In order to ensure that wait times are reduced and that health care dollars are spent in the most efficient way, the Ministry of Health and Long-Term Care, together with Local Health Integration Networks, should identify the causes and address the shortage of supportive housing and long-term-care home beds available for patients that cannot be discharged from specialty psychiatric hospitals.	What is the Ministry of Health, together with the Local Health Integration Networks, doing to ensure that there are enough supportive housing and long-term-care home beds available for patients who need them before they can be discharged from specialty psychiatric hospitals?
3.13 Supply Chain Ontario and Procurement Practices	Ministry of Government and Consumer Services (Supply Chain Ontario)	In order to ensure that ministries receive highest-quality goods and services, ministries should ensure that performance evaluations are completed for each supplier.	What is Supply Chain Ontario doing to ensure that performance evaluations are completed for each supplier following the completion of a contract?
2017			
3.01 Assessment Review Board and Ontario Municipal Board	Tribunals Ontario	To better ensure timely resolution of complex appeals, we recommend that the Ontario Municipal Board streamline the process to reduce the number of outstanding complex appeals.	What steps has Tribunals Ontario taken to reduce the number of outstanding complex appeals and to ensure that complex appeals are resolved in a timely manner?

Section	Organization	Recommendation ¹	Questions for Consideration
3.03 Community Health Centres	Local Health Integration Networks ²	To ensure that Community Health Centre (CHC) clients have timely and equitable access to health and community services, we recommend that the Local Health Integration Networks collect and review wait-list information on CHCs' primary-care and other significant programs to address unmet needs.	How do the Local Health Integration Networks plan to collect and review wait-list information related to Community Health Centres' primary-care and other significant programs? What steps do the Local Health Integration Networks plan to take to address their communities' unmet needs for primary care or other significant programs (such as interdisciplinary care from dietitians or physiotherapists)?
3.04 Emergency Management in Ontario	Ministry of the Solicitor General	To ensure that Ontario is making reasonable efforts to prevent potential hazards or mitigate their impacts, and that these efforts are co-ordinated with emergency management programs, we recommend that the Ministry of Community Safety and Correctional Services through the Provincial Emergency Management Office work with ministries and municipalities to determine what prevention and mitigation activities are being done in the province.	What activities are being carried out by the Ministry of the Solicitor General, through the Provincial Emergency Management Office, to prevent and mitigate potential hazards? How will the Ministry co-ordinate its prevention and mitigation activities with emergency management programs?
3.07 Laboratory Services in the Health Sector	Ministry of Health	To ensure that genetic testing is provided to Ontarians appropriately and cost-effectively in a timely manner, we recommend that the Ministry of Health and Long-Term Care evaluate the existing provincial capacity and funding for genetic testing to determine if they are sufficient to meet the growing demand for genetic testing and genetic counsellors.	What steps has the Ministry of Health taken to evaluate the province's current capacity and funding for genetic testing? How will the Ministry determine if current funding is sufficient to meet the growing demand for genetic testing and genetic counsellors?
3.08 Ministry Funding and Oversight of School Boards	Ministry of Education	In order to improve students' performance in mathematics, we recommend that the Ministry of Education assess the effectiveness of its 2016 math strategy and take corrective action where little or no improvement is noted.	What steps has the Ministry of Education taken to evaluate and revise, where necessary, the 2016 math strategy to improve students' performance in mathematics?
3.12 School Boards' Management of Financial and Human Resources	School Boards (4) ³	To ensure all special-needs assessments are completed in a timely and equitable manner, we recommend that school boards establish reasonable timelines for completing psychological, and speech and language assessments.	What are the school boards doing to establish reasonable timelines for completing psychological, and speech and language assessments?

Section	Organization	Recommendation ¹	Questions for Consideration
3.14 Social and Affordable Housing	Ministry of Municipal Affairs and Housing	To better ensure that limited resources are used to help households with the highest needs, we recommend that the Ministry of Housing work with municipal service managers on developing a new needs-based eligibility and prioritization process that incorporates relevant information, such as assets owned by applicants, when deciding who should receive social housing subsidies.	How is the Ministry of Municipal Affairs and Housing ensuring that it considers all relevant information, such as assets owned by applicants, while deciding who is eligible to receive social housing subsidies?

1. The names of some ministries have changed since the original recommendation was made.

2. These recommendations for the Local Health Integration Networks (LHINs) were originally directed to Community Care Access Centres, which are now part of the LHINs.

3. School Boards: Halton Catholic, Hamilton-Wentworth, Hastings and Prince Edward, Toronto Catholic.

Appendix 3: Recommendations from 2013 to 2017 Assessed as “Will Not Be Implemented” in 2020 That the Auditor General Believes Should Be Implemented

Prepared by the Office of the Auditor General of Ontario

Section	Organization	Recommendations	Rationale	Impact
2013				
3.03: Healthy Schools Strategy	Ministry of Education	Recommendation 2—Action 2 To help safely increase physical activity as well as contribute to reduced sedentary behaviour and improved academic achievement, the Ministry of Education (Ministry) and school boards should ensure that elementary school administrators and teachers receive sufficient training on good practices and on how to effectively incorporate daily physical activity into the school day.	The Ministry stated that it will continue to promote physical activity in schools. However, it does not plan any further work to address the specific actions within the recommended action.	The Ministry cannot ensure that administrators and teachers are being provided with the training and support they need to effectively provide students with the daily physical activity they need to help improve their health, physical fitness and academic achievement.
		Recommendation 2—Action 3 To help safely increase physical activity as well as contribute to reduced sedentary behaviour and improved academic achievement, the Ministry of Education (Ministry) and school boards should familiarize teachers with physical activity safety guidelines.	The Ministry stated that it will continue to promote physical activity in schools. However, it does not plan any further work to address the specific actions within the recommended action.	The Ministry cannot ensure that teachers receive sufficient training or assess how they incorporate daily physical activity into the school day. As a result, there is less assurance that teachers are able to lead physical activities safely. Appropriate teacher training may reduce the possibility of unsafe activities and help students achieve the benefits of their physical activity.
		Recommendation 2—Action 4 To help safely increase physical activity as well as contribute to reduced sedentary behaviour and improved academic achievement, the Ministry of Education (Ministry) and school boards should set specific goals and targets for increasing physical activity in schools, and periodically monitor, measure and publicly report on the progress made.	The Ministry stated that it will continue to promote physical activity in schools. However, it does not plan any further work to address the specific actions within the recommended action.	The Ministry and school boards did not provide information on new targets for increasing physical activity in schools or on how they periodically monitor, measure and publicly report on the progress made. Without this information, the Ministry, school boards and the public do not know the impact the Ministry's and school boards' efforts are having on student activity levels and/or if any changes are required.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 3—Action 1 To help encourage healthier eating and increased physical activity among students, the Ministry of Education (Ministry) and school boards should further explore opportunities to improve communication with parents and assess the effectiveness of such efforts.	The Ministry indicated that it will continue to promote healthy eating and physical activity in schools, and parent communication. However, it does not plan any further work to address the specific actions within the recommended action.	Since 2013, the Ministry has used its website to communicate with parents about healthier eating and increased physical activity for students. However, the Ministry has not explored further opportunities to improve its communication, or assessed the effectiveness of the communication. As a result, the Ministry does not know if its communication is generating sufficient awareness among parents about the importance of healthy eating and physical activity in students and what corrective action is required.
	Hamilton-Wentworth District School Board	Recommendation 2—Action 4 To help safely increase physical activity as well as contribute to reduced sedentary behaviour and improved academic achievement, the Ministry of Education (Ministry) and school boards should set specific goals and targets for increasing physical activity in schools, and periodically monitor, measure and publicly report on the progress made.	The Board stated that it will not be setting any goals and targets at this time. If the Ministry of Education releases new goals and targets for physical activity, the Board will comply with the Ministry direction. The Board stated that it complies with all Ministry requirements for physical activity and implements the Daily Physical Activity Policy/Program Memorandum as well as the Ontario Physical Education Curriculum in all its schools.	The Board did not provide information on new targets for increasing physical activity in schools. It also did not monitor, measure and publicly report on the progress made in meeting the goals and targets. Without this information, the Board and the public do not know the impact of the Board's efforts on student activity levels and/or if any changes are required.
	Trillium Lakelands District School Board	Recommendation 2—Action 4 To help safely increase physical activity as well as contribute to reduced sedentary behaviour and improved academic achievement, the Ministry of Education (Ministry) and school boards should set specific goals and targets for increasing physical activity in schools, and periodically monitor, measure and publicly report on the progress made.	According to the Board, it does not have the resources available to implement any additional goals and targets to increase physical activity in schools beyond monitoring and measuring for 20 minutes of daily physical activity in elementary schools.	The Board did not provide information on new targets for increasing physical activity in schools. It also did not monitor, measure and publicly report on the progress made in meeting the goals and targets. Without this information, the Board and the public do not know the impact of the Board's efforts on student activity levels and/or if any changes are required.

Section	Organization	Recommendations	Rationale	Impact
	York Catholic District School Board	Recommendation 1—Action 4 To help ensure that offering healthier food choices in schools contributes to improved student eating behaviours and their goals of improving student health and academic achievement, the Ministry of Education (Ministry) and school boards should develop measurable objectives and related performance indicators for healthy eating activities, and periodically measure progress in achieving these objectives.	According to the Board, it cannot scrutinize what students bring for snacks or lunches as this is dependent on family circumstances. Due to the variation in family circumstances among the schools, the Board will not be developing measurable objectives and related performance indicators for healthy eating activities. The Board noted that it will continue to control what schools offer in keeping with Policy/Program Memorandum 150, which sets out nutrition standards for food and beverages sold in publicly funded elementary and secondary schools in Ontario, to ensure that all food options in its schools fall within these guidelines/standards.	The Board did not provide any information on developing and measuring objectives or periodically measuring progress in achieving these objectives for offering healthier food choices in schools to students to contribute to improved student eating behaviours, health and academic achievement. Without developing and measuring objectives and performance indicators for healthy eating activities, the Board does not know if students are improving their eating behaviours, health and academic achievement.
		Recommendation 2—Action 4 To help safely increase physical activity as well as contribute to reduced sedentary behaviour and improved academic achievement, the Ministry of Education (Ministry) and school boards should set specific goals and targets for increasing physical activity in schools, and periodically monitor, measure and publicly report on the progress made.	The Board stated that it will continue to promote physical activity in schools. However, it has chosen not to set Board-wide targets and does not plan any further work to address the specific actions within the recommended action.	The Board did not provide information on new targets for increasing physical activity in schools. It also did not monitor, measure and publicly report on the progress made in meeting the goals and targets. Without this information, the Board and the public do not know the impact of the Board's efforts on student activity levels and/or if any changes are required.
		Recommendation 3—Action 1 To help encourage healthier eating and increased physical activity among students, the Ministry of Education (Ministry) and school boards should further explore opportunities to improve communication with parents and assess the effectiveness of such efforts.	According to the Board, communication is regularly done at the school level through Twitter, newsletter inserts, emails, School Messenger messages, letters home and posters to promote and engage community members in participating and to provide information to parents. The Board stated that it will not be assessing these forms of communication at this time.	The Board does not know if its communications are generating sufficient awareness among parents about the importance of healthy eating and physical activity in students and what corrective action is required.

Section	Organization	Recommendations	Rationale	Impact
3.04: Land Ambulance Services	Ministry of Health ¹	Recommendation 4—Action 3 To promote better-quality land ambulance dispatch services and patient care by paramedics, the Ministry—working in conjunction with municipalities where applicable—should ask base hospitals to periodically review paramedics' basic life support skills, since these skills are used on every ambulance call.	According to the Ministry, the base hospital performance agreements do not currently require the base hospitals to review paramedics' basic life support skills. The agreements allow for base hospitals to review the non-controlled medical acts found in the Basic Life Support Patient Care Standards, at the request of the ambulance service provider. According to the Ministry, in 2015, it updated the Basic Life Support Patient Care Standards and Advanced Life Support Patient Care Standards and reviewed a number of skills. This review led to some of the high-risk skills moving from Basic Life Support to Advanced Life Support (for example, Emergency Child Birth) to get better oversight from the base hospitals; the base hospital system provides medical oversight only for controlled medical acts and advanced medical procedures. The Ministry stated it obtained data from the land ambulance base hospitals that showed that out of the total number of patients transported, 9.6% (110,102 of 1.15 million patients transported in 2017) and 9.7% (114,859 of 1.18 million patients transported in 2018) of calls related to Basic Life Support skills were reviewed by the land ambulance base hospital programs. The Ministry has not validated the accuracy of this data as it relies on the base hospitals to accurately capture these types of calls in the data they have provided.	Some base hospitals were not asked by the Ministry to periodically review paramedics' basic life support skills. As a result, Ontarians do not know the quality of land ambulance dispatch services and patient care provided by paramedics.

Section	Organization	Recommendations	Rationale	Impact
3.08: Rehabilitation Services at Hospitals	Ministry of Health ¹	Recommendation 1—Action 3 In order to have good information for current and future decision-making, the Ministry should establish, in conjunction with its shareholders, what information should be collected on restorative inpatient and outpatient services and how best to collect the data.	According to the Ministry, there are no further plans to collect additional information on Inpatient Services, which includes the number of restorative rehabilitation beds, and Outpatient Services, which includes the maximum number of patients a hospital could serve. The Ministry has no plans to expand the data being collected for specific health issues where the care needs are identified from initial diagnosis to final treatment, which involves hospital care and care at home, if necessary. This is referred to as Bundled Care programs. Health-care organizations, experts, stakeholders and individual providers have advised the Ministry against imposing additional reporting burdens at this time.	The Ministry collects some information on restorative inpatient and outpatient services. However, other important information is not collected. Without this additional information, the Ministry cannot make an informed decision about restorative inpatient and outpatient services. As a result, Ontarians may not receive the rehabilitation services they need when required.
2014				
3.04: Immunization	Ministry of Health ¹	Recommendation 5—Action 1 To reduce the risks of importing cases of vaccine-preventable disease into Ontario, the Ministry of Health and Long-Term Care, in conjunction with provincial stakeholders, including the Ministry of Citizenship and Immigration, should explore, in discussions with the federal government, the possibility of providing immigrants the opportunity to receive required vaccinations before arriving in Ontario. This would include consistently providing information on immunization to new immigrants.	The Ministry stated it has engaged with other areas of the Ontario government to make information available to newcomers on immunization as well as details regarding the immunization requirements for the <i>Immigration of School Pupils Act</i> . Because immigration and refugee policy is a federal responsibility under the <i>Immigration Refugee Protection Act</i> , the Ministry has previously engaged with Immigration, Refugees and Citizenship Canada (IRCC) through the Canadian Immunization Committee (CIC) on predeparture vaccination for all newcomers as well as independently with IRCC. The Ministry will continue to promote predeparture immunizations with IRCC through federal tables.	When new immigrants do not have the opportunity to receive required vaccinations before arriving in Ontario, they may be susceptible to vaccine-preventable diseases or may import cases of vaccine-preventable diseases to Ontario.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 11—Action 3 To minimize vaccine wastage and maintain vaccine potency, the Ministry of Health and Long-Term Care should, in conjunction with the public health units, obtain and review information on vaccine wastage by each health-care provider, and follow up on providers with higher wastage levels.	The Ministry stated that it will not implement the recommendation as worded to obtain and review information on vaccine wastage by each health-care provider, specifically primary care providers. The Ministry stated that electronic systems for primary care providers and vaccine ordering/inventory are not optimized/linked for assessing real-time wastage for primary care providers. The Ministry is continuing to explore other strategies to address wastage based on the information available.	Since the Ministry will not obtain and review information on vaccine wastage by each health-care provider, the Ministry is not able to follow up with health-care providers with higher wastage levels to determine the cause of the high wastage and determine how best to reduce it in the future.
3.07: Ontario Energy Board - Natural Gas Regulation	Ontario Energy Board	Recommendation 3—Action 1 To provide consumers with the information they need to make informed decisions in selecting a gas marketer and to protect consumers' interests, and to be in a position to assess consumer complaints regarding gas marketers, the Ontario Energy Board (Board) should consider including on its public website information on the gas rates offered by the various gas marketers for consumers to consult before entering into a contract.	According to the Ontario Energy Board, this recommendation will not be implemented because it has no plans to include information on the gas rates offered by the various gas marketers for consumers to consult on its public website before entering into a contract. The OEB stated that it had considered the suggestion to include information on gas marketers' prices on its website; however, given changes in the market and, in particular, the significant decline in new customer contracting, it has deferred any action on this. The OEB noted that the most recent information reported by gas marketers showed that less than 2.4% of consumers were signed to a gas marketer contract versus more than 10% in 2013, and the vast majority of new activity is renewal of existing contracts.	The Ontario Energy Board will not be including information on the gas rates offered by the various gas marketers on its public website. As a result, Ontarians will not have the information they need to make an informed decision before entering into a contract.
3.08: Palliative Care	Ministry of Health ¹	Recommendation 6—Action 1 The Ministry, in conjunction with the Local Health Integration Networks, should review the distribution of nurse practitioners to ensure that it reflects patient needs and provides patients with access to palliative care at home 24 hours a day, seven days a week.	According to the Ministry, no data is available to achieve this goal. The Ministry's other efforts to advance the delivery of high-quality palliative care are intended to ensure the availability of these services, including 24/7 care as needed. Nurse practitioners can play a role in the delivery of 24/7 care, but are not necessarily the only team members involved.	Nurse practitioners have training that is important in the palliative care context. Without Ministry review of the distribution of nurse practitioners, patient needs may not be met and patients may not have access to palliative care at home 24 hours a day, seven days a week.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 8—Action 1 To better ensure that hospice beds are available to patients when needed, the Ministry should explore, such as by reviewing best practices in other jurisdictions, the feasibility of increasing the occupancy rate of hospice beds from the current minimum of 80%.	According to the Ministry, increasing the occupancy rate target of hospice beds is not an immediate priority because Ontario is currently working with the sector to address future needs. It noted that occupancy is a function of matching capacity to demand. The Ministry also stated that recent reports on access to palliative care such as from Health Quality Ontario, which is now part of Ontario Health, have demonstrated that there are significant gaps in access to these services. Therefore, the Ministry stated that it has focused on expanding capacity (for example, by opening new residential hospice beds) to make sure that end-of-life services are available to Ontarians when they need them. These investments may temporarily reduce occupancy rates, as new facilities open and reach maturity, but they are required to avoid exacerbations of the above service gaps. The Ministry noted that when comparing occupancy rates at different residential hospices across Ontario, the rates will be affected by factors such as the size of the facilities. For instance, a single empty bed at a three-bed hospice generates a disproportionately low occupancy rate (66%), compared with the occupancy rate for a larger, ten-bed facility (90%). According to the Ministry, with the health system transformation, Ontario Health and Ontario Health teams will work to better coordinate services across the continuum of care—including connecting patients to residential hospices.	By not increasing the occupancy rate of hospice beds from the current minimum of 80%, the Ministry is not encouraging hospices to serve as many patients as they can. As a result, some of those patients who cannot access a hospice bed may seek more expensive hospital care.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 9—Action 2 To better ensure that patients receive health care consistent with their preferences and reduce unnecessary health-care costs, the Ministry, in conjunction with stakeholders, should ensure that processes are in place to allow health-care providers timely access to patients' advance care plans to inform their discussions with patients or their substitute decision-makers.	The Ministry does not plan to establish processes to allow health-care providers timely access to patients' advance care plans. The Ministry stated that, in Ontario, there is no requirement to create an advance care plan, so there is no requirement for whether or how an advance care plan (or a patient's wishes) must be documented. Further, there is no requirement for who should be provided access to the advance care plan. As advance care planning is a conversational process that may involve health-care practitioners and other individuals who may become the patient's substitute decision-maker, a patient's wishes may be expressed in a number of different ways (written versus orally) and those wishes may change over time. It would be up to the patient to decide who should have access to their wishes. According to the Ministry, advance care planning provides substitute decision-makers with information so they can make decisions in accordance with a patient's wishes expressed while capable. Advance care planning may also provide a health practitioner with information about the patient's wishes expressed while capable, upon which the health practitioner would have to rely in an emergency. It is up to the patient as to whether to disclose this information to their health practitioner. A health practitioner cannot, in the absence of an emergency, administer a treatment without obtaining informed consent from the patient or the patient's substitute decision-maker if the patient is incapable of making the decision, and cannot administer a treatment based solely on wishes set out in an advance care plan.	Advance care planning lets individuals communicate their values and wishes regarding health care if they become incapable of making such decisions. Our recommended action aims at increasing opportunities for informed discussions between health-care providers and patients or their substitute decision-makers so that patients' preferences are understood and may be followed. Since the Ministry will not implement a process to allow health-care providers timely access to patients' advance care plans, patients may receive care that is not consistent with their preferences.

Section	Organization	Recommendations	Rationale	Impact
3.09: Provincial Nominee Program	Ministry of Labour, Training and Skills Development ²	Recommendation 13—Action 1 To ensure that the Provincial Nominee Program is effective in selecting individuals who are likely to be an economic benefit to the province, the Ministry of Citizenship, Immigration and International Trade should obtain nominee information, such as provincial health insurance and driver's licence numbers, to help follow up on the outcomes for landed nominees.	According to the Ministry, the Ontario Immigrant Nominee Program (Program) explored whether it would be possible to use health card and driver's licence data to track nominee outcomes and it was determined that there was no legal authority to do so. The Ministry will use a combination of a federal database, which include nominees' tax return information, and also conduct surveys and interviews to track the outcomes of the landed nominees.	The Ministry will not be obtaining the nominees' provincial health insurance card and driver's licence data to track the nominees' outcomes. The Ministry will use a combination of a federal database, which include nominees' tax return information, and also conduct surveys and interviews to track the outcomes of the landed nominees. The tax information is only available for those nominees who file a tax return; and the surveys and interviews yield a low level of assurance.
3.10: Residential Services for People with Developmental Disabilities	Ministry of Children, Community and Social Services ³	Recommendation 4—Action 1 The Ministry of Children and Youth Services should develop a policy that is applicable to all children's residences that are funded by the government of Ontario. This would include implementing a consistent access mechanism and wait-list management process across the province for residential services for children and youth with developmental disabilities.	The Ministry stated that it will not implement the recommendation to develop a policy applicable to all children's residences that are funded by the government of Ontario, which would include implementing a consistent access mechanism and wait-list management process across the province for residential services exclusively for children and youth with developmental disabilities. According to the Ministry, it is currently undertaking changes to the child welfare system and children's residential services through the Child Welfare Redesign Strategy. The Ministry indicated that it does not plan to implement a consistent access mechanism and wait-list management strategy for residential services specifically for children with developmental disabilities because it does not align with the Ministry's integrated approach for the redesigned system. According to the Ministry, the redesigned child welfare system will focus on community-based prevention and early intervention to meet the needs of families, including families of children with special needs such as developmental disabilities, and provide more co-ordinated, high-quality, and culturally appropriate community and family-based services.	Not having these items in place may result in confusion about accessing services or long wait times receiving services for children and youth with developmental disabilities. This recommendation was originally issued in 2014. In 2020, the Ministry announced it was undergoing a program redesign, and indicated that a wait-list management strategy and program access mechanism do not align with the new approach.

Section	Organization	Recommendations	Rationale	Impact
2015				
3.02: Child Protection Services – Children's Aid Societies	Ministry of Children, Community and Social Services ³	Recommendation 3—Action 2 To help improve the Continued Care and Support for Youth (CCSY) program's effectiveness in assisting youth to transition to independent living and adulthood, the Ministry of Children and Youth Services should evaluate whether providing supports through the CCSY program that are not contingent on a youth demonstrating progress toward meeting his or her goals for transitioning to independent living and adulthood is resulting in better youth outcomes (as opposed to requiring these supports to be contingent on such progress).	According to the Ministry, it is planning to re-design the child welfare system. This redesign will focus on areas such as enhancing well-being; improving equity and quality of residential care; increasing supports for education and employment opportunities; improving adoption experience; and improving accountability and sustainability. The Ministry plans to develop an alternative approach to measure outcomes for youth transitioning from care that aligns with the outcomes and vision of this redesigned system. At this time, a plan for this work including implementation timelines has not been developed.	This recommendation was originally issued in 2015 when we found that the Ministry had provided supports to youth that were not contingent on youth progress toward meeting their goals. This affected the Societies' ability to influence youth in their transition to independent living and adulthood. In 2020, the Ministry announced it was undergoing a program redesign and has indicated that it plans to develop an alternative approach to measuring outcomes for youth in the program and their transition from care. Until the program redesign is complete, youth may not be effectively assisted by the program in transitioning to independent living and adulthood.
		Recommendation 4—Action 1 To ensure the effective and efficient delivery of child protection services in accordance with legislative, regulatory, and policy and program requirements, the Ontario Association of Children's Aid Societies should work with the Ministry of Children and Youth Services to develop standard caseload benchmarks for child protection services against which both Children's Aid Societies and the Ministry can periodically compare caseloads and ensure that Society caseloads are reasonable.	The Ministry stated that Children's Aid Societies are best positioned to identify appropriate staffing structures to meet their legislative obligations and provide responsive services to children and youth. The Ministry is planning an alternative approach to its programs through the Child Welfare Redesign (see Recommendation 3, Action 2 for details) and stated that caseload assessment and monitoring does not form part of these reforms.	This recommendation was originally issued in 2015 when we found that the Ministry had not established caseload standards. In 2020, the Ministry announced it was undergoing a program redesign, but caseload management will not be part of this redesign. Since the program redesign will not include caseload assessment and monitoring, Children's Aid Societies may continue to be unable to assess the reasonableness of their staff's caseloads.
	Ontario Association of Children's Aid Societies	Recommendation 4—Action 1 To ensure the effective and efficient delivery of child protection services in accordance with legislative, regulatory, and policy and program requirements, the Ontario Association of Children's Aid Societies should work with the Ministry of Children and Youth Services to develop standard caseload benchmarks for child protection services against which both Children's Aid Societies and the Ministry can periodically compare caseloads and ensure that Society caseloads are reasonable.	The Ministry stated that it is planning an alternate approach to its programs through the Child Welfare Redesign (see Recommendation 3, Action 2 for details), and stated that caseload assessment and monitoring do not form part of these reforms. As a result, the Association will not be implementing this recommended action.	This recommendation was originally issued in 2015 and required the Association to work with the Ministry to develop standard caseload benchmarks. The Ministry had not established caseload standards. In 2020, the Ministry announced it was undergoing a program redesign, but caseload management will not be part of this redesign. Since the program redesign will not include caseload assessment and monitoring, Children's Aid Societies may continue to be unable to assess the reasonableness of their staff's caseloads.

Section	Organization	Recommendations	Rationale	Impact
3.04: Economic Development and Employment Programs	Ministry of Economic Development, Job Creation and Trade ⁴	Recommendation 2—Action 1 To ensure appropriate oversight and co-ordination of economic development and employment funding, the Ministry of Economic Development and Employment and Infrastructure should seek to become the lead ministry responsible for overseeing and achieving a comprehensive provincial strategy for economic development and employment programs and corporate income tax incentives for businesses.	The Ministry stated that it will not implement the recommendation because employment programs are not included in the scope of the Ministry's work. The Ministry stated that its role is focused on developing overarching strategy and tools to ensure co-ordination and alignment of business supports through overseeing the creation of the provincial Open for Jobs Blueprint.	There is no provincial lead responsible for overseeing a provincial strategy for a comprehensive economic development and employment program. As a result, individual organizations within the province continue to make their own decisions on economic development and employment support funding, which may lead to unintended consequences such as overlaps in the funding provided.
		Recommendation 4—Action 1 To ensure an appropriate amount of grant and loan funding is calculated for each project, the Ministry of Economic Development and Employment and Infrastructure should take measures to ensure program staff are aware of corporate income tax credits, and consider these amounts when determining grant or loan funding.	Ministry staff continue to rely on the applicant's self-reported tax credit information when determining grant or loan funding. The Ministry stated that its discussions with the Ministry of Finance on the tax credit information have concluded and no solution to the verification of self-reported tax credit information was identified, and no alternative approaches are planned. The Ministry will not be completing any additional verification of applicants' self-reported tax credit information when the Ministry is calculating the amount of grant and loan funding for any project. Therefore, this recommendation will not be implemented.	The Ministry needs to ensure that program staff are aware of corporate income tax credits, and consider these amounts when determining grant or loan funding. In the absence of this, the Ministry cannot ensure that an appropriate amount of grant and loan funding is calculated for each project.
		Recommendation 7—Action 1 The Ministry of Economic Development and Employment and Infrastructure should establish project evaluation criteria that identify circumstances where it should require equity in projects in return for funding.	The Ministry stated it is focused on developing a regional economic development plan as part of the Open for Jobs Blueprint. Given the nature of companies and applicants targeted in the program, particularly small businesses, loans and grants were viewed as the most appropriate and effective tools compared with taking an equity position in a business.	The Ministry has not established project evaluation criteria that identify circumstances where it should require equity in projects in return for funding. Without an equity stake in projects, Ontarians may not be able to share in the success of projects.
3.13: Student Transportation	Toronto Consortium	Recommendation 12—Action 6 In order to increase the efficiency of school transportation services and in turn decrease costs, transportation consortia should reduce the need for transportation services by co-ordinating common days off.	According to the Toronto Consortium, "it does not control the school year calendar and it cannot meet the recommended action because the school boards make the decision on school year calendars based on the needs of their communities." The Consortium also noted that "if the school boards need to adhere to the same schedule, the Ministry of Education must mandate common days off for all school boards."	School transportation services may continue to be inefficient if the need for such services are not reduced by co-ordinating common days off in schools.

Section	Organization	Recommendations	Rationale	Impact
3.14: University Intellectual Property	Ministry of Economic Development, Job Creation and Trade ⁵	Recommendation 1—Action 1 As the lead ministry in ensuring Ontario's efforts to strengthen its innovation culture are co-ordinated and comprehensive, the Ministry of Research and Innovation should establish processes to track and monitor the total direct and indirect provincial funding for research and innovation and the new technologies and inventions resulting from that funding.	The Ministry will not be implementing this recommendation because it considers implementation of the recommendation to be cost prohibitive. The Ministry had previously attempted to collect the information in-house and was unable to yield a reasonable response rate. The Ministry indicated that other options, including the possibility of the Ministry working with Statistics Canada to collect this information, were considered cost prohibitive due to fiscal constraints.	The Ministry will not establish processes to track and monitor direct and indirect provincial funding for research and innovation. As a result, Ontarians will not know the total amount of provincial funding in this area and the new technologies and inventions resulting from that funding.
2016				
3.03: Electronic Health Records' Implementation Status	Ministry of Health ¹	Recommendation 2—Action 1 To ensure that the full costs of implementing the Electronic Health Records Initiative are transparent, appropriate and reasonable, the Ministry of Health and Long-Term Care should prepare an updated budget of the costs to complete the overall initiative, including estimated costs of all EHR projects to be developed by taxpayer-funded health-care organizations—not just eHealth Ontario—along with its revised EHR strategy.	The Ministry stated that it will not implement the recommendation to prepare a budget of the costs to complete the overall initiative, including estimated costs of all initiatives under the new Digital First for Health Strategy (Strategy) to be developed by taxpayer-funded health-care organizations—not just Ontario Health (eHealth Ontario). The Strategy aims to support health system transformation and create a more integrated health-care experience for patients and providers rather than creating an electronic health record and hence is not similar in nature to the Electronic Health Records Strategy. The Ministry stated that developing a health system digital budget or reporting on health system digital costs would not be meaningful as it would not properly reflect that digital is meant to be seamlessly integrated into the health system and health system supports.	The Ministry will not prepare an updated budget of the full costs incurred by relevant organizations to complete the Electronic Health Records initiative. As a result, Ontarians will not know the full costs of this initiative incurred by relevant organizations.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 2—Action 2 To ensure that the full costs of implementing the Electronic Health Records Initiative are transparent, appropriate and reasonable, the Ministry of Health and Long-Term Care should publicly report, at least annually, on all costs incurred to date and the status of these costs compared to the updated budget and plans.	The Ministry noted that the new Digital First for Health Strategy (Strategy) aims to support the health system transformation and create a more integrated health-care experience for patients and providers rather than creating an electronic health record and hence is not similar in nature to the Electronic Health Records Strategy. The Ministry stated that developing a health system digital budget or reporting on health system digital costs would not be meaningful. It would not properly reflect that digital is meant to be seamlessly integrated into the health system and health system supports.	The Ministry will not publicly report on all costs incurred to date and the status of these costs compared to the updated budget and plans to complete the Electronic Health Records initiative. As a result, Ontarians will not be informed of the full costs of this initiative.
3.05: Environmental Approvals	Ministry of the Environment, Conservation and Parks ⁶	Recommendation 7—Action 1 To ensure that it does not bear the future financial costs of cleaning up contamination caused by emitters whose activities it has approved, the Ministry of the Environment and Climate Change should revise its financial security policies so that all financial security amounts are regularly re-evaluated to ensure they accurately reflect future remediation costs.	The Ministry informed us that it completed an internal review and analysis of fixed financial security requirements. This review did not include a review of non-fixed financial security requirements for all emitters because non-fixed security requirements have a three-year re-evaluation/reassessment mechanism in place per the financial assurance guideline. The Ministry stated that it will not be revising its financial security policies to require regular re-evaluation of fixed financial security requirements for the following reasons: the Ministry's internal analysis showed that there are few projects that have fixed requirements; there are limited Ministry resources; and the current actions are in line with the government's goal of reducing regulatory financial impacts on industry.	The Ministry will not revise its financial security policies so that all financial security amounts are regularly re-evaluated to ensure they accurately reflect future remediation costs. As a result, taxpayers may have to pay the costs of cleaning up the contamination of those sites where there is a difference between the financial security amount and future remediation costs.
3.08: Large Community Hospital Operations	Windsor Regional Hospital	Recommendation 3—Action 3 To better ensure the equitable and timely treatment of patients requiring emergency surgery, hospitals should evaluate dedicating emergency-surgery operating-room time and/or take other measures, such as ensuring surgeons perform only emergency surgeries while they are on call, as part of their regular planned activity, in order to reduce the risk that emergency-surgery delays result in negative impacts on patient health.	The Windsor Regional Hospital stated that it will not be implementing this recommended action because it does not have the required operating budget to open a dedicated operating room for emergency surgery. The hospital also stated that it is dealing with a shortage of anesthesia physicians.	Not having a dedicated operating room for emergency surgeries may lead to the risk of emergency-surgery delays that result in negative impacts on patients' health.

Section	Organization	Recommendations	Rationale	Impact
3.11: Physician Billing	Ministry of Health ¹	Recommendation 1—Action 1 To help ensure that patient enrolment models are cost effective, the Ministry of Health and Long-Term Care should review the base capitation payments and make any necessary adjustment in order to ensure that the fees paid are justified for the basket of services physicians actually provide to their enrolled patients.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	Physician billings under these models may not be justified for the amount of services provided.
		Recommendation 2—Action 2 To help ensure that patients receive better quality care that is cost effective and that patient-enrolment models for family physicians meet the goals and objectives of the Ministry of Health and Long-Term Care (Ministry), the Ministry should establish targets that the patient enrolment models should achieve within a given period of time.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry cannot ensure that patients receive better quality care that is cost effective, and that patient-enrolment models for family physicians meet the goals and objectives of the Ministry.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 2—Action 3 To help ensure that patients receive better quality care that is cost effective and that patient-enrolment models for family physicians meet the goals and objectives of the Ministry of Health and Long-Term Care (Ministry), the Ministry should collect and publish relevant and reliable data to monitor and assess performance against targets on a regular basis.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry cannot ensure that patients receive better quality care that is cost effective and that patient-enrolment models for family physicians meet the goals and objectives of the Ministry.
		Recommendation 3—Action 1 To ensure patients are able to access their family physicians in a timely manner when needed, and also to reduce the strain on emergency departments in hospitals, the Ministry of Health and Long-Term Care should clearly define the minimum number of regular hours (including evening and weekend requirements) in every patient-enrolment contract.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry cannot ensure that patients are able to access their family physicians in a timely manner when needed and reduce the strain on emergency departments in hospitals.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 3—Action 2 To ensure patients are able to access their family physicians in a timely manner when needed, and also to reduce the strain on emergency departments in hospitals, the Ministry of Health and Long-Term Care should regularly monitor and determine whether physicians participating in patient-enrolment models are meeting all their regular and after-hours requirements.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	Patients may not always be able to access their family physician in a timely manner when needed and reduce the strain on emergency departments in hospitals.
		Recommendation 3—Action 3 To ensure patients are able to access their family physicians in a timely manner when needed, and also to reduce the strain on emergency departments in hospitals, the Ministry of Health and Long-term Care should implement consequences of not meeting contract requirements, such as the imposition of an administrative penalty/fine.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	Patients may not always be able to access their family physician in a timely manner when needed and reduce the strain on the emergency departments in hospitals.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 5—Action 1 To minimize the number of patient visits to emergency departments for non-urgent care that could be provided in a primary care setting, the Ministry of Health and Long-Term Care should evaluate whether the existing after-hours services offered by the contracted physicians are sufficient for their enrolled patients to obtain non-urgent care.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry cannot ensure that it is minimizing the number of patient visits to emergency departments for non-urgent care that could be provided in a primary care setting.
		Recommendation 5—Action 3 To minimize the number of patient visits to emergency departments for non-urgent care that could be provided in a primary care setting, the Ministry of Health and Long-Term Care should consider best practices from other jurisdictions, such as for ensuring that after-hours care is easily accessible by patients within their local communities.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry cannot ensure that it is minimizing the number of patient visits to emergency departments for non-urgent care that could be provided in a primary care setting.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 6—Action 1 To get a better understanding of the significant variations in physician compensation within and between specialties, the Ministry of Health and Long-Term Care should obtain accurate information on physicians' practices, including their operating cost and profit margin in providing OHIP services.	The Ministry indicated that implementing this recommended action is subject to the 2012 Representation Rights Agreement with the Ontario Medical Association (OMA). The Ministry stated that, in accordance with this agreement, the Ministry will continue to consult with the OMA on matters affecting physicians. It was also noted that currently there is no legislation in place that requires physicians to provide this information to the Ministry. The Ministry also stated that physicians providing insured services to patients generally operate as independent contractors.	The Ministry will not be able to better understand significant variations in physician compensation within and between specialties.
		Recommendation 7—Action 2 To ensure that the access bonus paid to encourage family physicians in patient-enrolment models has its intended effect, and that the bonus does not result in duplicate payments for some medical services, the Ministry of Health and Long-Term Care should redesign the bonus so that the Ministry does not pay for duplicated services.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry may not be aware of duplicate payments for some medical services.
		Recommendation 8—Action 1 To better ensure that patient enrolment models are cost effective and that capitation payments, premiums and incentives achieve their intended purposes, the Ministry of Health and Long-Term Care should pay capitation payments, premiums and incentives only where justified with evidence.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry may not be aware when capitation payments, premiums and incentives being paid are not justified.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 8—Action 2 To better ensure that patient enrolment models are cost effective and that capitation payments, premiums and incentives achieve their intended purposes, the Ministry of Health and Long-Term Care should periodically review the number of patients who do not see the physician they are enrolled with, and assess whether continuing to pay physicians the full base capitation payments for these patients is reasonable.	According to the Ministry, this recommended action is subject to the negotiation, mediation and arbitration framework in the 2017 Binding Arbitration Framework contained in the 2012 Representation Rights Agreement. In accordance with this agreement, the Ministry cannot unilaterally decide to implement this recommended action. The Ministry also stated that this recommended action is not being dealt with at the Primary Care Working Group (PCWG) and it was not part of the recent arbitration award. It was also noted that, at this time, the Ministry cannot confirm if this recommended action would be discussed in the next phase of the negotiation or arbitration process with the Ontario Medical Association (OMA).	The Ministry may not be aware when capitation payments, premiums and incentives paid are not justified.
2017				
3.05: Farm Support Programs	Agricorp	Recommendation 12—Action 1 To ensure that its IT renewal project is completed in a timely manner, we recommend that Agricorp work with the Ministry of Agriculture, Food and Rural Affairs to formally determine the funding and timelines for its IT renewal project and seek the necessary approvals to complete all phases of the project.	Agricorp stated that it will not be implementing this recommended action to formally determine the funding and timelines for its IT renewal project, and seek the necessary approvals to complete all phases of the project. Agricorp has established a semi-annual process that assesses, prioritizes and reports on each system's risks to Agricorp's Senior Management team, its Board and the Ministry. Agricorp stated that it will continue to work with the Ministry to plan and fund the replacement of systems that pose a high risk to the organization on a case-by-case basis as they arise.	Agricorp will not determine the funding and timelines for its IT renewal project and seek the necessary approvals to complete all phases of the project. Agricorp has implemented a risk-based approach for its IT renewal and will only replace systems that pose a high risk to the organization on a case-by-case basis. Therefore, there is a risk that it may not know the funding and timelines to complete all phases of its IT renewal project in a timely manner.
3.08: Ministry Funding and Oversight of School Boards	Ministry of Education	Recommendation 1—Action 1 To ensure that funds are allocated in a manner that supports school boards in providing a high standard of education to all students, we recommend the Ministry of Education conduct a comprehensive external review of the funding formula, including all grant components and benchmarks, as recommended by the Education Equity Funding Task Force in 2002.	The Ministry stated that it will not implement the recommendation to conduct a comprehensive external review of the funding formula, including all grant components and benchmarks. The Ministry stated that it plans to continue its annual consultation process with stakeholders.	The Ministry will not conduct a comprehensive external review of the funding formula. Without this review, the Ministry cannot be sure that the funds it is providing to school boards adequately support boards in meeting students' needs.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 3—Action 1 In order for the Ministry of Education to provide funding in proportion to a school board's need, we recommend it determine to what extent school boards are spending funds for specific education priorities (such as supports for ESL students and Indigenous students) on those specific purposes, and where it finds significant discrepancies, follow up with school boards to understand the reason for the discrepancies and better align funding with actual needs.	The Ministry stated that school boards are responsible for determining the level of support that students require based on their needs, including ESL and Indigenous students.	The Ministry will not determine the extent to which school boards are spending funds for specific education priorities. Therefore, the Ministry may not be able to better understand the reasons for discrepancies and better align school board funding with actual needs.
		Recommendation 3—Action 2 In order for the Ministry of Education to provide funding in proportion to a school board's need, we recommend it design and conduct validation procedures to verify the use of restricted funds.	The Ministry stated that it considers a new review process to be unnecessary since it considers that on an individual basis, funding provided under each restrictive grant represents a small percentage of total Grants for Special Needs funding.	The Ministry will not conduct validation procedures to verify the use of restricted funds by school boards. As a result, the Ministry may not be able to verify if the restricted funds are used for the purpose intended.
		Recommendation 6—Action 1 To further understand cost drivers, we recommend that the Ministry of Education regularly analyze costs being spent by individual school boards with similar characteristics to identify areas where fiscal restraint or a review of their expenditures is needed.	According to the Ministry, its assessment of school boards' financial health included a review of cost per pupil for comparable boards, comparison of their accumulated surplus/deficits, and Education Quality and Accountability Office results—but only in cases where the board is considered to be at medium or high risk of an accumulated deficit position. The Ministry does not plan any further work to analyze costs being spent by individual school boards with similar characteristics to identify areas where fiscal restraint or a review of their expenditures is needed.	The Ministry will not regularly analyze costs incurred by individual school boards with similar characteristics. As a result, the Ministry may not be able to identify areas where fiscal restraint or a review of their expenditures is needed.

Section	Organization	Recommendations	Rationale	Impact
3.12: School Boards' Management of Financial and Human Resources	Hamilton Wentworth District School Board	Recommendation 9—Action 1 To increase assurance of the reliability of enrolment data used in calculating Grants for Student Needs funding to school boards, we recommend that the Ministry of Education set specified audit procedures for enrolment audits that include auditing enrolment numbers of student groups used in calculating funding, such as Indigenous students and students receiving special-education programs or services.	According to the Ministry, this recommendation will not be implemented because the Ministry does not consider it necessary to have audits with these specific procedures. The Ministry noted that it will not be expanding its enrolment audit procedures to Indigenous students because the funding allocation for Indigenous-language programs was only 0.05% of the 2018/19 Grants for Student Needs funding, and therefore did not satisfy the risk-based approach developed by the Ministry. In addition, the Ministry said it would not be auditing the number of students receiving special-education programs and services because these numbers did not drive the level of funding to a school board. The Ministry stated that much of special-education funding is based on the average daily enrolment of all students.	The Ministry will not have assurance on the reliability of enrolment data used in calculating Grants for Student Needs funding to school boards.
		Recommendation 14—Action 1 In order for all students in the province to benefit from smaller class sizes, we recommend that the Ministry of Education assess the costs and benefits of implementing maximum class size restriction caps for Grades 4 to 12, similar to ones in place for kindergarten and Grades 1 to 3, to complement the restrictions on average class size.	The Ministry stated it completed a class size consultation, in May 2019, which recommended increasing the size of classes rather than assessing the costs and benefits of setting a maximum class size for Grades 4 to 12.	The Ministry will not assess the costs and benefits of implementing maximum class size restriction caps for Grades 4 to 12. Therefore, these students may not be benefitting from smaller class sizes.
		Recommendation 8—Action 1 To better ensure that the special-educational support services meet the needs of special-needs students, we recommend that school boards establish and publicly report on key academic and non-academic performance indicators to track student improvement for each type of exceptionality.	According to the School Board, this recommendation will not be implemented. The School Board stated that special-needs students receive individualized strength- and needs-based education. Personalized (modified or alternate) programming for each student will/might include some or all of the following: accommodations, modifications, different programs, services and supports or event alternate programming. Because each student's program is individualized, it is challenging to establish and publicly report academic and non-academic performance indicators aggregated by type of exceptionality.	The School Board is not aggregating information on key academic and non-academic performance indicators by type of exceptionality. As a result, the Board and the public are not able to assess whether special-education services and the funds allocated are meeting the needs of special-needs students.

Section	Organization	Recommendations	Rationale	Impact
3.13: Settlement and Integration Services for Newcomers	Toronto Catholic District School Board	Recommendation 11—Action 2 In order to provide the Ministry with accurate information on spending, we recommend that school boards report actual spending instead of estimated spending for restricted portions of special purpose grants.	According to the School Board, it will not implement this recommendation because the effort and time required to determine actual costs as opposed to estimated costs for the restricted portions of the special grants is too great. Any variation of the Ministry of Education special purpose grants may require a reallocation of salaries and benefits based on average costs due to the variable portion of time spent by staff on regular versus special education versus special purpose instruction. The Board stated that it does not have the financial information system or human resources available to undertake the necessary activities required to implement this recommendation.	The School Board continues to use estimated costs for the restricted portions of special grants rather than using actual costs when reporting to the Ministry. As a result, the Ministry does not have the accurate data it needs to make appropriate funding and policy decisions, and ensure that restricted funds are spent for their intended purposes.
	Ministry of Children, Community and Social Services ²	Recommendation 6—Action 1 To help ensure that newcomers are aware of available services that can help them successfully settle and integrate in Ontario, we recommend that the Ministry of Citizenship and Immigration translate its relevant website and other key information about its settlement services into languages that are understood by newcomers.	The Ministry stated it has migrated its website platform to the centralized Ontario.ca platform, which contains content in both English and French. This platform and its content are significantly different from the previous Ministry website. The platform includes links to material available in a number of languages, which are meant to be the main access point for information for newcomers. Based on the Ministry's internal analysis, the Ministry stated that translated documents are not regularly accessed and given the availability of multilingual information or documents through other provincially funded service providers, the Ministry will not be translating additional materials.	The Ministry's website only contains content in English and French about the settlement and integration services it funds for newcomers. As a result, newcomers who are not proficient in either language may not be aware of services available to them.

Note: Actions directed at a group of entities are divided by the number of entities involved, and are counted in fractions. Therefore, the number of actions in this appendix will be higher than the 41 noted in [Section 3.7](#).

1. Formerly the Ministry of Health and Long-Term Care.
2. Formerly the Ministry of Citizenship, Immigration and International Trade, was responsible for the Provincial Nominee Program report; the former Ministry of Citizenship and Immigration was responsible for the Settlement and Integration Services for Newcomers report.
3. Formerly the Ministry of Children and Youth Services.
4. Formerly the Ministry of Economic Development, Employment and Infrastructure.
5. Formerly the Ministry of Research and Innovation.
6. Formerly the Ministry of the Environment and Climate Change.

Appendix 4: Reports Issued by the Standing Committee on Public Accounts from March 2015 to March 2019

Prepared by the Office of the Auditor General of Ontario

Report Name	Date Issued
Violence Against Women	March 2015
Ontario Power Generation Human Resources	May 2015
Health Human Resources	May 2015
Financial Services Commission of Ontario—Pension Plan and Financial Services Regulatory Oversight	June 2015
Infrastructure Ontario—Alternative Financing and Procurement	June 2015
University Undergraduate Teaching Quality	June 2015
Cancer Screening Programs	November 2015
Smart Metering Initiative	November 2015
Education of Aboriginal Students	March 2016
Public Accounts of the Province	April 2016
Metrolinx—Regional Transportation Planning	June 2016
ServiceOntario	June 2016
Healthy Schools Strategy	October 2016
CCACs—Community Care Access Centres—Home Care Program	December 2016
Toward Better Accountability	December 2016
Electricity Power System Planning	March 2017
University Intellectual Property	April 2017
Long-Term-Care Home Quality Inspection Program	May 2017
Public Accounts of the Province	May 2017
Child and Youth Mental Health	December 2017
Employment Ontario	December 2017
Ministry of Transportation—Road Infrastructure Construction Contract Awarding and Oversight	December 2017
Large Community Hospital Operations	February 2018
Physician Billing	February 2018
Immunization	April 2018
Metrolinx—Public Transport Construction Contract Awarding and Oversight	May 2018
Independent Electricity System Operator—Market Oversight and Cybersecurity	May 2018
Public Accounts of the Province	May 2018

Appendix 5: Recommendations from 2015 to 2019¹ by the Standing Committee on Public Accounts Assessed as “Will Not Be Implemented” in 2020 That the Auditor General Believes Should Be Implemented

Prepared by the Office of the Auditor General of Ontario

Section	Organization	Recommendations	Rationale
2016			
October: Healthy Schools Strategy	Ministry of Education	Recommendation 1—Action 1A The Standing Committee on Public Accounts recommends that the Ministry of Education and school boards should improve communication with parents to encourage healthier eating and increased physical activity. Recommendation 1—Action 1B The Standing Committee on Public Accounts recommends that the Ministry of Education and school boards should assess the effectiveness of this communication. Recommendation 3—Action 1 The Standing Committee on Public Accounts recommends that the Ministry of Education should work with school boards to ensure that elementary school administrators and teachers receive sufficient training on how to incorporate daily physical activity into the school day. Recommendation 3—Action 2 The Standing Committee on Public Accounts recommends that the Ministry of Education should work with school boards to establish a way to measure and monitor whether students are provided with the required daily physical activity. Recommendation 4—Action 2 The Standing Committee on Public Accounts recommends that the Ministry of Education should set goals and targets for boards to increase physical activity in schools, and periodically monitor, measure, and publicly report on the progress made.	The Ministry indicated that it will continue to promote healthy eating and physical activity in schools and parent communication. However, it does not plan any further work to address the specific actions within the recommended action. The Ministry indicated that it will continue to promote healthy eating and physical activity in schools and parent communication. However, it does not plan any further work to address the specific actions within the recommended action. The Ministry stated that it will continue to promote physical activity in schools. However, it does not plan any further work to address the specific actions within the recommended action. The Ministry stated that it will continue to promote physical activity in schools. However, it does not plan any further work to address the specific actions within the recommended action. The Ministry stated that it will continue to promote physical activity in schools. However, it does not plan any further work to address the specific actions within the recommended action.

Section	Organization	Recommendations	Rationale
2017			
April: University Intellectual Property	Ministry of Economic Development, Job Creation and Trade ²	Recommendation 1—Action 1 The Ministry of Research, Innovation and Science should implement a process to regularly track and monitor total direct and indirect provincial funding for research and to track the new technologies and inventions resulting from provincial research funding across all ministries and agencies.	The Ministry will not be implementing this recommendation since it considers implementation of the recommendation to be cost-prohibitive. The Ministry had previously attempted to collect the information in-house and was unable to yield a reasonable response rate. The Ministry indicated that other options, including the possibility of the Ministry working with Statistics Canada to collect this information, were considered cost prohibitive due to fiscal constraints.
2018			
February: Large Community Hospital Operations	Ministry of Health ³	Recommendation 8—Action 11 The Ministry of Health and Long-Term Care should disseminate the report, “Association of delay of urgent or emergency surgery with mortality and use of health care resources: a propensity score-matched observational cohort study” (<i>Canadian Medical Association Journal</i> , July 10, 2017), to hospitals for their consideration.	The Ministry of Health will not be implementing the recommendation. According to the Ministry, this journal article is publicly available to all hospitals and physicians. The Ministry indicated that the key finding in the article is not new information for the Ministry, hospitals and physicians, that is, that a “delay in operating room access for emergency surgery is associated with increases in mortality risk, length of stay and costs.” The Ministry stated that hospitals and physicians understand the importance of timely access to care. Patients with life-threatening illnesses are treated as quickly as possible; others may wait longer if the hospital’s resources are needed to treat more urgent cases.
	Windsor Regional Hospital	Recommendation 3—Action 3 Hospitals should ensure the equitable and timely treatment of patients requiring emergency surgery by evaluating whether to dedicate operating-room time for emergency surgeries, and/or take other measures (such as ensuring surgeons who are on call perform only emergency surgeries, as part of their regular planned activity) to reduce the risk that emergency surgery delays result in negative impacts on patient health.	The Windsor Regional Hospital stated that it will not be implementing this recommended action because it does not have the required operating budget to open a dedicated operating room for emergency surgery. The hospital also stated that it is dealing with a shortage of anesthesia physicians.
February: Physician Billing	Ministry of Health ³	Recommendation 3—Action 3 The Ministry of Health and Long-Term Care obtain accurate information on physicians’ practices, including operating costs and profit margins.	The Ministry indicated that implementation of this recommended action is subject to the 2012 Representation Rights Agreement with the Ontario Medical Association (OMA). The Ministry stated that, in accordance with this agreement, the Ministry will continue to consult with the OMA on matters affecting physicians. It was also noted that currently there is no legislation in place that requires physicians to provide this information to the Ministry. The Ministry also stated that physicians providing insured services to patients generally operate as independent contractors.

Note: Actions directed at a group of entities are divided by the number of entities involved, and are counted in fractions. Therefore, the number of actions in this appendix will be higher than the 7 noted in Section 4.4.

1. We reviewed outstanding recommendations from 2015 to 2019 but did not assess any from 2015 or 2019 as “Will Not Be Implemented” in 2020.

2. Formerly the Ministry of Economic Development, Employment and Infrastructure.

3. Formerly the Ministry of Health and Long-Term Care.



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