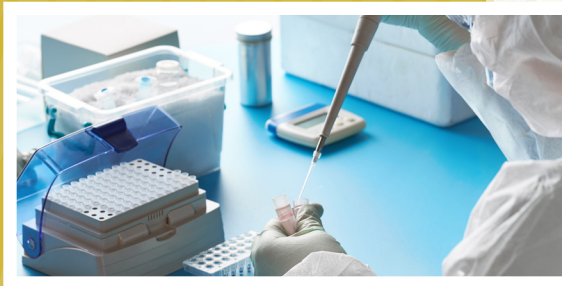




Office of the Auditor General of Ontario

Annual Follow-Up on Value-for-Money Audits



November 2022

Chapter 1

Follow-Up Reports on *2020 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 and special reports reported on in our *2020 Annual Report* and assess and report on the implementation status of actions that have been taken to address our recommendations since that time.

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 had been made toward implementing 70% of our recommended actions (56% in our *2021 Annual Report*), including 42% of them that have been fully implemented (27% in our *2021 Annual Report*).

In our *2021 Annual Report*, the COVID-19 pandemic was often cited as a key reason for the delayed implementation of our recommendations; however, progress toward implementing our recommended actions has significantly improved since. The ministries and agencies of the Crown that have made the most progress toward fully implementing our recommended actions from 2021 include the Ministry of Public and Business

Figure 1: Overall Status of Implementation of Recommendations from Our 2020 Annual Report

Prepared by the Office of the Auditor General of Ontario

Report Section	# of Recs	# of Actions Recommended	Status of Recommended Actions				
			Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
1.01 Alcohol and Gaming Commission of Ontario	26	62	25	13	16	8	0
1.02 Blood Management and Safety	13	30	6	22	2	0	0
1.03 Curriculum Development, Implementation and Delivery	15	29	9.5	7.25	10.75	1.5	0
1.04 Indigenous Affairs in Ontario	14	28	7	4	12	5	0
1.05 Information Technology (IT) Systems and Cybersecurity at Metrolinx	14	32	20	10	2	0	0
1.06 Metrolinx Operations and Governance	13	26	18	6	1	1	0
1.07 Supportive Services for Adults with Developmental Disabilities	12	32	8	3	21	0	0
1.08 Virtual Care: Use of Communication Technologies for Patient Care	13	28	20	8	0	0	0
1.09 Bereavement Authority of Ontario	20	56	32	16	3	2	3
1.10 Condominium Oversight in Ontario	20	46	19	12.5	14.5	0	0
1.11 Electrical Safety Authority	25	50	36	12	1	0	1
1.12 Retirement Homes Regulatory Authority	26	63	28	27	8	0	0
1.13 Museums and Galleries: Art Gallery of Ontario, Royal Ontario Museum, McMichael Canadian Art Collection	4	8	3	4	1	0	0
1.13 Museums and Galleries: Art Gallery of Ontario, Royal Ontario Museum, McMichael Canadian Art Collection—McMichael Canadian Art Collection	19	34	15	7	12	0	0
1.13 Museums and Galleries: Art Gallery of Ontario, Royal Ontario Museum, McMichael Canadian Art Collection—Royal Ontario Museum	16	31	11	14	6	0	0
1.13 Museums and Galleries: Art Gallery of Ontario, Royal Ontario Museum, McMichael Canadian Art Collection—Art Gallery of Ontario	19	50	8	7	35	0	0
1.14 Business Case Development in the Ontario Public Service	19	52	11	10	28	3	0
1.15 The Public Accounts of the Province of Ontario	4	8	4	4	0	0	0
Total	292	665	280.5	186.75	173.25	20.50	4
%	—	100	42.2	28.1	26.1	3.1	0.6

Service Delivery and the Electrical Safety Authority on our audit of the Electrical Safety Authority; the Ministry of Health and Ontario Health on our audit of Virtual Care: Use of Communication Technologies for Patient Care; and the Ministry of Transportation and Metrolinx on our audits of Metrolinx Operations and Governance, and Information Technology (IT) Systems and Cybersecurity at Metrolinx.

However, little or no progress had been made on 26% of our recommended actions (compared to 37% in our *2021 Annual Report*). For example, the Art Gallery of Ontario has made little or no progress on implementing 35 (or 70%) of recommended actions in our audit of Museums and Galleries. The Ministry of Children, Community and Social Services has made little or no progress on implementing 21 (or 66%) of recommended actions in our audit of Supportive Services for Adults with Developmental Disabilities. The Treasury Board Secretariat has made little or no progress on implementing 28 (or 54%) of recommended actions in our audit of Business Case Development in the Ontario Public Service. Lastly, Indigenous Affairs Ontario has made little or no progress on implementing 12 (or 43%) of recommended actions in our audit of Indigenous Affairs in Ontario. Notable recommendations with little or no progress include:

- the Ministry of the Attorney General and the Ministry of Finance, to prepare and present a detailed action plan to Treasury Board/Management Board of Cabinet on the steps to be taken to reduce the high risk of money laundering being conducted in Ontario casinos and to report regularly on the actions taken with respect to the plan;
- the Ministry of Education, to update its 2010 assessment policy to provide teachers with further guidance and tools regarding assessment and to reflect the most current knowledge about assessment, equity, inclusion, special educational needs, culturally relevant and responsive pedagogy and the use of technology for remote learning;
- Indigenous Affairs Ontario, to work with the government to consider updating its mandate

to enable it to lead Indigenous affairs in Ontario and to ensure that the development and delivery of Indigenous policies, programs and services are co-ordinated across the province;

- the Condominium Management Regulatory Authority of Ontario, to conduct regular proactive inspections and take appropriate disciplinary actions if required, and to work with the Ministry of Public and Business Service Delivery to expand and enable owners' rights to access all reasonable information about the functioning of their condo corporation;
- the Retirement Homes Regulatory Authority, to publish the nature and quantity of complaints filed for each retirement home on its website while respecting the privacy of the complainant and to accelerate its efforts to develop a public report card for each retirement home;
- the Ministry of Tourism, Culture and Sport, to monitor whether the Art Gallery of Ontario, the Royal Ontario Museum, and the McMichael Canadian Art Collection are fulfilling their mandates and achieving government priorities through setting and reporting on targets and performance indicators; and
- the Treasury Board Secretariat, to require Secretariat staff to provide recommendations to the Treasury Board/Management Board of Cabinet based on analysis that is fiscally sustainable and that supports prudent financial management and the effective and efficient delivery of public services.

Less than 1% (or 4) of our recommended actions are no longer applicable and a further 3% (or 20.5) of our recommended actions will not be implemented.

Also in 2020, we published the results of our Special Report on COVID-19 Preparedness and Management, which was conducted with the co-operation of Public Health Ontario, Ontario Health, the Secretary of Cabinet, Ontario's various public health units, the Ministry of Health, and the Ministry of the Solicitor General. The three chapters of this special report identify situations where Ontario could have done better in responding to the pandemic and could capture lessons learned going forward.

Figure 2: Overall Status of Implementation of Recommendations from Our 2020 Special Reports

Prepared by the Office of the Auditor General of Ontario

Report Section	# of Recs	# of Actions Recommended	Status of Recommended Actions				
			Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
2.01 COVID-19 Preparedness and Management, Chapter 1: Special Report on Emergency Management in Ontario—Pandemic Response	4	12	2	10	0	0	0
2.02 COVID-19 Preparedness and Management, Chapter 2: Special Report on Outbreak Planning and Decision-Making	9	29	19	2	6	2	0
2.03 COVID-19 Preparedness and Management, Chapter 3: Special Report on Laboratory Testing, Case Management and Contact Tracing	7	26	23	3	0	0	0
Total	20	67	44	15	6	2	0
%	—	100	65.7	22.4	9.0	3.0	0.0

As noted in **Figure 2**, progress had been made toward implementing 88% of recommended actions in our special report, including 66% that have been fully implemented. However, little or no progress had been made on 9% of our recommended actions. Notable recommendations with little or no progress include:

- the Ministry of Health, to modify the *Ontario Agency for Health Protection and Promotion Act* to identify under what circumstances (such as during public health emergencies) Public Health Ontario's scientific and technical advice should be made public;
- the Central Coordination Table and the Ministry of Health, to strengthen powers of the Chief Medical Officer of Health (CMOH) to align the authority of the role with the equivalent positions in British Columbia and Quebec, such as by more clearly defining in legislation the CMOH's role, and explicitly authorizing the role to issue directives to anyone during an emergency;
- the Central Coordination Table and the Ministry of Health, to request that Public Health Ontario immediately prepare guidance on the

appropriate use of the precautionary principle, which was identified by the SARS Commission as the most important lesson of SARS and states that decision-makers cannot wait for scientific certainty before taking reasonable steps to reduce risk and protect the health of the Ontario population.

Two other recommended action items that will not be implemented are from the Special Report on Outbreak Planning and Decision-Making. The Ministry of Health informed us that it would not implement our recommended action to review who is best equipped to serve as chairs and/or co-chairs of the Regional Steering Committees, including the appointment of local Medical Officers of Health from the public health units as co-chairs of their respective Regional Steering Committees. The Ministry also informed us that it would not implement our recommended action to require the Health Coordination Table to prepare meeting minutes that document key decisions made, including advice to the Minister of Health and Cabinet, as the Ministry believes that the Health Coordination Table is not a decision-making table.

Chapter 1

Section 1.01

Ministry of the Attorney General

Follow-Up on Value-for-Money Audit:

Alcohol and Gaming Commission of Ontario

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	3	3				
Recommendation 4	2			2		
Recommendation 5	2	1			1	
Recommendation 6	6	3	1		2	
Recommendation 7	2			2		
Recommendation 8	2	1		1		
Recommendation 9	1				1	
Recommendation 10	4		2		2	
Recommendation 11	1				1	
Recommendation 12	3	3				
Recommendation 13	5	2	3			
Recommendation 14	1		1			
Recommendation 15	2		2			
Recommendation 16	3	3				
Recommendation 17	3	1		2		
Recommendation 18	1	1				
Recommendation 19	1			1		
Recommendation 20	1	1				
Recommendation 21	2			2		
Recommendation 22	1		1			
Recommendation 23	5	3	1		1	
Recommendation 24	3			3		
Recommendation 25	4	3	1			
Recommendation 26	1		1			
Total	62	25	13	16	8	0
%	100	40	21	26	13	0

Overall Conclusion

The Alcohol and Gaming Commission of Ontario (AGCO), the Ministry of the Attorney General, and the Ministry of Finance, as of November 24, 2022, have fully implemented 40% of the actions we recommended in our *2020 Annual Report*. The Ministries and AGCO have made progress in implementing an additional 21% of the recommended actions.

The Ministries and AGCO have fully implemented recommendations such as creating a data catalogue to improve accuracy and reliability of the publicly reported data; listing the risks of unregulated gaming on its website; completing a competitive procurement for mystery shopping services; and implementing a quality control program to ensure completeness of its application files.

However, the Ministries and AGCO have made little progress on 26% of the recommended actions, including preparing a detailed action plan to be presented to Treasury Board/Management Board of Cabinet on reducing the risk of money laundering in casinos in Ontario; working with credit card companies and financial institutions to block transactions with unregulated internet gaming sites; and assessing whether staff levels are reasonable in relation to AGCO's mandate.

We determined the Ministries and AGCO do not plan to implement 13% of the recommendations. One of these is to consider using a separate government organization to conduct and manage the online gaming model in Ontario. While the Ministries and AGCO have introduced conflict of interest policies, we continue to believe that AGCO should maintain independent regulatory oversight to avoid any conflicts that could occur by conducting and managing the new iGaming model through a subsidiary. AGCO will not be implementing these other recommended actions:

- incorporate into legislation the requirement for audited financial statements, and for those statements to be audited by the Office of the Auditor General of Ontario;

- require all casinos to provide it with all reports sent to the Financial Transactions and Reports Analysis Centre of Canada;
- amend the Registrar's Gaming Standards to require gaming operators to verify the source of funds for patrons who bring large amounts of cash into the casinos;
- require compliance officials to follow up and inspect electronic gaming machines that are identified as being offline while on the gaming floor;
- directly and consistently monitor the actual payout amounts of electronic gaming machines in gaming establishments and take immediate corrective action where necessary;
- perform unannounced inspections based on risk in addition to self-reported notifications; and
- significantly increase the system's search capabilities beyond 250 records to permit management to run their own reports as needed.

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

Background

The Alcohol and Gaming Commission of Ontario (AGCO) regulates the alcohol, gaming, horse-racing and private cannabis retail sectors in Ontario and oversees about 78,500 licensees across the four sectors. AGCO is required to regulate the licensed entities in the public interest in accordance with the principles of honesty and integrity.

Sectors regulated by AGCO generate significant cash flow for the Province in the form of net proceeds from alcohol sales, lotteries and gaming, licensing and registration fees, and related provincial income tax. However, if not regulated effectively, these sectors have the potential to contribute to significant social and health-care issues such as addiction, violence and criminal activities.

Our audit findings included the following:

- Compliance officials did not document the rationale for selecting an establishment for unannounced inspections in the alcohol, cannabis, gaming and horse-racing sectors.

In addition, the compliance reports did not state which areas of risk were inspected. Without seeing the rationale for selecting an establishment or the area that the compliance official reviewed, it was difficult for a manager to assess the compliance official's judgment in targeting the establishment or to ensure that the inspection covered higher-risk areas.

- AGCO did not monitor operating electronic gaming machines to ensure the machines paid out at a rate of 85%. AGCO's gaming standards set the theoretical minimum payout of 85% for an electronic gaming machine over a period of time or a predetermined number of plays. However, AGCO did not regularly monitor these machines to see whether they were actually paying out the theoretical minimum. Instead, it relied on the Ontario Lottery and Gaming Corporation (OLG) to monitor the payouts and note which machines were paying under or over the theoretical payout amounts. This information was not shared with AGCO. However, the private casino operators, contracted by OLG, were required to notify AGCO if there were integrity issues with the gaming machines. Similarly, AGCO relied on the private operator PlayOLG to monitor payouts on the online gaming website.
- Casino patrons gambling significant sums of money without a justified source of funds were allowed to continue gambling. The OPP has many tools at its disposal for investigation purposes. Our Office reviewed a sample of investigations of individuals who brought large sums of money into Ontario casinos and either did not report an occupation or reported one that would not support the funds wagered or otherwise transacted. Based on that review, the OPP relied mainly on a criminal background check and rarely performed any additional checks or interviews with the individuals.
- Most recreational cannabis sold in the province continued to be sold illegally. Despite the legalization of cannabis in October 2018, the illegal sale of recreational cannabis accounted for about

80% of cannabis sales in the province in 2019/20 (47% in 2021/22). Legal sales increased from about 5% of total sales in the fourth quarter of 2018 with only the government's online store in operation (Ontario Cannabis Store) to about 20% in the first quarter of 2020 with 49 private retail stores operating as of March 2020. As of December 31, 2021, legal sales were 59% of total sales and 1,333 private retail stores were operating. One of the core objectives of the Ontario Cannabis Store is to move consumers from the illegal to the legal market.

We made 26 recommendations, consisting of 62 action items, to address our audit findings. We received commitment from AGCO, the Ministry of the Attorney General, and the Ministry of Finance that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and August 2022. We obtained written representation from the Alcohol and Gaming Commission of Ontario, the Ministry of the Attorney General, and the Ministry of Finance that effective November 24, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

AGCO Is Not Self-Sufficient and Relies on Taxpayer Subsidies to Regulate the Sectors

Recommendation 1

In order to become a self-sufficient regulatory agency, we recommend that the Alcohol and Gaming Commission of Ontario:

- *set fees to fully recover the costs of regulating the alcohol and cannabis sectors, similar to the gaming sector;*

- *set differential licensing fees depending on the location and/or purchase volumes of licensed establishments.*

Status: Little or no progress.

Details

We found in our 2020 audit that the cost of compliance and enforcement activity in the alcohol and cannabis sectors is not recovered from these sectors in order to not overburden small businesses. In comparison, AGCO recovers all of its costs for the gaming sector in relation to its regulatory compliance and enforcement activities. With regard to the liquor sector, Ontario charges all restaurants, bars and nightclubs a flat fee for the initial two-year licence and a renewal fee every subsequent two years. We also noted other jurisdictions where the regulator charges different fees to liquor establishments based on the type of establishment, amount of liquor purchased and/or the location of the establishment.

In our follow-up, we found that AGCO was conducting a two-phase strategic review of its fees to explore options for increased cost recovery in the liquor and cannabis sectors. Phase one of the study included a review of the cost structure, jurisdictional analysis, financial analysis, sector trend analysis and the development of options to support increased cost recovery. However, according to AGCO, these options do not intend to seek to fully recover the costs of regulating the alcohol and cannabis sectors, but instead put AGCO in a better financial position.

In phase two, commencing in October 2022, AGCO planned to initiate stakeholder engagement, recommend fee changes to the Ministry of the Attorney General, and draft an implementation plan. As part of phase two, AGCO planned to determine a basis for differential or risk-based fees and how differential fees for licensed establishments might work in Ontario.

Recommendation 2

In order to fully disclose the taxpayer's support of the horse-racing sector, we recommend that the Ministry of the Attorney General record the unrecovered costs from regulating the horse-racing sector as a subsidy in the AGCO's future audited financial statements.

Status: Little or no progress.

Details

In our 2020 audit, we found that the licencing fees issued with respect to horse racing, along with regulatory fees and chargebacks paid to AGCO for certain drug-testing costs, are not enough to cover all the regulatory costs relating to horse racing. We noted that AGCO's unrecovered regulatory costs are equivalent to a subsidy, yet they are buried in AGCO's expenses in the Public Accounts of Ontario rather than being disclosed as a subsidy in the province's financial statements.

In our follow-up, we found that the Ministry and AGCO have been working closely with the Office of the Comptroller General and our Office to determine how best to disclose the unrecovered costs from regulating the horse-racing sector. However, upon auditing AGCO's 2021/22 financial statements, our Office noted that AGCO's processes associated with preparing segmented expenses by regulated sectors involved the use of staff surveys to track staff's time allocated to each sector. Our Office determined that this process lacked the precision compared to payroll and attendance-management systems that track employees' time by specific activities. The Ministry and AGCO are planning on implementing this recommendation after AGCO develops processes to track employees' time spent on each segment accurately for financial statement disclosure.

Public Reporting

Recommendation 3

To ensure information in the annual report is accurate and reliable, we recommend that the Alcohol and Gaming Commission of Ontario:

- *create a data catalogue that identifies all of the data in its annual report, the source and location of the data and data definition (for example, what was included or excluded);*
- *require information contained in the annual report to be signed off by senior management as evidence of their review;*
- *maintain records and other supports to the annual report for at least seven years.*

Status: Fully implemented.

Details

In our 2020 audit, when we requested AGCO to provide us support for various figures presented in its 2018/19 annual report, AGCO had trouble producing them or reconciling key statistics contained in the report to the data in its IT systems. AGCO accounted for the lack of supporting evidence and discrepancies by noting that many statistics in the annual report were “point in time” and could not be reproduced. It also told us that it did not save all the reports on which the data was based. Although we were told that senior staff in charge of the various divisions review the content of the annual report before it is released, they do not officially sign off on its content.

In our follow-up, we found that AGCO has created a data catalogue to ensure the accuracy and consistency of data reported in its 2020/21 annual report. The new data catalogue lists all data included in the annual report and includes the source and location of data, data definition and the contact information of the data provider. In addition, in March 2022 AGCO developed data governance procedures to ensure that methodologies and process steps are documented and provide accurate instruction for data collection and maintenance. The procedures also include a detailed process for gathering and verifying data, and the requirement to maintain all records and supports for at least seven years. We also found that as part of the 2020/21 annual report process, AGCO implemented a formal sign-off process for senior management as evidence of their review, and that all senior management members signed off on the 2020/21 annual report in July 2021.

Recommendation 4

In order to effectively monitor and ensure intended regulatory outcomes are achieved, we recommend that the Alcohol and Gaming Commission of Ontario:

- *develop meaningful performance indicators that focus on its effectiveness as a regulator;*
- *set reasonable targets, compare against actual results and report the results publicly.*

Status: Little or no progress.

Details

We found in our 2020 audit that AGCO’s publicly reported performance measures focus largely on turn-around times, and client and staff satisfaction. There was very little measurement of their effectiveness as a regulator, and there were no measures for the integrity of gaming for lotteries, casinos, internet gaming or charitable gaming, or the effectiveness of the investigations and enforcement group in curtailing money laundering. We also found that AGCO’s performance measures did not measure all facets of its operations, or how efficient it was in processing applications in all four sectors.

In our follow-up, we found that in February 2022 AGCO established a performance measurement framework, which it plans to use to develop outcome-based performance indicators. However, at the time of our follow-up, AGCO had not developed any performance measures.

Recommendation 5

In order for the Alcohol and Gaming Commission of Ontario to be transparent and accountable, we recommend that the Ministry of the Attorney General:

- *in accordance with the Agency and Appointments Directive, require the AGCO to produce audited financial statements to be audited by the Office of the Auditor General of Ontario for inclusion in the AGCO’s annual report for the year ending March 31, 2021;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Memorandum of Understanding between AGCO and the Ministry of the Attorney General (Ministry) did not explicitly require AGCO to produce audited financial statements. AGCO’s financial information was reported as part of the Ministry’s expenditures in the Public Accounts of the Province. However, under the Agencies and Appointments Directive issued by the Management Board of Cabinet, board-governed regulatory agencies like AGCO are required to include audited financial statements in their annual report. An exception is permitted where an audit is not practical. We saw no reason why

audited financial statements would not be practical for this agency.

In our follow-up, we found that AGCO prepared a Statement of Revenue and Expenditures for the year ended March 31, 2021, which was audited and signed off by our Office and included in AGCO's 2020/21 annual report. AGCO produced full financial statements for the year ended March 31, 2022, which were also audited by our Office. These audited statements will be included in AGCO's annual report by December 2022.

- *revisit the Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996 to incorporate the requirement for audited financial statements, and for those financial statements to be audited by the Office of the Auditor General of Ontario.*

Status: Will not be implemented. The Office of the Auditor General continues to believe that the Ministry should incorporate the requirement for audited financial statements in the Act to inform future MOUs when the term of the current MOU is revoked or replaced.

Details

We found in our 2020 audit that the current act that establishes AGCO, the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*, repealed subsequent to our 2020 audit and replaced by the *Alcohol and Gaming Commission of Ontario Act, 2019* (the Act), is silent on whether the agency is required to produce audited financial statements.

In our follow-up, we found that AGCO is now preparing financial statements in accordance with the Agencies and Appointments Directive, which are audited by our Office. In April 2022, AGCO and the Ministry updated the Memorandum of Understanding (MOU) between the organizations to reflect the requirement for AGCO to produce financial statements to be audited by the Office of the Auditor General of Ontario. According to the Ministry, since the MOU reflects the requirement for AGCO to produce financial statements to be audited by the Office of the Auditor General of Ontario, the amendment of the Act is not necessary. However, we believe the Ministry should still incorporate the requirement for audited financial

statements in the Act to inform future MOUs when the term of the current MOU is revoked or replaced.

Gaming Sector

Recommendation 6

In order to reduce the high risk of money laundering being conducted in Ontario casinos, we recommend that the Alcohol and Gaming Commission of Ontario:

- *require all casinos to provide it with all reports sent to the Financial Transactions and Reports Analysis Centre of Canada;*

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

Details

We found in our 2020 audit that AGCO receives only one of four federal reports sent by Ontario casinos to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) focused on helping identify potential instances of money laundering in casinos.

In our follow-up, AGCO informed us that it is following FINTRAC's guidance on receiving prescribed FINTRAC reports. The authority for casinos to collect and report financial transactional information falls under the federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA). FINTRAC issued policy guidance in July 2020 stating that it is not in the public interest to disclose financial transaction reports and the information mandated by the PCMLTFA without a valid purpose and authority, as it may infringe on legislated privacy obligations. According to AGCO, the Ontario Provincial Police (OPP) will continue to receive suspicious transaction reports which are the exception to the above as they contain information on suspected criminal activity and can be lawfully provided to the OPP. However, we believe AGCO, as the regulator of gaming in Ontario, has a strong and valid purpose and the authority to receive all FINTRAC reports related to casino activities. The public and the Legislature would expect no less of a regulator.

- *allocate compliance resources, including the Ontario Provincial Police (OPP), to casinos assessed to be high risk for money laundering;*

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

Details

We found in our 2020 audit that although casinos were identifying individuals involved in suspicious transactions to AGCO, enforcement action by AGCO's Investigation and Enforcement Bureau was limited. We were told by OPP staff in the bureau that in order to seize cash or cash equivalents (such as bank drafts or casino chips), OPP officers require immediate notification and need to be present at the casino and have reasonable and probable grounds to believe the funds being wagered were a result of criminal activity. We also found that AGCO's OPP officers had not added additional anti-money-laundering surveillance at the 10 high-risk casinos, but instead relied on AGCO's audit and financial investigations group to conduct additional work.

In our follow-up, we found that AGCO established an Anti-Money Laundering Unit in January 2021. The Unit has developed a preliminary risk assessment of land-based casinos based on volume of suspicious transactions, size of casino and its compliance history with AGCO standards. In addition, the Unit has developed a heat map that shows the days and times of suspicious activities by casino site, which will help identify when and where suspicious activities are most likely to occur. AGCO told us that it is determining the appropriate resource allocation and scheduling based on this risk assessment, and anticipates it will fully implement our recommended action by December 2022.

- *exclude from casinos individuals who come with a large amount of cash and are not able to prove the source of their funds;*

Status: Fully implemented.

Details

In our 2020 audit, we found that casino patrons' occupations did not always justify the amounts being wagered or otherwise transacted. We noticed that, in 2019, no occupation was documented in the suspicious

transaction reports for 130 individuals whose collective suspicious transactions totalled \$6.7 million. The OPP investigated these transactions, but based on the testing we completed, investigations seldom resulted in the OPP being able to determine if the funds had or had not come from a legitimate source. Moreover, the individuals named were allowed to continue gambling.

In our follow-up, we found that in December 2021 AGCO updated the Registrar's Gaming Standards, which now require casino operators to implement a risk-based approach to ascertain a player's source of funds and, when necessary, deploy measures such as deny a transaction or exclude the players from the casino. According to AGCO, it is the operator's responsibility to conduct customer due diligence and to take appropriate action at the time the transaction occurs. AGCO, as the regulator, has authority and also has OPP officers at casinos to investigate suspected money-laundering activities.

- *require the OPP to use all available tools to gather evidence on the sources of funds for patrons identified with suspicious transactions, including conducting source-of-funds interviews and updating the new data analytics system that the AGCO acquired to help determine patrons' risk ratings with all relevant data from casinos;*

Status: Fully implemented.

Details

In our 2020 audit, we found that in investigating suspicious transactions, OPP officers may obtain witness statements, perform background checks, review surveillance footage, do credit checks, conduct informal checks with the Canada Revenue Agency, and request information from FINTRAC. We also found that the OPP can hold a source-of-funds interview with the individual to get information that will help determine if the funds used are legitimate. However, during our testing we discovered that the OPP only completed criminal background checks; if there was no criminal activity noted, no additional work was done to verify the source of funds, or to determine if amounts used to wager were legitimate.

In our follow-up, we found that AGCO has implemented 11 indicators for its new anti-money laundering

dashboard that calculates patrons' risk ratings. The indicators are used to assess the risk level of all patrons involved in suspicious transactions reported. The indicators include the number of casino cheques disbursed to an individual, the number of times an individual refused to provide identification, and the number of transactions with minimal play before attempting to exchange the chips or cash for a casino cheque.

From August 2021, when it was implemented, to June 2022, we found that the dashboard has been used to review over 2,500 suspicious transaction reports, resulting in 406 investigations, including 60 source-of-funds interviews, 20 background checks, 20 reviews of surveillance footage, one informal check with the Canadian Revenue Agency, and 15 requests for information from FINTRAC. However, according to AGCO, these investigations did not provide sufficient evidence to exclude individuals from casinos or lay any charges related to money laundering at this time.

- *amend the Registrar's Gaming Standards to require gaming operators to verify the source of funds for patrons who bring into the casinos large amount of cash;*

Status: Will not be implemented. The Office of the Auditor General continues to believe that it is important for AGCO to provide guidance to operators on when source of funds should be verified to be considered fully implemented.

Details

We found in our 2020 audit that Ontario did not have any legislative requirements for casino operators to verify the source of funds of casino patrons to ensure that money used for gambling was not illicit and being laundered in the casino.

In our follow-up, we found that AGCO implemented changes to the Registrar's Gaming Standards in December 2021, which explicitly require operators to implement risk-based policies to ascertain a player's source of funds.

However, the new requirement allows each casino operator to set its own policies, procedures and controls that specify times and situations, based on risk, where the operator will verify the source of funds. This may lead to inconsistent approaches across various casinos. As of

August 2022, AGCO has not been collecting statistics on the number of source-of-funds interviews or exclusions by casino operators to assess the impact and effectiveness of the new gaming standards. AGCO informed us that it will not prescribe to operators when verification of the source of funds is warranted, as the amendment requires each operator to conduct a risk assessment considering the operator's scope of operations.

- *expedite the development and use of the data analytics system, including populating the database with accurate and complete information.*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO's recently implemented data analytics system was missing information from nine casinos and only contained suspicious-transaction data beginning in July 2018 for the other casinos. AGCO told us that it was working on receiving missing information from OLG in the preferred format for the new system.

In our follow-up, we found that AGCO streamlined the process for receiving monthly suspicious-transaction reports from OLG in December 2020, which will automatically transfer into the new data analytics system. In addition, AGCO has received and incorporated historical suspicious-transaction data into the system for all casinos dating back to calendar 2016.

Recommendation 7

In order to address the increase in the number and value of suspicious transactions in Ontario casinos that could be attributed to the presence of money laundering, we recommend that the Ministry of the Attorney General and the Ministry of Finance:

- *prepare and present a detailed action plan to Treasury Board/Management Board of Cabinet on the steps to be taken to reduce the high risk of money laundering being conducted in Ontario casinos; and*
- *report regularly to Treasury Board/Management Board of Cabinet on the actions taken with respect to the plan.*

Status: Little or no progress.

Details

We found in our 2020 audit that AGCO had identified challenges and areas for improvement with respect to its anti-money-laundering activities. It had recognized that it had significant gaps in co-ordinating anti-money-laundering efforts across its divisions and branches; instituting best practices within each industry it regulates; and serving as a resource on anti-money-laundering compliance to its staff, licensees and registrants. At the time of our audit, AGCO had not developed a plan to address the areas that needed improvement.

In our follow-up, the Ministry noted that sufficient time is needed to assess the effectiveness of the recent changes AGCO made in December 2021 to its Registrar's Gaming Standards with respect to money laundering. The Ministry of the Attorney General and Ministry of Finance plan to report to Treasury Board/Management Board of Cabinet in January 2023 with an update on steps taken to reduce the risk of money laundering in casinos, and any additional proposed actions to further enhance anti-money-laundering efforts in Ontario casinos.

Recommendation 8

In order to create greater awareness of risks of unregulated online gaming, we recommend that the Alcohol and Gaming Commission of Ontario, along with the Ministry of the Attorney General:

- *list the risks of unregulated gaming on its website and provide a link to AGCO gaming standards and the PlayOLG website;*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO's 2015 report on Unregulated Internet Gaming in Ontario proposed several actions to discourage unregulated internet operators from taking bets from Ontarians, which included tightening restrictions on the marketing of unregulated internet gaming, and raising public awareness of the risks of unregulated internet gaming. We found that none of these actions had been implemented at the time of our original audit.

In our follow-up, we found that AGCO created a new section on its website for internet gaming players when the market launched in April 2022. The new section includes content and resources related to the risks of unregulated gaming, a direct link to the PlayOLG website, and also emphasizes the benefits and public protections provided by the Registrar's Standards. The website lists some of the risks of unregulated gaming, including a lack of game transparency; the possibility that payouts may not be timely, accurate and could be withheld; and personal information and data may not be secure. In July 2021, AGCO also updated its website to include several resources such as the Registrar's Standards for Internet Gaming.

- *work with credit card companies and financial institutions to block transactions with internet gaming sites not regulated by Ontario.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the New Jersey Gaming Enforcement division was facing a similar problem to AGCO in trying to discourage unregulated internet operators from taking bets from its residents, and informed us that having credit card companies block transactions with unlicensed online gaming sites had been an effective tool.

In our follow-up, we found that AGCO wrote to the Financial Services Regulatory Authority of Ontario (FSRA) in March 2022 to explore measures to prevent credit unions from engaging in financial transactions with unregulated internet gaming sites operating in Ontario. AGCO met with FSRA in May 2022, and both agencies expressed interest in establishing a memorandum of understanding to continue the discussion and share information as necessary. In addition, AGCO also wrote to the Office of the Superintendent of Financial Institutions (OSFI) in March 2022 to meet and discuss measures that could prevent financial institutions from engaging in financial transactions with unregulated internet gaming sites in Ontario. We noted OSFI responded in a letter in April 2022 stating that the matter falls outside the scope of OSFI's mandate, and that AGCO should instead engage another federal or

provincial ministry on the matter, which it has not yet done as of October 2022.

Recommendation 9

To maintain the Alcohol and Gaming Commission of Ontario's independent regulatory oversight and avoid any conflicts that could occur if it were to conduct and manage the new iGaming model through a subsidiary, we recommend that the Ministry of the Attorney General and the Ministry of Finance consider using a separate government organization to conduct and manage the online gaming model.

Status: Will not be implemented. The Office of the Auditor General continues to believe that the Alcohol and Gaming Commission of Ontario should maintain independent regulatory oversight to avoid any conflicts that could occur by conducting and managing the new iGaming model through a subsidiary.

Details

In our 2020 audit, we noted that in 2019, AGCO proposed a model in which the government would conduct and manage an Internet gaming portal that would offer games operated by private operators. We also found that in March 2020, the government approved a joint submission from the Ministry of the Attorney General and the Ministry of Finance to establish a subsidiary corporation of AGCO to be responsible for conducting and managing the new internet gaming model. Further, we noted that under the new conceptual model approved by government, AGCO would have both regulatory responsibilities and operational/revenue-generating responsibilities through its subsidiary, which could create a conflict of interest.

In our follow-up, we found that the province had set up iGaming Ontario in April 2022 as a subsidiary to AGCO. The Ministries noted that AGCO has developed two conflict of interest policies for the AGCO Board and its management in regards to internet gaming. The two Ministries state that any risks associated with a conflict of interest will be addressed through these policies, and that the benefits of maintaining the current structure outweigh the operational risks and fiscal impacts of establishing a new structure. However, the concerns about AGCO having both regulatory and operational/

revenue-generating responsibilities through its subsidiary remain unaddressed.

Recommendation 10

In order to ensure that only approved software is operating on electronic gaming machines, we recommend that the Alcohol and Gaming Commission of Ontario:

- *require all casinos to implement the new gaming system that allows for remote monitoring;*

Status: In the process of being implemented by May 2024.

Details

We found in our 2020 audit that AGCO's gaming software relied on OLG's gaming management system to monitor gaming machines. AGCO received monthly data from OLG's gaming management system to ensure only AGCO-approved software was installed in slot machines and to prevent casinos from altering payouts or other outcomes that could impact game integrity. However, at the time of our audit, five casinos had not yet converted to the OLG gaming management system. In addition, for casinos that were using the gaming management system, the casino operators reported 686 electronic gaming machines on casino floors in 2020 that were not connected to the OLG's gaming management system. This meant that these machines could not be monitored remotely by AGCO and were vulnerable to software tampering affecting payout odds.

In our follow-up, we found that OLG converted four of the five outstanding casino properties to the OLG gaming management system. AGCO told us that the one remaining casino, Caesars Windsor, will implement the system in May 2024 after the OLG procures a new long-term agreement for the Windsor location. According to OLG, the existing agreement with the Windsor casino operator does not allow OLG to dictate the system used for slot operations.

- *require compliance officials to follow-up and inspect electronic gaming machines that are identified as being offline while being on the gaming floor;*

Status: Will not be implemented. The Office of the Auditor General continues to believe that inspections of slot machines identified as being offline should be conducted.

Details

In our 2020 audit, we found that AGCO's compliance officials reviewed all variances between the electronic gaming machines on the floor and those in the gaming management system. For two-thirds of the reports we selected for review, the compliance officials concluded that there were no issues based solely on the explanation provided by the casino or because the number of machines was below the 15% threshold (AGCO compliance officials were encouraged to follow up with the casino operator if the number of machines not in the system was higher than 15% of the machines on the casino's gaming floor.) For the remaining one-third of the reports we sampled, the compliance officials contacted the gaming operator and were informed that the machines were either not on the gaming floor or were offline because of a loss of communication with the OLG gaming management system. We also found that there was no evidence that any inspections were completed to ensure there were no other reasons for the machines being offline.

In our follow-up, we found that AGCO developed a plan in June 2022 to improve its oversight of offline electronic gaming machines, which includes requiring OLG to provide AGCO with bi-weekly data reports on electronic gaming machines that includes information about offline machines. Based on a bi-weekly report from OLG in late July 2022, OLG noted 638 incidents of machines being offline, with 173 (27%) indicating machines were disabled due to a failure of the record-keeping software. For the remaining 465 incidents (73%), the report just notes a communication failure due to the game being offline, or no response.

According to AGCO, the failure of the record-keeping software leading to a game being disabled means the machine is working as intended and AGCO considers the results of no response or games being offline as low risk. As a result, AGCO will not inspect any slot machines identified as being offline.

- *periodically test the gaming management system for data security, reliability of connectivity and accurate reporting of machine details;*

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

Details

We found in our 2020 audit that although OLG's central gaming management system allowed for alerts and efficient flagging of issues, it would be prudent to periodically test the central gaming management system to confirm that all reporting functions were accurate and working as intended.

In our follow-up, we found that AGCO had developed a Casino Gaming Monitoring System (GMS) monitoring procedure in July 2022. Under this procedure, casino operators are required to perform a GMS software verification every three months and report the results to OLG. Similarly, operators are expected to monitor the health and connection reliability of their GMS and report to OLG every six months. OLG is expected to consolidate the results from all operators and forward them to AGCO for analysis to detect any non-compliance and follow up with appropriate compliance actions. The first set of Gaming Monitoring System reliability testing is set to begin in November 2022.

- *perform unannounced inspections based on risk (such as number of repairs and complaints, self-reporting frequency) in addition to self-reported notifications.*

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

Details

We found in our 2020 audit that the average number of inspection procedures completed by AGCO each month on electronic gaming machines decreased significantly, while the number of machines requiring repairs increased significantly. AGCO told us that the decrease in inspections was a result of the transition to a standards-based model. According to AGCO, the standards-based model allowed gaming operators to repair or make changes to machines, and add machines to the gaming floor, without requiring an AGCO inspection. Under the new model, casino operators were required to notify AGCO of the changes, and AGCO compliance officials were to conduct inspections after the changes had been completed. As a result, we noted that AGCO had become heavily reliant on self-reporting to drive

inspection activities, and was no longer proactively inspecting for electronic gaming issues.

In our follow-up, we found that AGCO will not return to conducting unannounced in-person inspections of electronic gaming machines at casinos. AGCO told us that this is a result of the transition to a centralized Gaming Management System where data is available remotely so that AGCO is able to monitor and assess without in-person attendance.

Recommendation 11

In order to help ensure that each electronic gaming machine is paying out the approved 85% rate, we recommend that the Alcohol and Gaming Commission of Ontario directly and consistently monitor the actual payout amounts of electronic gaming machines in gaming establishments and take immediate corrective action where necessary.

Status: Will not be implemented. The Office of the Auditor General continues to believe that AGCO should directly inspect gaming machines and take immediate action on machines that pay out below 85%.

Details

In our 2020 audit, we found that AGCO's minimum theoretical payout of a game is 85%, representing the theoretical minimum payback for a slot machine over a period of time. However, we found that AGCO did not regularly monitor these machines to see if they were actually paying out the minimum. Instead, it relied on OLG to monitor the payouts and note which machines were paying under or over the theoretical payout amounts, but this information was not shared with AGCO.

In our follow-up, we found AGCO updated its notification requirement for casino operators in April 2022 to include the requirement to provide quarterly reports to AGCO on machine payout data and any associated actions taken by the operator. As part of this policy, we found that AGCO has developed a template for casino operators to self-report their machine payouts quarterly along with any action plans.

However, AGCO does not provide any guidance on when a casino operator is expected to provide an action plan for a particular slot machine. In our follow-up, we noted that casino operators do not provide action plans

for all slot machines paying under 85%. For example, one casino only provided action plans for five of the 31 slot machines that had paid out below 85%.

AGCO implemented the Casino Electronic Gaming Machines Payout Monitoring Policy & Procedure in June 2022, which outlines the responsibilities, processes and activities pertaining to the monitoring of electronic gaming machine payouts between AGCO, OLG and the casino operators. Starting in December 2021, AGCO required OLG to provide it with quarterly machine payout data. AGCO compares the operator's payout data to OLG reported data, analyzes the operator's action plans regarding machines that are potentially non-compliant, and plans to take appropriate compliance actions as required. However, as of September 2022, AGCO had not taken any compliance actions. AGCO told us that the act of reviewing and analyzing data reports is a compliance action that constitutes direct and consistent monitoring of the actual payout amounts of electronic gaming machines. Our Office still believes that AGCO should directly inspect gaming machines and take immediate action on machines that pay out below 85%.

Cannabis Sector

Recommendation 12

In order to minimize the risk of cannabis being sold to minors, we recommend that the Alcohol and Gaming Commission of Ontario:

- *use a competitive procurement process to acquire the services of mystery shoppers for retail cannabis stores, licensed liquor establishments and grocery stores authorized to sell alcohol, or acquire these services jointly with the Liquor Control Board of Ontario;*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO contracted with a service provider for the use of mystery shoppers in all its various lines of business. The rate AGCO paid for mystery shoppers was the same whether they visited a retail cannabis store, a licensed liquor establishment or a grocery store authorized to sell alcohol. We compared the AGCO mystery shopper program to the Liquor Control Board of Ontario (LCBO) program, and

found that AGCO paid \$119 per visit while LCBO paid \$15 to \$25. LCBO required mystery shoppers to complete a 19-question checklist, while AGCO's checklist contained three to six questions.

In our follow-up, we found that AGCO completed a competitive procurement for mystery shopper services for all lines of business, including cannabis and alcohol, and awarded contracts to two vendors that started in March 2022. We noted that one vendor has not changed since the original audit, but AGCO was able to negotiate a lower flat rate of \$62 per shop visit, down from the original \$119. The other vendor will charge different rates per mystery shopper visit in each region: \$75 per visit in the East and West Region, \$40 in the GTA Region, and \$100 in the North Region. AGCO told us that two separate vendors were retained in order to obtain the most competitive rates across all regions where checks are required. We also found that AGCO held discussions with LCBO to try to enter a joint procurement for a mystery shopper vendor, but LCBO raised concerns about being charged higher fees due to the added lines of business and the different scope of work, as LCBO only has alcohol and its mystery shopper program focuses on standards that are not relevant to AGCO, such as store cleanliness, customer service, product presentation and stock.

- *specify in the contract for mystery shopper services what procedures they should perform—which should include checking customer ID at time of entering the store and at the time of purchase, observing whether products have a Health Canada seal and whether more than the legal amount a person can have in their possession at one time (30 grams) was sold—and clearly outline the requirement to document all key observations;*

Status: Fully implemented.

Details

We found in our 2020 audit, that AGCO had cut down significantly on the use of mystery shoppers since July 2019. AGCO informed us that it had reduced its use of mystery shoppers because it was not satisfied with the work performed—that the mystery shoppers were not following instructions, and in many instances, documentation submitted did not capture all of the details of the inspection. We also found that AGCO did

not ask its mystery shoppers to look for other risks, such as whether the product they purchased had a Health Canada seal or whether the shopper was allowed to buy more than 30 grams of cannabis at one time, the maximum amount a person can have in their possession.

In our follow-up, we found that AGCO's new mystery shopper contracts outline the requirements for cannabis inspections, such as documenting whether the ID of the mystery shopper was checked when they entered the store and at the time of purchase, taking photographs of the Health Canada seal, and observing whether more than the allowable limits may have been sold. There is also an expectation for documenting general observations or other relevant details noted during the visit.

- *increase the use of regularly scheduled mystery shopper visits, focusing on stores located close to middle schools and high schools.*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO had not assigned risk ratings to cannabis retail stores, such as those located near schools that should have a higher level of oversight.

In our follow-up, we found that AGCO has identified and increased mystery shopper visits to stores located within 200 metres of schools since September 2021. As of May 2022, AGCO had conducted 105 mystery shopper visits at 68 cannabis stores in proximity to schools.

Recommendation 13

In order to perform the required and necessary oversight of the movement of legal cannabis, we recommend that the Alcohol and Gaming Commission of Ontario:

- *regularly review reconciliations of all retail cannabis store inventory purchases to sales transactions and inventory on hand;*
- *reconcile retail store purchases of cannabis with records from the Ontario Cannabis Store;*

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

Details

We found in our 2020 audit that there was a risk that a retail operator may purchase large quantities of cannabis from the Ontario Cannabis Store (OCS) and divert it to the illegal market. Provincially regulated retail cannabis stores are required to self-report discrepancies in inventory, transfer of cannabis between stores, and destroyed cannabis products. However, we found that AGCO had not verified or conducted any retail store inventory counts to confirm if the self-reported information was reliable.

In our follow-up, we found that through a joint project with AGCO, OCS is implementing a new point of sale (POS) solution for all cannabis retail stores in Ontario. The new POS solution will provide AGCO with more in-depth validation and the ability to perform reconciliations of inventory data. Full rollout of the solution is expected to be completed by the end of December 2022. AGCO also told us that regular reconciliations of purchase data compared to the OCS's records will occur after the implementation of the POS solution.

- *review surveillance evidence to verify that reports of cannabis being destroyed are reasonable;*

Status: Fully implemented.

Details

In our 2020 audit, we learned that all cannabis that was ineligible to be sold and discontinued products that could not be returned to the OCS had to be destroyed by the retailer and captured by store surveillance. We also learned that AGCO's Audit and Financial Investigation group had the authority to conduct inventory counts at cannabis retail stores, and review surveillance video of the destruction process. However, we found that, as of September 2020, the group had never conducted an inventory count or asked to view a retailer's surveillance video.

In our follow-up, we found that AGCO implemented a new inspection checklist for cannabis retailers in October 2021. The checklist includes procedures to ensure that surveillance systems are in place, verifying the retailer has maintained video recordings for at least 30 days, and a review of retained footage to verify recordings of destroyed product.

- *conduct unannounced periodic inventory counts at retail stores;*

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

Details

We found in our 2020 audit that AGCO did not typically inspect the inventory when it conducted inspections of retail stores. After reviewing a sample of cannabis inspection reports from the prior two years, we found that only 15% of AGCO inspection reports mentioned that inventory was inspected.

In our follow-up, we found that AGCO has developed an inventory count plan, which from September 2022 to February 2023 will involve observing five physical inventory counts focusing on high-risk cannabis retailers in the Greater Toronto Area. AGCO told us that these counts will not be unannounced as it is not feasible to conduct a count without making prior arrangements with the retail store.

- *develop a standardized checklist covering risk areas to be used by AGCO compliance officials when conducting inspections of retail stores.*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO did not use a standard checklist during its cannabis retail store inspections. We also found that AGCO's inspection only focused on ensuring that all cannabis inventory had the Health Canada seal and was locked in a secure location with 24-hour surveillance.

In our follow-up, we found that AGCO implemented a new inspection checklist for cannabis retailers in October 2021 to ensure that inspections review all relevant risk areas. The checklist includes checking whether a retail store has all points of access secured, employees are over the age of 19, cannabis products are stored securely, identification is requested from customers who appear to be under the age of 25, there is compliance with cannabis-destruction procedures, and surveillance records are kept for 30 days.

Recommendation 14

In order to help ensure that the Alcohol and Gaming Commission of Ontario uses its financial and human resources efficiently, we recommend that it review and assess its internal capacity and the longer-term costs/benefits of conducting eligibility assessments on its own before continuing to procure external consulting services.

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

Details

In our 2020 audit, we found that AGCO used five consulting firms with forensic expertise to perform eligibility assessments for new cannabis retail store applicants starting in March 2019. We noted that AGCO did not complete an internal analysis to determine the number of consultants actually needed. The five consulting firms were procured to support the high volume of applications anticipated when the government first announced an unlimited open market for cannabis retail licences. However, when the supply of cannabis became an issue and plans changed, AGCO did not complete a cost/benefit analysis of its need for external vendors in comparison to using its own OPP staff in the Investigations and Enforcement Bureau.

In our follow-up, we found that in March 2022 AGCO completed an analysis comparing the overall cost of using internal resources to conduct eligibility assessments as opposed to external consultants. The cost analysis report concluded that using internal resources for eligibility-assessment activities would be more cost-effective.

Based on the results of the cost analysis, AGCO plans to commence in-house due diligence investigations and eligibility assessments for cannabis applications starting in December 2022. External consultants will only be engaged if the volume of applications exceeds the forecast and internal resources are unable to process the applications in a timely manner. In that scenario, AGCO plans to utilize the lowest-cost consultants wherever possible.

Recommendation 15

If the Alcohol and Gaming Commission of Ontario determines that there is a need to use external consultants, either to supplement the AGCO's internal work or to take responsibility for conducting eligibility assessments and due diligence reviews, we recommend that the AGCO:

- *use the services of the lowest-priced consulting firm that is successful in the bidding process with the capacity to do the work;*
- *negotiate rates with other firms to achieve the same pricing if it is found that more work is required than the lowest-priced consulting firm has the capacity to perform.*

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

Details

We found in our 2020 audit that while all five consulting firms with expertise to perform eligibility assessments for new cannabis retail store applicants charged different prices, AGCO did not try to use the least expensive consulting firm first. We also found that each consulting firm was generally allocated an equal amount, even though the firm with the lowest rate was charging one-quarter of the price of the most expensive firm. AGCO did not have a process in place to first allocate work to the consulting firm charging the least and then negotiate a similar price with the other consultants.

In our follow-up, we found that AGCO plans to engage external consultants only if the volume of work exceeds the forecast and the internal resources are unable to process applications in a timely manner. We noted that AGCO's current contracts with the external consultants will conclude on November 30, 2022, after which they will not be renewed. AGCO is in the process of procuring new external contracts by December 2022 for eligibility assessments for all of its lines of business. AGCO also noted that if it is unable to complete the work in a timely manner using internal resources, it will use the lowest-cost consultants available.

Alcohol Sector

Recommendation 16

In order to help ensure that decisions on new and renewal applications for liquor establishments are consistent and reasonable, we recommend that the Alcohol and Gaming Commission of Ontario:

- *complete a risk-based scorecard for all new and renewal applications;*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO's eligibility officers used a risk scorecard to assign new applicants an overall risk level that was also used at the time of licence renewal. Based on the sample of renewal applications we tested, 28% did not have an updated risk assessment.

In our follow-up, we found that AGCO implemented and circulated a new policy in November 2021 to ensure risk-based scorecards are completed for new licence applications and renewal applications when required. AGCO noted that due to the volume of applications and renewals across its lines of business, it is not feasible for each application to be subject to a manual scorecard review.

We noted that when a licence is renewed, or an application is received for an expired licence, it is not subject to a manual scorecard review if there have been no changes to the licensee and no adverse compliance history. We found 33 of 182 renewal applications received in 2021 had a risk-based scorecard completed, while the remaining applications were auto-renewed because there were no changes to the licensee's information and no adverse compliance history. We also noted all 75 new liquor sales licence applications received in 2021 had a risk-based scorecard completed.

- *complete all standard checks and maintain the supporting documentation in the application file;*
- *add controls that will restrict eligibility officers from reviewing their own work when assessing either new or renewal applications.*

Status: Fully implemented.

Details

In our 2020 audit, we found that based on our review of a sample of new applications, only 10% had evidence of a police intelligence check, or a check of whether the applicant owned another licensed location. The reason why these checks were not performed on other files was not documented. In addition, in 86% of the sample of renewal applications, the reviewer was the same person as the eligibility officer completing the file.

In our follow-up, we found that AGCO implemented a quality control function in its iAGCO IT system in February 2022 along with an updated quality control policy in July 2022 that requires a random selection of various completed application files for further review by other senior staff and/or the manager. The quality review includes ensuring standard checks are completed and supporting documents are uploaded as required. Every month, iAGCO randomly selects 40 files for review from all issued licences. We noted that in May 2022, there were 17 quality control reviews completed, and the rest were either auto-renewed or the application had been cancelled.

Recommendation 17

In order to focus inspection efforts on entities identified consistently as high risk, we recommend that the Alcohol and Gaming Commission of Ontario:

- *maintain an accurate and up-to-date risk-based enforcement list;*

Status: Fully implemented.

Details

We found in our 2020 audit that AGCO used a risk-based approach to inspecting liquor establishments. Compliance officials identified high-risk liquor establishments based on their compliance history, and added them to a risk-based enforcement (RBE) list so that those establishments were inspected more frequently. However, we noted that the list was not reviewed and updated on a regular basis.

In our follow-up, we found that AGCO re-evaluated its risk-based enforcement program in April 2021, which recognized that the manual list lacked a clear understanding of how licensees were first placed on the list and how they would be removed from the list. Since

then, AGCO has worked with compliance managers to review and update the RBE list to ensure it is accurate and up-to-date. The current RBE list is maintained by compliance managers and is reviewed with their teams during quarterly scheduled team meetings. Managers review and discuss compliance history at RBE establishments to determine if there is support to continue to have the establishment on the list.

- *inspect high-risk licensees at least four times per quarter in accordance with program guidelines;*

Status: Little or no progress.

Details

We found in our 2020 audit that each high-risk liquor establishment on the risk-based enforcement list was required to be inspected four times each quarter (16 times per year). Based on the sample we reviewed, high-risk violators were inspected on average 11 times annually, less than the 16 inspections required per year.

In our follow-up, we found that AGCO is monitoring the frequency of inspections of high-risk establishments, but was still not conducting three to four inspections per quarter as required. We found between April and June 2022, high-risk establishments received 0 to 13 inspections in the quarter, and that 30 of the 68 establishments received less than three inspections. AGCO has stated that its risk-based enforcement program was designed to monitor high-risk premises and to inspect those premises monthly, and that it would increase its inspections when there are additional concerns or violations that require follow-up or additional inspections.

- *reassess a licensee's risk level and the need for licensing conditions as violations are committed, rather than waiting until the time of license renewal.*

Status: Little or no progress.

Details

We found in our 2020 audit that for 23% of the liquor establishments sampled, no conditions were added to the licence despite multiple major violations. When we asked AGCO about this, the response was that conditions would be considered when the licence came up

for renewal. Because licensing terms are as long as four years, a licensee with major violations may continue to operate for that long without conditions.

In our follow-up, we found that AGCO reminded its compliance staff in August 2021 that its risk-based licensing process provides for conditions to be added to liquor licences at any point in the licence life cycle. Since then, AGCO has tracked the number of violations per licensee in its monthly reports. While there were violations, at the time of our follow-up, no conditions had been placed on a licensee prior to licence renewal. AGCO told us that a single noted violation would not automatically trigger a reassessment of the licensee's risk level, and that the reassessment process is triggered once a pattern of non-compliance is established.

Recommendation 18

In order to accurately measure, use and report on inspection statistics, we recommend that the Alcohol and Gaming Commission of Ontario measure and report on inspection activities separately from non-inspection activities, such as report reviews, education or consultation with licensees.

Status: Fully implemented.

Details

In our 2020 audit, we found that information reported publicly and to senior management overstated the number of inspections conducted on licensed liquor establishments. According to the AGCO's IT system for internal reporting, 116,300 inspections were conducted in the alcohol sector between 2015/16 and 2019/20. However, approximately 13%, or 14,680, of these activities were not inspections. Instead, they included activities such as reviewing police reports and follow-ups, and consulting, educating and delivering correspondence to licensees.

In our follow-up, we found that AGCO has updated the way it categorizes types of inspections in its compliance-services reporting in preparation for its 2021/22 annual report. New groupings now include "Inspection Activity," "Consultation," "Education," and "Non-Inspection Activity." The latter category includes other compliance activities in the alcohol sector such as reviewing police reports and work with mystery shoppers.

Recommendation 19

To improve the consistency and effectiveness of compliance inspections in the alcohol sector, we recommend that the Alcohol and Gaming Commission of Ontario communicate guidance to compliance officials on assessing violations during inspections and on documenting the assessments in the inspection report.

Status: Little or no progress.

Details

In our 2020 audit, we found that when we compared the number of violations found and reported per compliance official relative to the number of inspections performed, there were significant variances in violation rates amongst compliance officials.

In our follow-up, we found that AGCO delivered additional training in January and February of 2022 to compliance staff on assessing violations during inspections and on documenting the assessments in the inspection report. The training materials also form part of the on-boarding training for new inspectors. AGCO told us that it tracks the effectiveness of its trainings through the quality control checks it has used since February 2022. However, we still noted significant variances in the number of violations found and reported per compliance official relative to the number of inspections performed among the 10 compliance officials with the most inspections from April to July 2022, ranging from 1% to 29%.

Recommendation 20

In order to maintain the objectivity and independence of compliance officials, we recommend that the Alcohol and Gaming Commission of Ontario periodically rotate compliance officials across different inspection regions.

Status: Fully Implemented.

Details

In our 2020 audit, we found that compliance officials were not rotated among licensees but rather stayed in the regions to which they were initially assigned to continue to oversee the same establishments. AGCO informed us that it has no rotation policy for its compliance officials.

In our follow-up, we found that AGCO has started rotating inspectors and developed a standardized indicator in February 2022 to regularly monitor their rotation. The new gauge, inspectors per inspection (IPI), measures the number of different inspectors divided by the number of inspections conducted at a given licensed establishment. An IPI of 1 would mean that there was a different inspector for each inspection conducted. AGCO has set the IPI target for all sectors at 0.5 to 1, and monitors this on a monthly basis over a rolling 12-month period. The IPI for July 2022 was 1.01 for liquor inspections, 0.91 for lottery licence inspections, 0.91 for gaming registration inspections, and 0.76 for cannabis licensing inspections. AGCO started rotating inspectors across inspection areas within their regions in late 2020 to ensure consistency, fair workload distribution, and that regulated entities are not always inspected by the same individual. We noted 93 inspectors have conducted inspections in more than one sector since October 2021.

Horse-Racing Sector

Recommendation 21

In order to accurately assess the risk of unnecessary use of therapeutics and drugs that negatively impact animal welfare, we recommend that the Alcohol and Gaming Commission of Ontario:

- *update its memorandum of understanding with the Canadian Pari-Mutuel Agency to receive detailed drug test results of all race horses tested in Ontario, whether results were positive or negative, and whether they were for horses that were competing in a race or out of competition;*

Status: Little or no progress.

Details

The Canadian Pari-Mutuel Agency (CPMA) is a federal agency that regulates and supervises pari-mutuel betting on horse racing at racetracks across the country, to ensure that betting is done in a fair way, through supervision of all horse-race wagering and through drug testing of horses on race days.

We found in our 2020 audit that CPMA does not willingly share information relating to wagering with AGCO, unless the racing or compliance officials request it for an investigation. CPMA does not alert AGCO to any large bets that are placed, even though a successful large bet may indicate a risk to the integrity of the sport in that it may indicate potential race-fixing. CPMA also shares only positive drug results with AGCO. Negative results, including instances where presence of the banned or therapeutic drug is confirmed but does not meet the threshold for a positive result, are not shared with AGCO.

In our follow-up, we found that AGCO has agreed to an information-sharing agreement with CPMA for out-of-competition testing (on horses that did not run a race), which is under AGCO's jurisdiction. As part of the agreement, AGCO started sharing results of its out-of-competition tests with CPMA in January 2021, and receives details from CPMA on unconfirmed positive results when there is a presence of a banned drug. As a result, AGCO added a therapeutic medication and a non-therapeutic drug to its testing panel based on information provided by CPMA on unconfirmed positive tests. However, the results shared by CPMA do not indicate which horse or trainer had tested for the presence of the drug.

- *use these test results to better focus its out-of-competition testing on animal welfare.*

Status: Little or no progress.

Details

We found in our 2020 audit that the CPMA conducted about 25,000 drug tests across Canada each year, compared with about 260 tests conducted by AGCO. More comprehensive tracking of the use of therapeutics and other drugs would help AGCO accurately assess the risk to animal welfare and better target its out-of-competition testing to trainers who use specific drugs on their horses.

In our follow-up, we found that the new information-sharing arrangement with CPMA, as noted above, led to changes in AGCO's out-of-competition drug testing. In May 2021, AGCO added a therapeutic medication and a non-therapeutic drug to its testing panel as a result of information provided by CPMA on

unconfirmed positive tests. However, the results shared by CPMA do not indicate which horse or trainer had tested for the presence of the drug. AGCO was not able to focus its testing on any particular horse, trainer or geographical region.

Recommendation 22

In order to minimize the familiarity risk between horse-racing officials (judges) and horse-racing participants (owners, trainers and jockeys), we recommend that the Alcohol and Gaming Commission of Ontario periodically rotate horse-racing officials across different racetracks.

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

Details

In our 2020 audit, we found that AGCO did not have an official policy of rotating judges at racetracks, creating a risk that the judges might become too familiar with the horse owners, trainers and/or jockeys, adversely affecting their judgment.

In our follow-up, we found that AGCO developed a draft racing official scheduling policy in March 2022, and was in the process of developing a scheduling tool by December 2022. AGCO expects the scheduling tool will result in a measurable and auditable race official rotation rate.

New IT System Has Taken Eight Years and \$27.4 Million to Build but Still Requires More Capabilities

Recommendation 23

In order to improve the quality of data within the iAGCO IT system and the usability of the system, we recommend that the Alcohol and Gaming Commission of Ontario:

- *implement input controls to prevent incorrect inspection start or end times being entered;*
- *develop requirements for all compliance officials to follow the same format for inputting their inspection time;*

Status: Fully implemented.

Details

We found in our 2020 audit that the times at which inspections occurred were not recorded accurately and consistently in the system. We noted there was incorrect or missing information on the time of the inspections, start and end times were reversed, and some timestamps were not consistently recorded in military time format.

In our follow-up, we found that AGCO has implemented mandatory fields for start and end times for inspections in iAGCO through a February 2022 system update. This update included a restriction that does not allow the end time to be before the start time of the inspection, as the mandatory time fields are now drop-down menus in military time format instead of manual entry fields. We also noted that AGCO communicated these changes in trainings sessions for compliance staff in January and February of 2022. The training materials also form part of the on-boarding training for new inspectors.

- *add restrictions in the iAGCO system to ensure the reviewer assigned to an inspection is different from the compliance official;*

Status: Fully implemented.

Details

We found in our 2020 audit that over the last five years there were 234 instances where the compliance official conducting an inspection and the manager assigned for review were the same individual.

In our follow-up, we found that AGCO implemented a quality control function in iAGCO in February 2022 along with an updated quality control policy in July 2022, as noted above in **Recommendation 16**. This function automates the random selection of various completed application files for review. A senior eligibility officer assigns the selected files for a quality control review by other senior staff and/or the manager.

- *ensure all pertinent data from legacy systems is properly transferred into the iAGCO system;*

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

Details

We found in our 2020 audit that inspector names were not available for more than 75,000 inspections that were migrated into the iAGCO system for the period of 2015/16 to 2017/18. There have also been significant data reliability issues with the completeness of horse-racing inspections data that was transferred into the iAGCO system from the previous horse-racing system. The data was migrated to the iAGCO in March 2020, and as of September 2020 it was still undergoing data integrity checks because a large number of inspections did not get transferred into the new system.

In our follow-up, we found that AGCO was still working toward migrating the data to the new system through an iAGCO update anticipated in January 2023, including horse-racing drug testing records.

- *significantly increase the system's search capabilities beyond 250 records to permit management to run their own reports as needed.*

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

Details

We found in our 2020 audit that the iAGCO system's search function limits the number of results to 250 per search item. For an organization that performs hundreds of compliance activities each day, the 250-record limit does not even cover inspections over a three-day period. All major system data requests had to go through the IT group, which created delays in data analysis.

In our follow-up, we found that AGCO consulted with iAGCO's third-party vendor regarding the expansion of search results, and was informed that expanding the search capabilities beyond the existing record limit would cause performance and general usability issues. AGCO told us that the search function was designed for record retrieval and not reporting and analysis. In addition, AGCO has a separate product integrated into iAGCO for reporting and analysis. However, as noted in our original audit, not all AGCO staff are trained and capable of using this data-reporting tool without support from the IT group, thus creating delays in data analysis.

Efficient and Effective Use of Resources

Recommendation 24

In order to ensure its staffing levels are appropriate and it is using its staffing resources efficiently, we recommend that the Alcohol and Gaming Commission of Ontario:

- *assess whether staffing levels at the AGCO are reasonable in relation to its current mandate;*

Status: Little or no progress.

Details

We found in our 2020 audit that the annual inspection time for 10 officials we reviewed ranged from 8% to 19% of their annual work time. We also noted some divisions may have had an excessive number of full-time equivalent (FTE) staff for their respective functions. For example, the Corporate Services Division had 71 FTEs, which may be excessive for an agency that does not prepare annual financial statements.

In our follow-up, we found that AGCO has not started to implement this recommended action. AGCO determined that conducting a review of staffing levels was not beneficial at this time due to the impact of the COVID-19 pandemic and given its expanded mandate to support the launch of the new iGaming framework in Ontario. AGCO noted that it is committed to doing a staff level review after the agency completes the enhancements to its employee time-tracking system.

- *track the time spent by its staff on all key regulatory activities, including licensing and compliance activities and investigations;*

Status: Little or no progress.

Details

We found in our 2020 audit that licensing and registration staff and compliance officials did not have different activity codes for different activities when tracking their time. For example, compliance officials were limited to time noted as compliance activity in its iAGCO IT system, which includes time spent conducting inspections, and consulting with and educating licensees. It would be beneficial for AGCO to track the time its compliance officials spend on all activities

performed, including traveling, training, inspecting and writing reports, as it would assist management in assessing their efficiency and accurately allocating costs to the regulated sectors for proper cost recovery.

In our follow-up, we found that AGCO has implemented new activity codes to its daily activity reporting system for compliance officials, which includes specific time codes for various surveillance activities such as in-person and online engagement. AGCO is exploring future iAGCO system enhancements to improve the tracking of both application processing time and compliance inspections.

- *regularly analyze this information to focus on areas of improvement.*

Status: Little or no progress.

Details

We found in our 2020 audit that AGCO did not maintain any workload statistics for employees across each of its functions.

In our follow-up, we found that AGCO has not started to implement this recommended action. AGCO is planning to begin the regular analysis of activity-tracking data after the implementation of a time-tracking system.

AGCO Operations: Licensing, Inspections, Complaints

Recommendation 25

In order to provide effective regulatory oversight over regulated entities, we recommend that the Alcohol and Gaming Commission of Ontario:

- *follow up on all non-frivolous complaints with an inspection or other regulatory tools to verify the validity of allegations;*

Status: Fully implemented.

Details

We found in our 2020 audit that, based on our review of a sample of complaints, AGCO could not provide any evidence that it had followed up on 63% of complaints it received in the horse-racing sector, 53% of

complaints it received in the gaming sector, 23% of complaints it received in the cannabis sector, and 8% of complaints it received in the alcohol sector.

In our follow-up, we found that in April 2021, AGCO provided training sessions to staff handling complaints. Those sessions included training on new policies and procedures created to support horse-racing related complaints, and the need to follow up on all non-frivolous complaints. We noted that AGCO followed up and completed over 2,000 inspections related to non-frivolous complaints received in 2021.

- *train staff to properly categorize complaints in the system;*

Status: Fully implemented.

Details

We found in our 2020 audit that about 40% of all complaints in iAGCO were categorized as “general” or “other,” or the category was left blank.

In our follow-up, we found that AGCO has created definitions for the various types of complaints for its new lines of businesses, cannabis and iGaming. AGCO also trained its customer-service representatives throughout 2021 on screening and categorizing complaints in iAGCO. We noted that the amount of complaints categorized as “general,” “other” or left blank was lowered from 40% to 13% since the time of our original audit.

- *set a timeline for review of complaints based on the risk to public safety, and document all resolutions in the iAGCO system;*

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

Details

We found in our 2020 audit that AGCO’s complaint and inquiry handling policy stated that staff should respond within a reasonable time frame based on the nature and complexity of the complaint. However, there was no definition of what time frame was reasonable. We also found complaints that, according to the AGCO, had been resolved, but staff could not provide any evidence, and none existed in the iAGCO system.

In our follow-up, we found that AGCO has communicated to its staff that all complaints should be addressed within 30 days of receipt, and all resolutions should be documented in the iAGCO system. AGCO’s Complaints and Inquiry Handling Policy also states that if a matter concerns an immediate risk to public safety or security, the response will be immediate after appropriate escalation. AGCO also implemented a complaint-tracking system in January 2021 to track how long it took to respond to complaints and report if the turnaround time was over 30 days. This system also tracks resolutions for each complaint. AGCO was working to update its service standards for complaints by December 2022, including setting a timeline to review response time and resolution.

- *provide training and guidance to compliance officials to document the rationale for all unannounced inspection selections and the risks being inspected.*

Status: Fully implemented.

Details

We found in our 2020 audit that based on our sample of inspection reports and our review of the iAGCO system, compliance officials did not document the rationale for selecting establishments for unannounced inspections in the alcohol, cannabis, gaming and horse-racing sectors. In addition, the compliance reports did not state which areas of risk were inspected.

In our follow-up, we found that AGCO provided training to compliance officials in January and February 2022 to improve consistency and documentation in their inspection reports. This includes describing the reason for an inspection, regardless of the inspection type, and what risks were inspected.

COVID-19 Impact on AGCO’s Operations

Recommendation 26

To make the most efficient use of resources, we recommend that the Alcohol and Gaming Commission of Ontario limit the use of consultants and reallocate Ontario Provincial Police staff working at casinos and

elsewhere to assist in performing eligibility assessments of cannabis applications.

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

Details

In our follow-up, we found that AGCO completed a cost analysis on eligibility assessments for new cannabis applicants in March 2022 and determined the work that was being done by external consultants could be handled by OPP staff housed at the AGCO. The change is expected to save an estimated \$570,000 annually starting in 2023.

Chapter 1

Section 1.02

Ministry of Health

Follow-Up on 2020 Value-for-Money Audit: Blood Management and Safety

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	2	2			
Recommendation 3	4		4			
Recommendation 4	1	1				
Recommendation 5	2		2			
Recommendation 6	1		1			
Recommendation 7	2		2			
Recommendation 8	2		2			
Recommendation 9	2		2			
Recommendation 10	1		1			
Recommendation 11	3	1	2			
Recommendation 12	3	2	1			
Recommendation 13	3		3			
Total	30	6	22	2	0	0
%	100	20	73	7	0	0

Overall Conclusion

The Ministry of Health, as of October 31, 2022, has fully implemented 20% of actions we recommended in our *2020 Annual Report*. The Ministry has made progress in implementing an additional 73% of the recommendations, and made little or no progress in implementing two recommended actions.

The Ministry has fully implemented recommendations such as clarifying where responsibility should

reside for monitoring transfusion surveillance data reported by hospitals and requesting Canadian Blood Services provide at least annual feedback on trends of Ontario results.

The Ministry was in the process of implementing recommendations such as assessing and developing an appropriate information technology solution to extract relevant data from multiple hospital systems, such as the amount of blood used and conditions for which it was used to treat; establishing a plan to raise awareness and require all hospitals to report serious

transfusion-related incident data to the Ministry; and putting a process in place to verify that payments to Canadian Blood Services are for products shipped and received by Ontario hospitals.

The Ministry has made little progress on regularly reviewing Health Canada inspection reports to identify common risk areas and target these problem areas in future education initiatives for hospitals—primarily because Health Canada had not resumed its inspections of hospital blood banks since the COVID-19 pandemic began.

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

Background

Hospitals in Ontario obtain their blood components and products from Canadian Blood Services, a national body that was established in 1998. Canadian Blood Services obtains blood components (such as plasma, red blood cells and platelets used for direct transfusion) from Canadian donors who voluntarily provided blood without compensation. In contrast, Canadian Blood Services purchases most processed blood products (a class of drugs derived from blood and used to treat specific conditions) from foreign countries, primarily through the United States and others in Europe. Canadian Blood Services informed us this is because there are no licensed Canadian drug manufacturers that have the capacity to break down plasma into these blood products.

The Ontario Ministry of Health (Ministry) and all Canadian provinces and territories except Quebec (which has its own blood service) provide funding to Canadian Blood Services. It was created in response to a major blood system crisis in Canada when approximately 2,000 people contracted HIV and another 30,000 contracted hepatitis C from tainted blood.

In 2021/22, the Ministry of Health contributed about \$616 million (\$562 million in 2019/20) to Canadian Blood Services—representing about 48% (50% in 2019/20) of total funding from all provinces and

territories—to provide blood components and products to Ontario hospitals at no cost to them. About 35% (40% in 2019/20) of this funding went toward blood components; the other 65% (60% in 2019/20) went toward blood products.

Our audit found that while the supply of blood components and products as of August 2020 was safe and had been reasonably reliable, the COVID-19 pandemic had magnified existing weaknesses in the reliability of the supply of the immunoglobulin blood product: Canadian Blood Services' self-sufficiency in collecting enough plasma to produce this blood product, at 13.7% in 2019/20 (15% in 2021/22), fell far short of its own goal of obtaining 50% of blood plasma needed for this product in Canada. Canadian Blood Services continued to rely primarily on US-based suppliers to provide blood products, though it also had some Europe-based suppliers to offset the risk. Given the significant lead time needed (up to a year) to fractionate plasma and produce immunoglobulins, the effect of the COVID-19 pandemic on the supply of immunoglobulins had not yet been realized. However, these US-based suppliers were at risk of becoming less dependable in supplying Canada, with early estimates indicating as much as a 15% decrease in plasma supply given increasing global demands and the potentially reduced donations during the COVID-19 pandemic.

The following were some of our significant findings:

- Ontario relied heavily on suppliers in the United States for essential and high-demand blood products including immunoglobulins, which is fractionated from plasma collected by these suppliers. This reliance on US-based suppliers presented a risk to the health of people in Ontario who need these products, should the supply chain be disrupted. Both the Ministry and Canadian Blood Services first acknowledged this risk in 2013. However, the percentage of immunoglobulins made from plasma collected by Canadian Blood Services had steadily decreased since then, and

was down to 13.7% in 2019/20 compared with 22.7% in 2013/14. As of May 2022, it was 15%.

- Hospital use and waste of blood was not well reported and tracked. Although Canadian Blood Services encouraged hospitals to report their use through the Blood Component and Product Disposition Database, some hospitals either did not report or reported inconsistently. The Ministry could not effectively minimize waste from expired blood components and products using the information from Canadian Blood Services because Canadian Blood Services had no way to confirm if the self-reporting from hospitals was accurate. The Ministry had introduced several programs to help redistribute blood components and products between hospitals in an attempt to reduce waste; however, without an electronic inventory system, their effectiveness was limited.

We made 13 recommendations, consisting of 30 action items, to address our audit findings.

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

Standing Committee on Public Accounts

On May 27, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit. In February 2022, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations, and made two additional recommendations. The Ministry reported back to the Committee on June 21, 2022, and again on August 12, 2022. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.02** of our *2022 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and August 2022. We obtained written representation from the Ministry of Health that effective October 31, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Risk of Transmitting Disease through Transfusion Is Low

Recommendation 1

To better monitor compliance with federal regulations for the risk of unsafe blood storage and handling practices in Ontario hospitals and further reduce the potential risk of a negative health impact on patients, we recommend that the Ministry of Health:

- *establish a mechanism to discuss and receive information from Health Canada on which Ontario hospital blood banks and Canadian Blood Services blood donor centres in Ontario will be inspected by Health Canada, and to obtain and share the results of the hospital inspections with Ontario Health;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the Ministry was not aware that most unregistered blood banks were not inspected by Health Canada, and it did not obtain and review the data from Health Canada's inspections of blood banks and donor sites. Health Canada inspects these establishments for adherence to the federal Blood Regulations that specifically relate to protecting the blood supply in Canada for the safety of blood donors and recipients alike. While the federal government is responsible for overseeing these sites, Ministry oversight is still important because the Ministry has a legislated mandate to co-ordinate and maintain health services for Ontarians as well as to

This particular inventory advisory was resolved by the first week of August 2021.

- *actively monitor Canadian blood Services' exploration of an online ordering system for hospitals in British Columbia;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Canadian Blood Services was exploring the use of an online ordering system with hospitals in British Columbia. Once this work was complete, Canadian Blood Services would examine the feasibility of extending this to all hospitals in Canada.

In our follow-up, the Ministry informed us that in November 2020 after our audit was completed, Canadian Blood Services launched the “Hospital Portal” to help establish a single location for all interactions between hospitals and Canadian Blood Services, and in January 2022, it launched a national online ordering solution within this portal. This solution allows hospitals to submit blood and blood product orders and monitor the progress of the order. Canadian Blood Services had onboarded all hospitals by August 2022.

- *assess and develop an appropriate information technology solution—leveraging existing initiatives such as the blood database at McMaster University—to extract relevant data, including the amount of blood used and conditions for which it was used to treat, from multiple hospital systems;*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that there was no provincial system to store and manage blood use data. The Ministry was presented with two proposed solutions in 2017 and 2018—one from McMaster University and one from Cancer Care Ontario—to address gaps in the assortment of decentralized databases and manual processes used in hospitals at that time, but rejected them based on their immediate costs.

In our follow-up, we found that the Ministry and representatives from McMaster University met in December 2021 to consider the Transfusion Data Ontario proposal. As well, the Ministry was working with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. In March 2022, the Ministry met with a small group of people within the Consultation Group to determine the approach and mandate of this new subcommittee, and in July 2022 it held a brainstorming session with all members of the Consultation Group to determine the type of work this subcommittee will undertake once formed. The Ministry expects to review recommendations from the data strategy subcommittee and fully implement our audit recommendation by December 2024.

- *work with Canadian Blood Services by providing Ontario data to further develop its forecasting approaches, including factors such as patient demographics.*

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

Details

In our 2020 audit, we found that the 2020 performance review of Canadian Blood Services, conducted by an external party, noted that Canadian Blood Services did not collect data on prescribed dosages, intended frequencies of use, duration of treatment and patient outcomes. Having this data could help Canadian Blood Services better forecast demand for blood products. The review recommended a pilot study of Ontario and one other province/territory where data was incomplete, inaccurate or inconsistently available to evaluate the costs and benefits of sharing data between hospitals and Canadian Blood Services.

In our follow-up, we found that Canadian Blood Services meets with all ministries of health twice a year on forecasting, including meeting with the Ministry in October 2021. At that time, the Ministry provided information about hospital blood product usage to Canadian Blood Services to help it forecast

govern the care, treatment and services and facilities provided by hospitals.

In our follow-up, we found that Health Canada had suspended its inspections of hospital blood banks in Ontario in March 2020 because of the COVID-19 pandemic. In March 2021, the Ministry provided Health Canada with the names of program staff to whom it should share inspection documents directly, once it resumes inspections. In August 2021, Health Canada noted that it was exploring other ways to inspect facilities instead of traditional on-site inspections. The Ministry indicated that it will establish a mechanism to share blood bank inspection information with Ontario Health by March 2023, once Health Canada resumes its inspections.

- regularly review Health Canada inspection reports to identify common risk areas and target these problem areas in future education initiatives for hospitals;

Status: Little or no progress.

Details

In our 2020 audit, we found that while Health Canada's inspections did not identify any significant safety risks, it did identify certain deficiencies. However, the Ministry did not obtain and review the data from Health Canada's inspections of blood banks and donor sites. In comparison, Saskatchewan used the results of Health Canada inspections to correct and improve transfusion practices in that province.

In our follow-up, we found that Health Canada had not conducted any inspections of Ontario hospital blood banks during the pandemic. In May 2022, Health Canada indicated it had resumed inspections of hospital blood banks using a hybrid model that involves remote inspections of certain sites, but it had not scheduled inspections of hospital blood banks up to August 2022. The Ministry expects that it will implement this recommendation by March 2023, once Health Canada resumes its inspections of Ontario hospital blood banks using a hybrid model.

Blood Data Stored in Multiple Systems Across Ontario Hospitals Limits Ministry's and Ontario Health's Ability to Monitor Real-Time Blood Inventory, Usage and Clinical Data

Recommendation 2

To support data-driven decision-making in managing the supply of blood components and products, including redistributing them to patients who need them most, and to inform forecasting of demand, we recommend that the Ministry of Health, in conjunction with Ontario Health:

- as an interim solution in the absence of an integrated technology solution, request all hospitals report weekly to Canadian Blood Services their full inventory details for those blood components and products that are under a shortage advisory, and monitor hospitals' compliance;

Status: Fully implemented.

Details

In our 2020 audit, we found that there was no centralized hospital blood information system that allows Canadian Blood Services to see what blood components or products each Ontario hospital has on hand. Not all hospitals reported quantities of blood used and not all hospitals consistently reported blood inventory, even though Canadian Blood Services asks hospitals to provide this data daily. Reporting inventory was especially important when managing potential shortages.

In our follow-up, the Ministry indicated that during much of July 2021, the National Emergency Blood Management Committee (which consists of Canadian Blood Services, the National Advisory Committee on Blood and Blood Products, and government representatives) announced that there was a shortage of O negative red blood cells. The Ministry and the Committee made multiple requests to all Ontario hospitals that they report inventory daily to Canadian Blood Services. In addition, the Ministry engaged the Ontario Regional Blood Coordinating Network to monitor that hospitals report their inventories daily.

the use of plasma protein and related products up to 2024/25. In preparation for this, the Ministry gathered information including product use for patients living with haemophilia, factors impacting immunoglobulin use, and changes in use of C1 Esterase products that are on the product formulary. The Ministry continues to regularly review monthly forecasting data from Canadian Blood Services to inform its own forecasting on expenditures and utilization, both internally and with stakeholders such as those in the blood programs. The Ministry, together with Canadian Blood Services and blood program stakeholders, will explore ways to further develop forecasting to include factors such as patient demographics by December 2023.

Recommendation 3

To better manage the demand and supply of immunoglobulins so that they are available for Ontarians who need them most and to avoid the costs of wasted product, we recommend that the Ministry of Health, in consultation with Ontario Health:

- *collect more complete data from hospitals on how immunoglobulins are being used and identify emerging conditions that may warrant inclusion in provincial utilization guidelines;*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that neither Canadian Blood Services nor the Ministry of Health collected information on how immunoglobulins were used in Ontario hospitals. Without this information, the Ministry could not assure that immunoglobulins were used appropriately in accordance with the preferred conditions listed in the provincial utilization guidelines.

In our follow-up, we found that the Ministry, through the Ontario Regional Blood Coordinating Network, has taken steps to collect dosing and indication data when hospitals order immunoglobulins using the ordering form so that it can better track how

these products are being used. The Network has also created an online request order form for immunoglobulins to potentially replace the Ministry's current paper ordering process in the hospitals. The Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review the business requirements for the online immunoglobulin ordering system. These requirements included, for example, which specific medical conditions should be available to select as specified indications on the order form. It plans to take the feedback from its meetings and the data it collects from order forms into consideration as part of its future work on updating the provincial utilization guidelines. The Ministry expects the online immunoglobulin ordering system to go live in hospitals by December 2024.

- *eliminate the option of prescribing immunoglobulin where the Ontario Immune Globulin Utilization Guidelines (Guidelines) state that the product is not recommended for use;*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that the Ministry's paper order form contained an "other" category, where a prescribing physician could make a request to treat a health condition not listed in the Ontario guidelines. The Ministry informed us that determining proper use under the "other" category was the responsibility of the hospital.

In our follow-up, we found that the Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review business requirements for an online immunoglobulin ordering system, which is expected to go live in December 2024. The new online ordering system will capture information such as the immunoglobulins being ordered, in what dosages and for what medical conditions. After this system is implemented, the Ministry can then

eliminate the option of prescribing immunoglobulin where the provincial guidelines do not recommend its use.

- *educate physicians and monitor Ontario hospitals' adoption of the Guidelines;*

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

Details

In our 2020 audit, we found that the Ministry's study of immunoglobulin orders noted that the doses, frequency or duration of prescriptions were generally higher than required by the 2012 Ontario Guidelines.

In our follow-up, we found that the Ontario Regional Blood Coordinating Network, through the funding provided by the Ministry, has updated continuing education resources on blood-related products to highlight the importance of following the Guidelines. For example, it revised and relaunched the Bloody Easy Blood Administration eLearning program in November 2021. At the time of our follow-up, the Network was also redeveloping the Technologist Assessment Competency program, which it expected to launch in the Network's new online learning platform with annually updated tests. The Network was also updating the content of Bloody Easy 4 and expects to release Bloody Easy 5 in 2022/23 to keep it current with up-to-date best practices. As well, the Network has included the Guidelines in its online "Immunoglobulin Toolkit," which is intended to help hospital transfusion services manage immunoglobulins. In November 2021, the Network presented the results of its survey of immunoglobulin prescribers and transfusion service laboratories in Ontario to the Ontario Blood Consultation Group. This survey was designed to collect expert opinion on current practices related to the management of immunoglobulins in Ontario. The group discussed ways to better communicate with immunoglobulin prescribers to improve compliance with the Guidelines.

The Ministry expects that the Network will develop a mechanism for tracking hospital adoption of the Guidelines and physician education by March 2023.

- *assess potential tools, including updating the Guidelines as needed to prohibit uses where there is no credible evidence that they improve health outcomes, to achieve more appropriate use of blood products—particularly immunoglobulins—according to patient need.*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that the Ministry left it to hospitals to comply with provincial guidelines on an ongoing basis, and had never confirmed that hospitals used the paper form when ordering immunoglobulins. The Ministry had not routinely collected the forms to analyze how hospitals used immunoglobulins, and therefore it could not detect if and when these products were being used for conditions that were not indicated as preferred in Ontario guidelines.

In our follow-up, we found that the Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review business requirements for an online immunoglobulin ordering system, which is expected to go live in December 2024. The new online ordering system will capture information such as the immunoglobulins being ordered, in what dosages and for what medical conditions. After this system is implemented, the Ministry can then assess potential tools to prohibit any uses of blood products where there is no credible evidence that they improve health outcomes.

Recommendation 4

To better manage the demand and supply of immunoglobulins so that they are available for Ontarians who need them most and to avoid the costs of wasted product, we recommend that the Ministry of Health, in conjunction with Canadian Blood services, monitor

the international situation regarding the supply and demand of immunoglobulins given the impact of COVID-19 on supply.

Status: Fully implemented.

Details

In our 2020 audit, we noted that plasma collection in the United States was heavily hit at the start of the COVID-19 pandemic, and continued to be affected despite considerable industry efforts aimed at convincing donors to return to collection centres. For some products, there had also been production challenges in regions heavily hit by COVID-19 because of disease-related absenteeism.

In our follow-up, we found that Canadian Blood Services informed the Ministry and other provinces in July 2021 that it had implemented various strategies to mitigate the immediate effects of the COVID-19 pandemic on immunoglobulin supply and, as a result, secured a healthy national inventory of immunoglobulin products to meet patient needs despite pandemic-related impacts to global supply chains and an ongoing global shortage that preceded the pandemic. The Ministry informed us that Canadian Blood Services, working closely with governments, will significantly increase plasma collection in Canada over the next three years and beyond. These updates followed several 2020 communications from Canadian Blood Services that indicated inventory risks from supply chain challenges arising from the COVID-19 pandemic.

Recommendation 5

To improve the tracking of transfusion errors and injuries, we recommend that the Ministry of Health (Ministry), in consultation with Ontario Health:

- *establish a plan to raise awareness and require all hospitals to report serious transfusion-related incident data to the Ministry;*

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

Details

In our 2020 audit, we found that surveillance activities over blood transfusions were seen as a federal responsibility and the Ontario government had not sought to make such reporting mandatory. Ontario hospitals were not subject to any regulatory requirement to report all adverse transfusion events.

In our follow-up, the Ministry informed us that the National Advisory Committee on Blood and Blood Products' Adverse Transfusion Reactions Reporting Subcommittee (Subcommittee) created and distributed a survey to Ontario and other provinces in late 2021 to better understand how each province collects and reports transfusion reactions to the Public Health Agency of Canada. At the time of our follow-up, the Subcommittee was analyzing the survey results and developing guidance for reporting adverse transfusion reactions. The Ministry expects this guidance will be finalized and posted on the National Advisory Committee's website by the end of 2022.

Furthermore, the Ontario Regional Blood Coordinating Network visited 162 hospitals to present transfusion reaction data for 2020, which was reported by hospitals that participated in the Ontario surveillance program. The presentation summarized the types of reactions seen according to blood component/product and their rates of incidence, which were extrapolated to suggest possible expected transfusion reactions. According to the Ministry, the comparison of the reported reactions to the potential expected reactions fostered discussions on the importance of educating hospitals on identifying and reporting reactions.

In addition, the Ministry indicated that McMaster University, which administers the Ontario surveillance program, has started work to raise awareness about reporting adverse transfusion events. At the time of our follow-up, it had developed an online training tool that includes videos and questions to show proof of training. Once answers are submitted, training will be automatically logged into the Ontario surveillance program database. The Ministry expects that all hospitals will begin reporting serious transfusion-related events by March 2023.

- *monitor compliance with the plan on an annual basis;*

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

Details

In our 2020 audit, we found that more complete tracking of adverse transfusion events and errors by all Ontario hospitals could yield more complete information in helping hospitals improve their transfusion practices. Reporting of these events was largely voluntary.

In our follow-up, the Ministry indicated that McMaster University, which administers the Ontario surveillance program, provided an annual educational and networking event in March 2022 to train hospital staff (primarily transfusion services laboratories staff responsible for reporting adverse transfusion events, managers and physicians) on standardizing the reporting of adverse transfusion events; more than 100 transfusion professionals registered for the event. The University has also developed an online training tool that includes videos and questions to show proof of training. Once answers are submitted, training will be automatically logged into the Ontario surveillance program database. The Ministry expects this training to be fully in use by March 2023, which could help monitor hospitals' compliance with incident reporting.

Blood Supply Meeting Demand in Most Cases, But There Have Been Short-Term Shortages

Recommendation 6

To protect the supply of blood products needed to meet the needs of patients who rely on them, in light of continuing lessons and experiences from the COVID-19 pandemic and its impact on plasma sufficiency in Canada, we recommend that the Ministry of Health request that Canadian Blood Services expediently update the plan to achieve the 50% national self-sufficiency goal, specifying actions and timelines to

reach this goal, with monitoring and reporting back on the plan.

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

Details

In our 2020 audit, we found that Canadian Blood Services set a goal to achieve 50% self-sufficiency in plasma to produce immunoglobulins by 2023/24. However, progress toward the 50% goal had been slow. Not only had Canadian Blood Services not progressed toward its 50% goal, it had regressed since establishing it.

In our follow-up, the Ministry noted that Canadian Blood Services requested Ontario and other provincial and territorial governments provide funding to establish additional collection centres and increase plasma collection capacity by 2023/24. Canadian Blood Services expects that its new collection centres, once fully operational, along with other activities, will help drive Canada's domestic sufficiency to about 25%, up from 13.7% in 2019/20. Ontario and other governments reviewed Canadian Blood Services' proposal and approved its funding for 2021/22 and 2022/23, and expect to review its 2023–2026 corporate plan and 2023/24 budget request by March 2023.

In addition, Ontario and other funding provinces and territories established a steering committee in October 2021 to recommend a national policy framework that supports Canadian Blood Services' mandate to source enough plasma from Canadians to produce immunoglobulins for Canadian patients. The Ministry expects the steering committee to finalize its report by March 2023.

Best Practice Guideline Helps Reduce Ontario Usage of Blood Components and Products—Greater Adoption and Cost Accountability by Hospitals Could Help Further Reduce Usage

Recommendation 7

To increase hospitals' adoption of, and compliance with, Ontario Regional Blood Coordinating Network (Network) guidelines on transfusion medicine best

practices and better achieve value for the funds paid to the Network, we recommend that the Ministry of Health:

- *consult with the Ontario Hospital Association to develop a plan to increase hospitals' participation in Network activities and adoption of its best practices and to make required information available to the Network;*

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

Details

In our 2020 audit, we found that the Ontario Regional Blood Coordinating Network could not mandate the adoption of the best practices it recommended to hospitals for managing and using blood components and products. Not all hospitals adopted the best practices the Network promoted and not all hospitals participated in its studies.

In our follow-up, the Ministry noted that the Ontario Regional Blood Coordinating Network surveyed hospitals in 2021 about their compliance with the provincial guidelines on immunoglobulin use. According to survey results, the compliance rate was high, but there was room for improvement in communicating and engaging with prescribers. The Network has included several other educational, engagement and communication activities in its 2022–23 business plan; the Ministry met with the Network in March 2022 to discuss these and expects the Network to work with the Ontario Hospital Association to develop a plan to increase hospitals' participation in these activities by March 2023.

- *monitor hospitals' participation in Network activities to ensure the adoption of best practices improve over time.*

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

Details

In our 2020 audit, we found that the adoption of the Network's best practices for managing and using blood components and products was at the discretion of physicians, and participation in

the Network's studies—such as on the use of AB plasma, compliance with standards on how blood is to be administered to a patient, and appropriateness of intravenous immunoglobulin use—was at the discretion of hospitals.

In our follow-up, we found that the Ministry met with the Network in March 2022 to discuss its 2022–23 business plan. The plan includes audits of top hospital users of albumin, ongoing monitoring and evaluation of massive haemorrhage protocol quality metrics, and an analysis of immunoglobulin order requests. The Ministry will receive progress reports through the Network's mid-year and year-end reports and monitor how hospitals are participating in Network activities by March 2023.

Recommendation 8

To encourage more effective, evidence-based use of blood components, blood products and alternatives to blood at hospitals, we recommend that the Ministry of Health:

- *work with both the Canadian Agency for Drugs and Technologies in Health and Canadian Blood Services to periodically assess cost-effective alternatives to blood;*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that no organization in Ontario had assumed central responsibility for assessing whether alternatives to blood could be used more cost-effectively. The Canadian Agency for Drugs and Technologies in Health's ability to study alternatives was hindered by a lack of publicly available information on the cost of immunoglobulins, the most common blood product. Canadian Blood Services, however, had access to this information. It also indicated that provinces and territories (except Quebec) had not requested that it undertake such a review for other blood alternatives in at least five years. The Ministry indicated that it alone cannot request the Agency review alternatives but

that such request should be made by all participating jurisdictions together.

In our follow-up, we found that Canadian Blood Services and provinces and territories have formed a working group to discuss this recommendation. The working group met in June 2021, October 2021 and January 2022 to consider collecting more patient-specific data such as age, diagnosis, treatment doses, frequency and duration as a way to assess cost-effective alternatives to blood. In addition, in October 2021, the National Advisory Committee on Blood and Blood Products proposed to work on a National Immunoglobulin Shortages Management Plan, including identifying alternatives to immunoglobulins. As part of this project, a literature review will be conducted, using funding approved by Health Canada, to examine alternative therapies for clinical conditions for which immunoglobulin is used, and to assess if and how other jurisdictions across Canada are using these alternatives. The work for the project will start in 2022/23 and will take a minimum of 18 months. The Ministry expects to finalize funding for this new plan with other provinces and territories, as well as Canadian Blood Services, by December 2024.

- use data on the uses of immunoglobulins, obtained under **Recommendation 3**, to inform areas of focus for the Ministry's decision-making on alternatives.

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that the Ministry did not collect and analyze clinical data from Ontario hospitals regarding conditions treated with drug alternatives compared with immunoglobulins. The Canadian Agency for Drugs and Technologies in Health's research had found that other drugs were as effective or more effective than immunoglobulins for certain health conditions.

In our follow-up, we found that the Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory

Panel in January 2022 to review business requirements for an online immunoglobulin ordering system, which is expected to go live in December 2024. The new online ordering system will capture information such as the immunoglobulins being ordered, in what dosages and for what medical conditions. The Ministry expects to use this data to inform its areas of focus for its decisions on using alternative therapies.

Ministry Does Not Monitor Cost-Effectiveness of Blood Utilization Programs

Recommendation 9

To evaluate the effectiveness of the Ontario Nurse Transfusion Co-ordinators in improving patient outcomes and reducing the cost of surgical procedures, we recommend that the Ministry of Health:

- collect and assess data on a representative selection of transfusion activities associated with specific surgical procedures, including data on the number of units of blood transfused, the estimated cost to transfuse and the number of patients transfused, in hospitals with program nurse co-ordinators compared to hospitals without program nurse co-ordinators;

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

Details

In our 2020 audit, we found that the Ministry did not have information to compare transfusion rates of hospitals that had the Ontario Nurse Transfusion Coordinators program (Program) with those that did not as a way to measure the effectiveness of the Program.

In our follow-up, we found that the Ministry met with leads of the Program in January 2022 and April 2022 on how to collect data on and assess the Program. The Ministry was made aware that a number of nurse co-ordinators in the Program were reassigned to other areas of their hospitals to support the response to COVID-19 and a number of surgeries

were deferred or cancelled, making it difficult to collect data about the Program. The Ministry has determined that it is best to collect data and assess the Program when the impacts of COVID-19 on nurse deployment and surgeries are less significant.

Furthermore, the Ministry worked with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. In March 2022, the Ministry met with a small group of people within the Consultation Group to determine the approach and mandate of this new subcommittee, and in July 2022 it held a brainstorming session with all members of the Consultation Group to determine the type of work this subcommittee will undertake once formed. The Ministry expects to request the subcommittee develop metrics that compare the results of hospitals with nurse co-ordinators to hospitals without nurse co-ordinators, and begin collecting and assessing this data by December 2023.

- *request the Program administrators develop more comprehensive performance indicators and outcome measures that demonstrate the success of this program, establish targets, collect data from program nurses to measure against targets, and report this information annually to the Ministry.*

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

Details

In our 2020 audit, we found that while the Program administrators collected other information to internally measure the activities of the Program nurses, the data was either of poor quality or the analysis was weak in supporting any decision-making. The Program administrators did not conduct performance reviews of nurses and could not easily estimate cost savings per site.

In our follow-up, we found that the Ministry has worked with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. In March 2022, the Ministry met with a small group of people within

the Consultation Group to determine the approach and mandate of this new subcommittee, and in July 2022 it held a brainstorming session with all members of the Consultation Group to determine the type of work this subcommittee will undertake once formed. The Ministry expects to request the subcommittee develop metrics that compare the results of hospitals with nurse co-ordinators to hospitals without nurse co-ordinators, and begin collecting and assessing this data by December 2023.

Recommendation 10

To confirm its payments to Canadian Blood Services are reasonable and commensurate with blood shipped to Ontario hospitals, we recommend that the Ministry of Health put a process in place to verify that payments to Canadian Blood Services are for products shipped and received by Ontario hospitals, with underlying unit costs that are based on audited financial statements of Canadian Blood Services.

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

Details

In our 2020 audit, we found that the Ministry did not have processes to confirm that its payments for blood components and products were reasonable since it did not perform any reconciliations between what hospitals received and what the Ministry paid for. We surveyed hospitals and found some discrepancies between hospital records of what was received and Canadian Blood Services' records of what was shipped. Of the hospitals that responded to our survey, 5% reported a discrepancy in blood components and 7% reported a discrepancy in blood products.

In our follow-up, we found that the Ministry met with Canadian Blood Services and the Ontario Regional Blood Coordinating Network in March 2022 to discuss approaches to verify payments against products shipped. In June 2022, the Network was granted access to the disposition data hosted by Canadian Blood Services, which allows the Ministry to review a sample of data from different sources to

verify payments made to Canadian Blood Services. The Ministry, working with the Network, plans to establish a process to verify payments using existing data shared by Canadian Blood Services, and establish criteria to identify which hospital shipments to review, by December 2023.

Recommendation 11

To reduce the risk to Ontario patients from transfusion errors and injuries in Ontario hospitals, we recommend that the Ministry of Health in consultation with Ontario Health:

- *clarify where responsibility should reside for monitoring transfusion surveillance data reported by hospitals;*

Status: Fully implemented.

Details

In our 2020 audit, we noted the Ministry did not use transfusion injuries and errors reported to the two national transfusion surveillance systems to monitor whether Ontario hospitals on the whole had fewer incidents year over year. It considered blood surveillance activities to be a responsibility of the Public Health Agency of Canada.

In our follow-up, the Ministry worked with the Public Health Agency of Canada and McMaster University to update the funding arrangement between parties involved in surveillance programs. In June 2022, the Ministry terminated its 2012 agreement with the Public Health Agency of Canada and confirmed with McMaster University that the Public Health Agency of Canada will be providing funding for the two transfusion surveillance programs directly to the University, and not through the Ministry, beginning 2021/22.

The Ministry noted that the Public Health Agency of Canada oversees the monitoring of transfusion errors. For transfusion injuries or reactions, the Adverse Transfusion Reactions Reporting Subcommittee (part of the National Advisory Committee on Blood and Blood Products) will review the 2021 survey responses from all provincial and territorial

surveillance system programs. It believes it can then use the survey responses to create a guidance document that will help provinces and territories, as well as the Public Health Agency of Canada, monitor transfusion surveillance data in the future and better assess accurate trends of serious transfusion incidents, including across Ontario.

- *monitor trends of serious transfusion incidents in Ontario;*

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

Details

In our 2020 audit, we found that the Ministry obtained a summary of information from the Transfusion Transmitted Injuries Surveillance System (Injury Surveillance System) twice annually, but did not perform further analysis. The information included, for example, the total number of adverse transfusion events and education provided to transfusion medicine staff to help prevent transfusion events.

In our follow-up, we found that the Ministry had consulted with McMaster University, which administers the Injury Surveillance System in Ontario, in December 2020. Under the 2021–2024 funding agreement for the surveillance system with the Public Health Agency of Canada, McMaster also monitors trends of serious transfusion incidents in Ontario. The Ministry plans to review monthly and biannual reports on these incidents and share information with relevant stakeholders by March 2023.

- *establish a plan with Ontario hospitals for them to share the investigation reports of serious transfusion incidents on a timely basis, which includes communicating any lessons learned to other hospitals.*

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

Details

In our 2020 audit, the Ministry had not assumed an active role in monitoring hospital activities related to

blood use in patients. It believed the federal government alone was responsible for monitoring adverse transfusion events in Ontario and the rest of the country.

In our follow-up, we found that the Ontario Regional Blood Coordinating Network visited hospitals to present transfusion injury data for 2020, which was reported by hospitals that participated in the Ontario surveillance program. It presented this information to 162 hospitals, including those that did not themselves participate in the surveillance program. The Ministry will work with the Network to establish a mechanism to share other information, such as transfusion errors that resulted in investigation reports, and communicate lessons learned to other hospitals by March 2023.

Recommendation 12

To strengthen the Ministry of Health's ability to evaluate Canadian Blood Services' performance in providing safe blood to Ontario hospitals cost-effectively, we recommend that the Ministry of Health:

- *request Canadian Blood Services break out Ontario results for national measures that can reflect Canadian Blood Services' performance relevant to Ontario;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that Canadian Blood Services did not break down its performance measures by province. This makes it difficult to gain insights specific to Ontario in areas such as product demand, productivity, and quality and safety.

In our follow-up, the Ministry noted that Canadian Blood Services created an annual report of performance metrics in October 2021. The report consolidates all performance indicators already provided to governments and presents them in the following format: actuals of each metric for the prior three years, current year actuals and targets, and targets for the next three fiscal years. As well, Canadian Blood Services reviewed all performance metrics to see

which ones could be broken down to show Ontario-specific results. It determined that it could only break down shipment data for red blood cell and platelets. In addition, Canadian Blood Services continues to provide Ontario-specific shipment data to the Ministry directly through an information-sharing portal on plasma protein and related products on a monthly basis.

- *regularly review and assess the effectiveness of national performance measures and revise accordingly with Canadian Blood Services through mechanisms available;*

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

Details

In our 2020 audit, we found that some of the Canadian Blood Services-wide measures might not be readily presented to reflect Ontario-only performance, such as its core operations cost per unit of blood.

In our follow-up, we found that the Ministry established an internal process to regularly review reports from Canadian Blood Services and share updates with the Ministry's senior management. Dedicated ministry staff review the reports and prepare summary documents for filing and discussion purposes. The Ministry also shares these reports with other provinces and territories and addresses questions from them, if any, in meetings without Canadian Blood Services. The Ministry reviewed a draft of the annual performance report, provided input to Canadian Blood Services, which it incorporated. Canadian Blood Services will submit a completed 2023 annual report on performance metrics to ministries of health in 2023. The Ministry will share any additional feedback as part of its annual review of the final report by December 2023.

- *request Canadian Blood Services provide at least annual feedback on trends of Ontario results.*

Status: Fully implemented.

Details

In our 2020 audit, we noted the Ministry of Health had never asked to see any province-specific results, even though they could provide valuable insights, such as whether Ontario hospitals could efficiently obtain red blood cells to help care for patients who required emergency surgeries and how often Ontarians were potentially exposed to a transmissible disease from a blood donation.

In our follow-up, the Ministry indicated that Canadian Blood Services has created an annual report of performance metrics in October 2021, which consolidates all Canadian Blood Services' performance indicators already provided to governments and presents them over a seven-year window including three prior years, current three-year actuals and targets, and targets for the next three fiscal years. Canadian Blood Services shares this with all provinces and territories via email and also through its information-sharing portal. Through this report, Ontario receives annual performance metrics, which includes Ontario-specific results on shipment data.

COVID-19's Impact on Blood System

Recommendation 13

To prepare for the event of limited supply of immunoglobulins and protect Ontarians who rely on these products to live, we recommend that the Ministry of Health:

- *introduce any needed further measures across Ontario hospitals to ensure that immunoglobulins are provided to patients according to provincial utilization guidelines or guidelines within the National Immune Globulin Shortage Plan (Shortage Plan), and that alternatives are researched, identified and used to treat conditions that would otherwise be treated with immunoglobulins;*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that the National Emergency Blood Management Committee (Committee) had developed guidelines that were to be distributed to physicians to guide their prescribing practices and manage immunoglobulin shortages. However, in the event of shortages, the Committee's ability to effectively oversee and control distribution to those who needed it most was limited because the decision to distribute immunoglobulins to a patient remained with each individual physician. Ontario had not developed a plan that includes alternative medications to deal with the largely unprecedented situation of patients being required to go without immunoglobulins.

In our follow-up, we found that, in October 2020, the Ministry had instructed hospitals to comply with the Committee's directions by December 31, 2020, including following the Ontario Immune Globulin Utilization Guidelines and the Ontario Dosing Calculator for Immune Globulins. In addition, in October 2021, the National Advisory Committee on Blood and Blood Products developed a proposal for a National Immunoglobulin Shortages Management Plan, which would include identifying alternatives to immunoglobulins. As part of this project, a literature review will be conducted, using funding approved by Health Canada, to examine alternative therapies for clinical conditions for which immunoglobulin is used, and to assess if and how other jurisdictions across Canada are using these alternatives. The work for the project will start in 2022/23 and will take a minimum of 18 months. The Ministry expects to finalize funding for this new plan with other provinces and territories, as well as Canadian Blood Services, by December 2024.

- *work with the National Emergency Blood Committee, the Ontario Emergency Blood Committee, Canadian Blood Services and the Provincial/Territorial Blood Liaison Committee to participate in a national response as recommended within the Shortage Plan;*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that Canadian Blood Services highlighted a risk that it might be unable to maintain an adequate supply of immunoglobulins as a result of the COVID-19 pandemic. As a result, the National Advisory Committee on Blood and Blood Products—which consists of health-care professionals with expertise in transfusion medicine and appointed by their respective provincial and territorial ministries, as well as Canadian Blood Services representatives—developed the National Immune Globulin Shortage Plan—Interim Guidance to serve as a framework to directly inform the development of a full national immunoglobulin shortage management plan once this short-term supply risk is addressed.

In our follow-up, we found that in October 2021, the National Advisory Committee on Blood and Blood Products developed a proposal for a new National Immunoglobulin Shortages Management Plan to address complex scenarios that could emerge in severe shortages. The Ministry expects to finalize a mechanism with other provinces and territories, as well as Canadian Blood Services, to fund this new plan by December 2024.

- *clarify how Canadian Blood Services and all provincial and territorial governments will ensure equitable distribution of immunoglobulins to patients in most critical need in the event of a sudden shortage so that the treatment needs of Ontario patients are appropriately addressed.*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we found that in the event of shortages, the ability to effectively oversee and control immunoglobulin distribution to those who need it most is limited. This was due to several factors; for example, Canadian Blood Services

and the National Emergency Blood Management Committee did not have information on how many patients at each Canadian hospital require immunoglobulins to survive, and the national immunoglobulin distribution guidelines were produced without provincial or federal data on how many patients required immunoglobulins to maintain their health versus to survive.

In our follow-up, we found that the Ministry had participated in discussions on the National Advisory Committee on Blood and Blood Products' proposal for a National Immunoglobulin Shortages Management Plan, and was working with other provinces and territories to determine a funding mechanism for the plan. The funding will support four key areas: ethical framework, triage and adjudication process, alternative therapies, and plan operationalization. If funding is received, the Ministry expects that, by December 2024, the National Advisory Committee will define a process by which to distribute immunoglobulins equitably in the event of a shortage, while taking into account ethical considerations.

Chapter 1

Section 1.03

Ministry of Education

Follow-Up on 2020 Value-for-Money Audit: Curriculum Development, Implementation and Delivery

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		2		1	
Recommendation 2	1			1		
Recommendation 3	3	1	1	1		
Recommendation 4	1	0.5		0.5		
Recommendation 5	3	3				
Recommendation 6	2	1	1			
Recommendation 7	3	1	2			
Recommendation 8	1		0.25	0.25	0.50	
Recommendation 9	1			1		
Recommendation 10	1			1		
Recommendation 11	4		1	3		
Recommendation 12	1	1				
Recommendation 13	2			2		
Recommendation 14	2	1		1		
Recommendation 15	1	1				
Total	29	9.5	7.25	10.75	1.5	0
%	100	33	25	37	5	0

Recommendations 4 and 8 were made to school boards, and all other recommendations were made to the Ministry of Education.

Overall Conclusion

We recommended 29 actions as a result of our 2020 audit of Curriculum Development, Implementation and Delivery. Of those, 27 recommended actions were directed at the Ministry of Education and two actions were recommended to the four school boards we audited. As of November 7, 2022, 33% of the actions we recommended in our *2020 Annual Report* have

been fully implemented and progress has been made in implementing an additional 25% of the recommended actions.

The Ministry has fully implemented recommendations such as establishing a standard approach to communicate the availability of resources and how they can be accessed by teachers and school board staff; implementing mechanisms to solicit feedback from educators about the usefulness of resources and

to provide input into what resources are needed, and then incorporating this feedback into future resource development; making digital elementary course material available for the Grade 1-8 Math Elementary 2020 curriculum; and developing strategies to close the learning gap students experienced during remote learning required by the COVID-19 pandemic.

However, the Ministry has made little or no progress on recommendations that include updating its assessment policy, *Growing Success: Assessment, Evaluation, and Reporting in Ontario Schools*, 2010, to ensure that it is current and relevant; establishing a province-wide educator network to create and share assessment materials; undertaking a review of standardized assessment practices which count toward a student's final mark; and performing detailed analysis and identifying the reasons for stagnating or declining Education Quality and Accountability Office (EQAO) scores.

The Ministry also decided not to implement our recommendation to pilot new or revised curriculum in schools prior to full implementation, indicating that there is no consistent approach in other jurisdictions to piloting of curriculum. We continue to support the implementation of this recommendation.

Results for school boards were mixed. Half of the school boards we audited implemented our recommendation for principals or vice-principals to review teachers' annual long-range plans and a sample of lesson plans to ensure all curriculum expectations are taught to an appropriate level of depth; the other half did not. Only one school board was in the process of implementing our recommendation for boards to track the utilization of textbooks in their schools and use this information to make bulk purchase orders, potentially lowering overall cost, another had taken little action to date and the remaining two would not be implementing it because there would be too much coordination involved in collecting requests for books and distributing them to schools across their region. For these boards, we continue to support the implementation of this recommendation.

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

Background

The goal of the Ministry of Education (Ministry) is that students acquire the skills and knowledge they need to reach their full potential. Accomplishing this goal requires curricula that are current, relevant, balanced, developmentally appropriate and coherent from Kindergarten to Grade 12. The Ministry is responsible for developing the curricula to be taught to students and assessment policies to be used by educators. A substantial portion of the current curricula was developed many years ago. As of April 2022, 35% of curricula subjects taught in the province were developed and put into practice at least 15 years ago, and an additional 21% were released between 10 and 14 years ago.

School boards are responsible for ensuring that their staff implement all curriculum expectations. We found that there were no formal processes in place at the Ministry, school boards or schools to provide assurance that all curricula were being taught effectively across the entire school system.

Some of our significant findings included:

- Curriculum was released without sufficient time for school boards and schools to review it and for teachers to prepare instructional materials and resources to properly implement it. We found four of the five most recently released curricula as of August 2020 were released with little time for schools to prepare for their effective implementation. For example, the Health and Physical Education Elementary 2019 curriculum was released on August 21, 2019, just 10 days before schools were required to implement it on September 3, 2019.
- Many textbooks were old and not relevant or relatable to students. Several Ontario curricula had not been revised for over a decade and many of the corresponding textbooks on the Ministry's list of approved books were just as old. Although these textbooks covered 85% of the curriculum content at the time they were last revised for the relevant subjects, they did not always reflect current social, political and environmental issues. Examples in the textbooks were also

outdated in some cases. In addition, we found examples of older textbooks being used with outdated terminology no longer considered appropriate when referring to Indigenous people.

- Province-wide student assessments tested only two subject areas and did not provide a good measure of overall learning achieved by students across the province or within school boards. Assessments by the Education Quality and Accountability Office (EQAO)—a Crown agency of the Province—tested reading, writing and mathematics. This accounted for only two subject areas (language and math) of the seven mandatory subject areas offered in elementary schools and 18 subject areas offered in secondary schools. Further, assessments occurred at four intervals in the span of a student’s 12- to 14-year public schooling, but no standardized testing was scheduled in the student’s senior years, Grades 11 or 12. We noted that all other Canadian provinces have standardized provincial assessments in select subjects and grades. However, in many cases, the tests are conducted in a student’s senior high school year, and the result of a test counted to some degree toward the student’s final mark.
- Varying levels of student instruction took place during the COVID-19 pandemic, as the Ministry did not provide clarity on all expectations regarding instruction by teachers. It was not until May 8, 2020, almost two months after schools were initially shut down, that the Ministry provided clarification on its expectations for remote learning. However, the Ministry did not set expectations for the frequency or duration of teacher-led real-time virtual instruction. A survey conducted by the Ministry revealed that 29, or 48%, of school boards reported that only half or less than half of their teachers were offering their students live, real-time instruction online, as of May 20, 2020.

We made 15 recommendations, consisting of 29 action items, to address our audit findings.

We received commitment from the Ministry of Education, the Catholic District School Board of Eastern Ontario, the District School Board Ontario North East, the Near North District School Board and the Toronto District School Board, that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the Ministry of Education, the Toronto District School Board, the Catholic District School Board of Eastern Ontario, the District School Board Ontario North East, and the Near North District School Board, that effective November 7, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Curriculum Review Process

Recommendation 1

In order to improve the process of developing and implementing curriculum, we recommend that the Ministry of Education:

- *develop a formal risk-based approach for selecting curriculum to revise;*

Status: In the process of being implemented by the end of December 2023.

Details

During our 2020 audit, we compared Ontario’s curriculum review process to other provinces and found that some provinces (namely, Manitoba, New Brunswick and Newfoundland and Labrador) utilized risk-based frameworks with established criteria to determine the need for reviewing and updating curriculum. Factors they considered included demand from industry, age of the curriculum, scope of revisions under consideration, stakeholder recommendations, societal demands, demographics, research engagement and achievement

data. The Ministry provided us with a timeline for curricula it was planning to update between 2019/20 and 2022/23; however, there was no documented justification provided for why these curricula were selected over others.

In our follow-up, we found that the Ministry had begun development of a Curriculum Review Guide to inform the curriculum review process, which will include a risk-assessment framework for curriculum review and a curriculum review cycle. At the time of our follow-up, the guide was in the process of being drafted. Factors being considered as to when a curriculum should be revised included: age of the curriculum; the currency of the curriculum (such as new skills/knowledge related to the subject/discipline; pedagogical approaches; innovations in technology; realities of the day); advancements in research related to the subject matter; and changes in best practices across leading jurisdictions.

To inform the development of the Curriculum Review Guide, between June and October 2021 the Ministry conducted a jurisdictional scan on curriculum review processes to build on the information contained in our *2020 Annual Report*. The scan included all Canadian provinces and select international jurisdictions, including the United Kingdom and New Zealand.

The Ministry also stated it conducted engagements with various stakeholders to, among other things, help in the development of a regular curriculum review cycle. We were told that these engagements occurred from December 2021 to April 2022; however, minutes or summary notes of the engagements were not available for our review.

The Ministry reported-back to Cabinet in February 2022 on recommendations for a standard risk-assessment framework for curriculum revision and a regular curriculum review cycle as components of the Curriculum Review Guide. The Ministry expects its Curriculum Review Guide to be publicly released in winter 2023.

- *set a defined amount of time between when it releases curriculum and the implementation date;*
Status: In the process of being implemented by the end of December 2023.

Details

In our 2020 audit, we found that Ontario left little preparation time for teachers prior to releasing a curriculum. The amount of lead-time provided to Ontario teachers in the five most recently released new or revised curricula we reviewed at the time of our audit ranged from 10 days to five months. In comparison, we noted that other provinces had a defined timeline to release curriculum revisions to schools prior to the date teachers were expected to implement the revised curriculum. For example, in British Columbia the curriculum was released one year before mandatory implementation in schools and in Nova Scotia, depending on the curriculum, it was released one to two years ahead of mandatory implementation.

In our follow-up, we found that the Ministry had not yet set defined time frames for the release of new or revised curricula prior to implementation. The Ministry informed us that it is considering policy options related to defined timelines for curriculum release, which will be included in the Curriculum Review Guide the Ministry expects to implement by the end of December 2023.

Since the time of our original audit in 2020, the Ministry has released three curricula with the time between release and implementation ranging from three to six months. Specifically, the English and French curriculum for Grade 9 Math was released June 9, 2020, three months prior to September 2020 implementation; American Sign Language as a Second Language and Langue des signes québécoise (LSQ) langue seconde were released March 11, 2021, six months prior to implementation in September 2021; and the English and French curriculum for Grade 1-8 Science and Technology was released on March 8, 2022, also allowing six months prior to implementation in September 2022.

- *pilot new or revised curriculum in schools prior to full implementation.*

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

Details

We found in our 2020 audit that the Ministry did not have a system for piloting curriculum before it was released. In contrast, eight other provinces we reviewed piloted draft curriculum in schools and incorporated feedback from the pilot process into the final curriculum document.

In our follow-up, we found that the Ministry had decided it would not be piloting new or revised curriculum prior to implementation. The Ministry stated it came to this conclusion following the completion of a jurisdictional scan of Canadian provinces, the United Kingdom and New Zealand, through which the Ministry determined there was not an approach to piloting of curriculum which it wanted to pursue. As mentioned in the second action item of **Recommendation 1**, in lieu of piloting curriculum the Ministry stated that it has committed to set defined time frames for the release of new or revised curricula prior to implementation in order to provide boards with enough lead-time to implement a new or revised curriculum.

As noted in our *2020 Annual Report*, piloting of new or revised curriculum would be a beneficial process for teachers and students prior to full implementation, and therefore, we continue to support the implementation this recommendation.

Recommendation 2

To allow for development of curricula that is research-based, evidenced-informed and reflective of stakeholder views, we recommend that the Ministry of Education establish procedures that ensure that each step in its own process for curriculum development is completed on a timely basis and that fulsome research and relevant stakeholder feedback are obtained.

Status: Little or no progress.

Details

In our 2020 audit, we found that the Ministry did not always adhere to its stated curriculum review process. For example, we found that the Ministry had not obtained comprehensive stakeholder input or provided sufficient time to allow for proper fact-checking while revising the 2019 Health and Physical Education

Elementary curriculum. As well, the Ministry had not updated all necessary stakeholder input while developing the 2019 First Nations, Métis, and Inuit Studies Secondary curriculum.

In our follow-up, we found that the Ministry was in the process of drafting and developing a Curriculum Review Guide, which is to outline the procedures to be taken in each stage of the curriculum review process (research; info-gathering; writing; editing and fact-checking; approvals; issuance; implementation). The Ministry informed us that the Curriculum Review Guide is to act as a standard procedures guideline to be used throughout the curriculum revision process to support the consistency of each stage, including how research and relevant stakeholder feedback are incorporated into each stage.

Implementation of Curriculum Expectations

Recommendation 3

In order to understand and address barriers and challenges to the effective implementation of new or major curriculum revisions, we recommend that the Ministry of Education:

- *collect data and information through surveys of educators and other means to evaluate the level of implementation following major curriculum revisions;*

Status: Little or no progress.

Details

Our 2020 audit found that school boards and the schools we engaged with did not have a formal and sustained process to make sure that the curriculum was being implemented effectively across all schools. We found that, although school administrators and curriculum leads take several informal actions to make sure that the curriculum is being implemented, there were no consistent systematic processes at the school level to make sure that the curriculum was being implemented and that the students were learning all of the required curriculum.

In our follow-up, we found that, although the Ministry did collect feedback from teachers and other educators regarding the usefulness of resources and webinars made available to support implementation of curriculum (as further discussed in the second action item of **Recommendation 5**) and additional training and supports required, it has not yet begun to collect data through survey or other means to evaluate the level of implementation following the release of curriculum.

- *provide specific and focused training and supports in areas identified by surveys to be impeding effective implementation;*

Status: Fully implemented.

Details

In our 2020 audit, we surveyed teachers on whether certain factors had an impact on their ability to effectively deliver curricula. Most respondents indicated that the following factors had a major impact on their ability to effectively deliver curricula—the number of students with special needs (76%), class size (70%), availability of student resources (54%), and availability of teacher resources and exemplars (49%).

In our follow-up, we found that the Ministry had designed a series of webinars and resources to support the release of recent curriculum revisions, and in June 2020 launched the Curriculum and Resources website to house all Ministry-developed curricula and curriculum resources in one place. The website is accessible to educators, parents/guardians, students, and the public. At the time of our follow-up, the site included the seven most recently revised or developed English and French-language curriculum in digital format and the associated resources with links on the curriculum pages they apply to.

For each new curriculum released since the time of our original audit, for example, American Sign Language as a Second Language, Langue des signes québécoise (LSQ) langue seconde, Grade 9 Mathematics (de-streamed), and Grade 1-8 Science and Technology, the Ministry hosted webinars in both English and French to provide an understanding of curriculum changes and pedagogy. For each of the

webinars held, the Ministry obtained written feedback from educators which, among other things, ask what additional opportunities and/or resources are needed to support effective implementation of the curriculum.

Based on the feedback received, the Ministry has provided supports in areas identified as impeding effective implementation. For example, in feedback received from math topic webinars held in March 2021, many teachers indicated that they are looking for sample course templates for particular strands such as financial literacy and coding. We noted that the Ministry has posted sample long-range plans and course plans for Grade 9 Mathematics on its Curriculum and Resources website. The Ministry also summarized feedback obtained from webinars held in 2020/21 and used this to inform and develop the 2022 professional learning calendar.

- *collect and examine data related to students' performance in the first year of post-secondary pursuits to gain an understanding of any knowledge or skills gaps of Ontario students and address the gaps.*

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

Details

Our 2020 audit found that the Ministry had only collected data and conducted analysis on the number of students who entered publicly funded post-secondary education in Ontario, but had not collected information related to first-year success in post-secondary school (drop-out rate or unsuccessful completion of courses) to gain an understanding of any knowledge or skills gaps.

In our follow-up, we found that the Ministry had begun to collect the data necessary to complete analysis on first-year postsecondary student success and to identify where knowledge gaps may exist. In fall 2021, the Ministry began development of the Transitions to Postsecondary Education tool, which allows for data analysis and visualizations describing the transition from secondary to post-secondary education, including college, university and apprenticeship programs. Analysis is possible at the school, board, region and provincial levels. The Ministry will be analyzing the

performance of students who entered post-secondary education from 2013/14 to 2019/20. The underlying data for the analytic tool is obtained from the ministries of Education, Colleges and Universities, and Labour, Immigration, Training and Skills Development. The Ministry expects the tool to be finalized and implemented by the end of 2022, and analysis will begin in the following year.

Recommendation 4

We recommend that school boards ensure principals or vice-principals consistently complete a review of teachers' annual long-range plans and a sample of lesson plans to ensure all curriculum expectations are planned to be taught to an appropriate level of depth.

Status:

District School Board Ontario North East and Toronto District School Board – Fully implemented.

Catholic District School Board of Eastern Ontario and Near North District School Board – Little or no progress.

Details

In our 2020 audit, we reported that only 71% of elementary school teachers we surveyed, told us that their long-range plans for curriculum delivery were reviewed by their principal or vice-principal. Even fewer elementary school teachers reported that their principal or vice-principals reviewed their unit plans (15%) or lesson plans (14%) to oversee if the curricula were being consistently implemented. At the secondary level, about half of teachers we surveyed told us that their long-range plans (i.e., course outlines) were reviewed by either their principal, vice-principal or school curriculum lead. In addition, even fewer secondary school teachers reported that their principal, vice-principal, or curriculum lead reviewed their lesson plans (22%) and tests and major assignments (30%).

In our follow-up, we found that:

- **Catholic District School Board of Eastern Ontario:** The school board has not developed or implemented processes to address this recommendation. The school board informed us that principals are required to complete teacher

performance appraisals, during which they will review long-range plans, a sample of lesson plans, and observe teachers in the classroom. However, as we reported in our *2020 Annual Report*, a performance appraisal occurs only once every five years for experienced teachers (unless performance issues have been identified) and twice within the first 12 months of employment for new teachers.

- **District School Board Ontario North East:** The school board has included in its 2021/22 school year a principal's checklist, which includes all items that must be completed and due dates throughout the year, and the requirement that principals and vice-principals collect and keep on file long-range plans of all teachers. The school board formed a committee of elementary and secondary principals which first met in April 2022 to discuss options, roles and responsibilities, and a strategy for implementation of principal or vice-principal review of long-range plans, and a sample of lesson plans. The committee developed procedures including checklists for review to this end, which were communicated to principals, vice-principals, and teachers in June 2022 for implementation beginning in September 2022.
- **Near North District School Board:** The school board has not yet developed a specific process to ensure long-range plans and a sample of lesson plans are consistently reviewed. The school board told us that in March 2022, it administered a survey of all elementary school principals related to long-range planning, in which 76% said they completed a review of teachers' long-range plans to ensure all curriculum expectations are planned to be taught in appropriate depth; however, the school board did not provide us with a copy of the survey and the responses for our review.
- **Toronto District School Board:** In May 2022, the school board added a requirement to both the elementary and secondary school administrator checklists for teachers to submit

long-range plans and for principals or vice-principals to check that teachers have a binder of lesson plans ready in case an occasional teacher is needed. Further to this, the checklist requires that school principals review long-range plans and take samples of lesson plans to ensure they meet Ministry expectations and assessment guidelines (Growing Success).

Recommendation 5

In order to provide teachers and other educators with useful resources and materials needed to support teaching the curricula, we recommend that the Ministry of Education, in conjunction with the school boards:

- *communicate the availability of new resources to teachers and school board staff upon the release of the resources, including where and how they can be accessed;*

Status: Fully implemented.

Details

In our 2020 audit, we reported that 26% of teachers we surveyed, who were responsible for teaching any of the eight new or revised curricula released between 2017 and 2020, had not been provided any resources related to the curricula for which they were responsible. In addition, a 2014 consultant's report on the usefulness of math resources for teachers of all grades, found that teachers were aware that there are numerous resources available, but they were not always well informed on how to access the resources or even where to start their research for resources.

In our follow-up, we found that the Ministry had established an approach to communicate the availability of resources and how they can be accessed. As noted in the details of the second action item of **Recommendation 3**, in June 2020 the Ministry launched the Curriculum and Resources website to house all Ontario curricula and associated resources, and now uses this as the exclusive place where all new Ministry developed material related to curriculum can be found, increasing the ease of accessibility.

Since our audit in 2020, the Ministry has also taken standard approaches to communicate revisions to

curricula and the availability of new resources as they are available, including publishing on the Curriculum and Resources website a document outlining and comparing the key changes to updated curricula, producing a parent's guide for curricula, which provides information about the learning expectations of the curricula and how they can support their child's learning, and links to access Ministry webinars which accompany and discuss the curricula.

In addition to making the existence and content of the Curriculum and Resources website known to educators, in March 2022, coinciding with the release of the revised elementary science and technology curriculum, the Ministry began to provide communication and announcements to school boards at the same time the curriculum is released, on where to access new resources and register for webinars. Since our audit, the Ministry has also been utilizing social media platforms to communicate the availability of new curriculum and accompanying resources. For example, with the 2021 release of the new curricula for American Sign Language and Langue des signes québécoise (LSQ) langue seconde, the Ministry posted announcements and links to the curricula and resources on several social media platforms.

- *collect feedback and input from teachers on the usefulness of the resources and on suggestions for improvement, through surveys or other means, within two years of releasing the resources;*

Status: Fully implemented.

Details

In our 2020 audit, we reported that 87% of teachers that responded to our survey said they would find it valuable to provide input and feedback to the Ministry during the development of resources. However, only 3% of teachers indicated that the Ministry had ever solicited their feedback when developing resources.

In our follow-up, we found that the Ministry had implemented mechanisms to solicit feedback from educators about the usefulness of resources and to provide input in what resources are needed. As described in the second action item of **Recommendation 3**, the Ministry has begun to solicit and receive feedback through

a standard survey asked of participants of all Ministry webinars. This survey asks participants to describe additional opportunities and/or resources which would support future learning needs to effectively implement new or revised curricula.

Beginning in the 2020/21 fiscal year, the Ministry has also included a requirement in transfer payment agreements with third-party resource developers/providers, that they collect educator feedback on the effectiveness of resources and include the results in a report to the Ministry.

For the Grade 9 Math curriculum, in June 2021, the Ministry also obtained feedback through the annual report each school board is to submit to the Ministry. The feedback solicited an answer to the question, “What additional ministry resources and/or training would your board find useful to better support the continued implementation of the math strategy?” This feedback informed the development of math resources for teachers, as further discussed in action item three of **Recommendation 5**.

- *use and incorporate feedback received into future resource development.*

Status: Fully implemented.

Details

In our follow-up, we found that the Ministry had incorporated feedback received from educators in the development of training and resources. As noted in the detail of the second action item of **Recommendation 3**, the Ministry has developed supports regarding needed resources based on response to feedback it solicited through webinars accompanying the release of curricula. We reviewed feedback received following the June 2021 webinars accompanying the release of the de-streamed Grade 9 Math curriculum, and noted that teachers most frequently requested examples of lessons and lesson plans. In response, as of May 2022, the Ministry outsourced the development of over 210 sample lesson and assessment plans to vendors.

We also reviewed educator feedback received regarding the Ministry’s math strategy in June 2021, as well as, the number and types of resources developed for both the elementary and secondary math curricula.

We noted that the resources developed aligned to the feedback received. For example, many of the responses from educators requested additional training and resources related to coding and mathematical modelling. The Ministry outsourced the development of lesson plans related to coding and led or funded over 70 webinars between November 2020 and October 2021, across all grade levels on this subject.

Recommendation 6

To allow teachers to understand new or revised curriculum in adequate depth and to have the knowledge of instructional strategies and practices they should be using to be able to deliver it effectively, we recommend the Ministry of Education:

- *provide a sufficient amount of lead-time prior to the curriculum implementation date, ranging from six months to one year, depending on the scope of revision;*

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

Details

In our 2020 audit, we found that in four of the five recently revised curricula we reviewed, the curriculum was released without sufficient time for school boards and schools to review the curriculum and prepare teachers and instructional materials and resources to properly implement the curriculum. For example, the Health and Physical Education Elementary 2019 curriculum was released just 10 days before the start of the school year and the Mathematics Elementary 2020 curriculum was released at the end of June for implementation in September 2020. In each of these cases, the curriculum was released during or immediately prior to the period when teachers are not typically working. The school boards we spoke with told us they would like to receive a new or revised curriculum three to 12 months in advance to allow the board and school staff to understand the changes and determine the professional learning required for teachers. School boards also noted that the longer timeline before implementation of a new or revised curriculum would give the board and its schools enough time to make sure they

are able to provide teachers with proper resources, and would also give publishing companies enough time to create new textbooks and other resources that are aligned with the new curriculum.

Since our 2020 audit, and as noted in the second action item of **Recommendation 1**, the Ministry has released three curricula with the time between release and implementation ranging from three to six months. Also, as previously noted, at the time of our follow-up the Ministry was in the process of developing a Curriculum Review Guide, which is to include standard time frames to be adhered to between the issuance and implementation of new or revised curriculum. The Ministry expects its Curriculum Review Guide to be publicly released in winter 2023.

- *deliver the necessary training, tools and resources to teachers several months before the curriculum is to be taught.*

Status: Fully implemented.

Details

In our follow-up, we found that the Ministry had standardized its approach to curriculum release to include an implementation plan for each release. The implementation plan, which is developed several months before implementation, contains a standard set of initial resources released with the curriculum, including an outline of the key changes to the curriculum, a parent's guide to the curriculum, and information on how to access webinars presenting the new curriculum. This process formally began with the release of the Grade 1-8 Science and Technology curriculum in both English and French in March 2022, and will be captured in the draft Curriculum Review Guide under development by the Ministry.

The implementation plan also outlines initial resources to be provided prior to the curriculum being taught. In the case of the Grade 1-8 Science and Technology curriculum, this includes introductory videos and webinars focused on key areas in the revised curriculum outlining methodological and pedagogical practices to understand the changes in the revised curriculum, and classroom-ready resources such as lesson plans and assessment examples.

As part of the standard curriculum implementation process, a draft curriculum is shared with education publishers ahead of its public release date. We noted that the Ministry notified and provided publishers with the Grade 1-8 Science and Technology draft curriculum in August 2021.

Recommendation 7

To provide students with textbooks for their studies that are relevant and relatable, we recommend the Ministry of Education:

- *review the listing of textbooks on the Trillium List and gain assurance that they are current and relevant to student learning for each subject;*
- *discontinue the ability to purchase textbooks that are no longer considered relevant;*

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

Details

The Ministry has a list—one for the English-language curriculum and one for the French-language curriculum—of approved textbooks for most subjects and courses, known as the Trillium List/Liste Trillium. Although school boards and schools are not required to use textbooks from the list in their classrooms, if a school or teacher wants to purchase a class set of textbooks, it must be from the list. Our 2020 audit found that there was no limit on the number of years an approved textbook could remain on the Trillium List and be used in schools. Textbooks were not periodically re-evaluated or regularly reviewed to assess the currency and relevance of the information and whether they were still an appropriate and suitable resource for students. Only when the curriculum was revised would textbooks be re-evaluated to determine if they still met the Ministry's eligibility criteria or if an entirely new textbook needed to be created. Although 43% of teachers who responded to our survey indicated that they were not provided with textbooks for the classes they teach, 61% who were provided with textbooks said the textbooks were not current and relevant to the curriculum.

In our follow-up, we found that the Ministry had continued with the same process used at the time of the audit in 2020, in which English-language and French-language textbooks that have become outdated with the release of new and revised curriculum, or at the publisher's request, are removed. This process, most recently completed in August 2021, resulted in 26 English-language textbooks being removed from the Trillium List in the areas of elementary Mathematics and Social Studies/History and Geography, and secondary Mathematics and Canadian and World Studies. An additional 120 French-language textbooks were removed, leaving only seven approved French-language textbooks on the list.

The Ministry expects that it will complete its review of all subjects by August 2023, and plans to conduct a periodic review going forward from that date.

- *ensure textbooks are made available for the Math Elementary 2020 curriculum.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry was not aware when publishers would be developing new textbooks or updating existing textbooks to align with the revised Math Elementary curriculum released in June 2020.

In our follow-up, we found that the Ministry had approved eight new digital English-language textbooks for grades 1-8 to support the Elementary Math curriculum released in 2020. The textbooks were produced independently by a third-party publisher and were approved by the Ministry between August 2020 and February 2021, and placed on the Trillium List (list of approved textbooks).

There are fewer and smaller third-party publishers of French-language textbooks in Ontario, and as such, none have begun to develop a textbook specific to the 2020 Elementary Math curriculum. In lieu of this, the Ministry provided funding, in the amount of \$1.5 million to Le Centre franco-ontarien deressources pédagogiques (CFORP) for the development of resources to support Grades 1-8 elementary math teaching

and learning. These resources became available in June 2022 and are housed in a dedicated website.

Recommendation 8

In order to determine which textbooks, if any, are most widely used and preferred by teachers, we recommend school boards track the utilization of textbooks in their schools and use this information to make bulk purchase orders, potentially lowering overall cost.

Status:

Near North District School Board – In the process of being implemented by December 2023.

Catholic District School Board of Eastern Ontario – Little or no progress.

District School Board Ontario North East; Toronto District School Board – Will not be implemented. The Office of the Auditor General of Ontario continues to support the implementation of this recommendation.

Details

We found in our 2020 audit that school boards did not track the utilization of textbooks or other teaching resources purchased by their schools; therefore, school boards were unable to determine which textbooks, if any, were most widely used and preferred by teachers. Such information could help schools acquire textbooks at a lower price through bulk purchasing.

In our follow-up, we found the following:

- **Catholic District School Board of Eastern Ontario:** The board did not have a full inventory of textbooks and other resources used in each of its schools. All purchasing of textbooks is co-ordinated at the board central purchasing department in which school purchases are consolidated.
- **District School Board Ontario North East:** To assess the utilization of textbooks across its schools, in February 2022 the school board conducted a survey of all teachers to indicate if they use textbooks for the subjects that they teach. For textbooks used, they were asked to provide the textbooks' title, publisher, edition number

and publication date for each textbook. Based on the survey data, the board found that 26% of teachers used textbooks (44% secondary, 15% elementary), and no current purchasing of class sets was necessary. The school board told us that there would not likely be a cost savings to purchase textbooks centrally as the quantity would not be high enough to warrant significant publisher discounts and the geographic size of the board (600 kilometres) was prohibitive to ordering centrally and redistributing across the board due to high shipping costs.

- Near North District School Board:** In December 2020, the school board launched the Surplus Learning Resources Portal, which allows schools to make surplus learning resources (including textbooks) available to the system. Educators are able to order surplus items of other schools to be delivered to their schools to aid in optimizing the board's investment in textbooks and supplementary resources. In November 2021, the school board issued a draft Textbook Management Guideline and began the process of cataloguing textbooks. This was completed in March 2022, providing data to allow the school board to track the utilization of textbooks in schools and use this information to make bulk purchase orders, potentially lowering overall cost. By December 2023, Near North District School Board plans to conduct a similar review of textbook utilization, review opportunities to purchase digital e-textbooks at the system level, and on an ongoing basis to monitor curriculum revisions/releases and consider appropriate system investments, enabling bulk purchase orders.
- Toronto District School Board:** In late 2020, the school board contacted the primary vendors of textbooks to determine if discounts would apply to bulk board-wide purchases, based on past order history. Five of nine vendors contacted indicated that discounts for bulk purchases were possible; however, the amount of the discount would depend on the publisher,

title, and quantity ordered. However, the board decided that it would not be feasible because bulk textbook purchasing requires a great deal of coordination across all schools and grade levels, and potentially among teachers within grade levels if personal preference is considered. It also stated that an additional challenge would be the timing to gather all order information from all schools in time to place bulk orders by publisher and receive the books centrally, break down shipments and repack for individual classrooms and schools in time for the start of school. The school board has not determined which textbooks are most widely used and preferred.

Classroom Assessment of Student Learning

Recommendation 9

We recommend that the Ministry of Education update its assessment policy, Growing Success: Assessment, Evaluation, and Reporting in Ontario Schools, 2010, to provide teachers with further guidance and tools regarding assessment, including definitions of the various levels of achievement, formal criteria in each learning category and examples of student work at the various levels, as well as guidance on assessment during remote learning for all grade levels.

Status: Little or no progress.

Details

Our 2020 audit found that the Ministry's key policy document on student assessment, evaluation and reporting, allowed inconsistency in student assessment. Although the policy outlined the areas in which students are to be assessed, and lists four levels of achievement, the different levels of achievement were not clearly defined and were subject to interpretation. Moreover, the policy required that students demonstrate overall expectations, but not all specific expectations. Teachers decided how much relative importance to place on each specific expectation, and which specific expectations in the curriculum to include in the evaluation of overall expectations

toward a student grade. Research commissioned by the Ministry noted that teachers had a desire for more clarity and guidance on assessment to introduce more consistency to the process.

At the time of our follow-up, we found that the Ministry had plans to solicit quotes in 2023 for research to be conducted, including a jurisdictional scan and literature review to inform revision of the assessment policy. The Ministry anticipates receiving the final report from the researchers in late 2023 and will then begin to collaborate with experts on the process to revise and finalize the assessment policy. The Ministry expects to release a revised assessment policy in 2024.

Recommendation 10

We recommend that the Ministry of Education update its assessment policy, Growing Success: Assessment, Evaluation, and Reporting in Ontario Schools, 2010, to reflect the most current knowledge about assessment, equity, inclusion, special educational needs, culturally relevant and responsive pedagogy and the use of technology for remote learning.

Status: Little or no progress.

Details

Our 2020 audit found that the Ministry's key policy document on student assessment, evaluation and reporting, was also outdated, as it reflected the state of knowledge about the learning experience at the time it was published 10 years earlier. For example, it did not provide guidance regarding e-learning and online/virtual assessment of students. Further, the report of the Ministry's independent review, Ontario: A Learning Province (2018), indicated that the assessment policy document did not include policy or guidance concerning culturally relevant assessments. It also noted that focused revisions and updates of the assessment policy were required to take into account changing knowledge about assessment and new commitments to early childhood learning, equity, inclusion, special educational needs, culturally relevant and responsive pedagogy and the use of technology.

In our follow-up, we found that the Ministry expects revisions to its assessment policy will be made in line

with the recommendation, as part of the revision process it is planning to undertake, as described in **Recommendation 9**. The Ministry stated that as part of the policy review, and through consultation with procured experts and researchers, consideration and revisions will reflect current knowledge about assessment, equity, inclusion, special educational needs, culturally relevant and responsive pedagogy, linguistic needs, and the use of technology for remote learning.

Recommendation 11

To gain assurance that consistency in student assessment is being achieved across the province and in each particular board, we recommend the Ministry of Education:

- *require school boards to analyze student performance data (that is, the consistency between EQAO scores and classroom grades);*

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

Details

In our 2020 audit, we found that neither the Ministry nor the school boards we spoke with were doing any work to systemically ensure that student assessment was occurring consistently across schools and boards. We also found inconsistencies between the level achieved in Education Quality and Accountability Office (EQAO) assessments and classroom marks assigned by teachers, which again suggested inconsistencies in classroom assessment and the standardized evaluation occurring across the province. Neither the Ministry nor school boards could provide us with a reason for the differences between EQAO results and classroom marks.

In our follow-up, we found that the Ministry was developing a tool to analyze and assess the consistency between EQAO scores and classroom grades. As an extension of the Ministry's current database of board information, which includes EQAO and report card data, the Ministry has begun to develop an analytical tool which will allow for comparison of EQAO scores and classroom grades at the student level. Student report card marks will be cross-referenced with their

EQAO achievement in order to identify the alignment of student EQAO and report card marks.

The Ministry is working to incorporate this new cross-referenced data into a dashboard tool for board use, and expects to have this implemented by December 2022. However, since EQAO testing was suspended since the start of COVID-19, this recommendation will not be implemented until the following year.

- *compile and analyze data provided by school boards;*
- *follow up and address issues where consistent assessment does not appear to be the case;*

Status: Little or no progress.

Details

In our follow-up we found that the Ministry had not yet received and compiled an analysis from school boards outlining the alignment between report card and EQAO assessment results and thereby, had not yet taken steps to follow up and address issues where inconsistency exists. The Ministry expects to act on these steps following the completion of the analytical tool being developed and then made available to school boards, at the end of 2023.

- *establish a province-wide educator network to create and share assessment materials, strategies and practices.*

Status: Little or no progress.

Details

In our 2020 audit we noted that according to a 2018 report, by the education advisors to the Premier and Minister of Education, it is necessary to find the appropriate balance between consistency in assessment and being able to address local needs through teachers' professional judgment. According to the report, among the potential solutions were collaborative learning to develop shared understanding and practices, and professional collaboration within and across schools, with district teams, and educator networks across the province.

In our follow-up, we found that beginning with the de-streamed Grade 9 Math curriculum in June 2021, the Ministry adopted a standard approach to

sharing assessment material as part of the Ministry's standard implementation plan it creates for each curriculum release (as discussed in the second action item of **Recommendation 6**). This includes a webinar on assessment and evaluation of the particular curriculum being released.

In June 2021, the Ministry launched a new assessment, evaluation, and reporting section on its Virtual Learning Environment (a website which includes items such as assignments, rubrics, lessons linked to curriculum expectations, and quizzes). At the time of our follow-up, this site included a brief summary of some aspects of the current assessment, evaluation, and reporting policy (Growing Success, 2010). The Ministry told us that it plans to create additional content on this page as a means of sharing materials, strategies and practices related to student assessment and evaluation, although at the time of our follow-up, this had not been done. The Ministry also told us that it plans to include information regarding an educator network in its planned revised version of the assessment, evaluation, and reporting policy (as discussed in **Recommendation 9**), but no supporting documentation of this was available for our review.

Province-Wide Assessments

Recommendation 12

We recommend that the Ministry of Education include, as part of its curriculum revision, a process to investigate the causes where Ontario's performance in national and international assessments shows a decline or lack of improvement over time, and develop strategies to address gaps and shortcomings in student learning.

Status: Fully implemented.

Details

We found in our 2020 audit that, while both Ontario elementary and secondary students performed well on national and international assessments, Ontario had not been able to increase the proportion of students meeting baseline levels of achievement in these assessments. For example, in national assessments through the Pan-Canadian Assessment Program (PCAP) which

tests Grade 8 students in science, reading and math, Ontario performed well compared to other Canadian jurisdictions from 2010 to 2016, but performance in all three subjects tested had declined or stagnated, while the Canadian average continued to climb and surpassed Ontario in the 2016 math assessment.

In our follow-up, we found that the Ministry had completed analysis of national and international assessments to identify specific areas where the performance of Ontario students has declined or stagnated, and areas where performance is below that of other provinces and/or countries. For example, in relation to the Grade 1-8 Science and Technology (March 2022) curriculum, the Ministry's analysis showed that performance in the area of Earth Science was the least favourable among the science topics assessed. As a result, Earth Science learning was enhanced in the new elementary curriculum to include new learning on geological processes and climate change.

The Ministry's analysis of reading performance showed that although Ontario is consistently a top performer in reading within Canada and internationally, there was no change in Ontario's average reading score from 2010 to 2019, and the Ontario French-language school system's average reading performance was lower in 2019 than in 2010. The analysis also revealed that an improved reading performance in other jurisdictions has contributed to a lower international standing for Ontario in the most recent test results.

Both the elementary and secondary language curricula are in development and expected to be released in September 2023, and as a result of the analysis of the national and international assessments, the Ministry has planned changes to the curricula. For example, rather than teaching reading skills using a cueing system (teachers prompt students to draw on multiple sources of information to identify words), the revised curricula will include specific expectations for teaching foundational reading and writing skills (e.g., phonics) throughout all sections of the curricula. Whereas the existing curricula has a standalone oral communication section, oral communication will now be explicitly required throughout the curricula to provide constant reinforcement.

Recommendation 13

To provide better assurance that Ontario students have acquired a consistent minimum level of knowledge in core subject areas, we recommend the Ministry of Education:

- *assess practices in other jurisdictions that have standardized provincial testing in various subjects and grades at the secondary level which are worth some component of the final course grade, and adjust its standardized testing, as appropriate, based on the review; and*
- *conduct cyclical assessment of priority subjects.*

Status: Little or no progress.

Details

Our 2020 audit found that Ontario students were not subject to standardized testing in their senior years, Grades 11 or 12, unlike students in other provinces. We noted that seven other provinces had standardized provincial testing in various subjects and grades at the secondary level which were worth some component of the final course grade, ranging from 10% to 50%, and in some cases a test had to be passed in order for the student to graduate.

In our 2020 audit, we also reported that an independent review of student assessment and reporting commissioned by the Ministry recommended, among other things, that the Ministry consider the potential for one-off cyclical (three-to-five years) research or assessment of priority subjects and/or competencies for a broader understanding of the performance of Ontario's education system.

In our follow-up, we found that the Ministry had not undertaken a review of standardized assessment practices which count toward a student's final mark, nor conducted cyclical assessments. The Ministry has stated that as part of the procurement of research, including a jurisdictional scan and literature review to inform revision of the assessment policy (as discussed in **Recommendation 9**), it plans to obtain a jurisdictional analysis to inform the implementation of this recommendation. No evidence was available to support that work had begun in this respect.

Recommendation 14

In utilizing testing information as a tool to improve curricula and student education, we recommend that the Ministry of Education:

- *perform detailed analysis and identify reasons for stagnating or declining EQAO scores;*

Status: Little or no progress.

Details

Our 2020 audit found that EQAO assessment results had declined, particularly in math, but the reasons remained unknown to the Ministry. Specifically, students in Ontario have performed below the Ministry's goal of having 75% of all students in the province achieve the provincial standard in Grades 3, 6 and 9 math EQAO assessments since at least 2011/12. Although the Ministry analyzed the impact of additional funding that it began to provide in 2016 to select school boards with low student achievement in EQAO math results, the additional funding did not appear to make any significant difference in increasing student performance in math at the elementary level, but had a modest impact on student performance in Grade 9 applied math.

In our follow-up, we noted that the Ministry has not performed detailed analysis to identify reasons for stagnating and declining assessment scores.

However, we noted that the Ministry has made efforts to gain input from EQAO on revisions to the curriculum and obtained from EQAO information on areas of difficulty for students. The Ministry told us that since our audit it met with EQAO to discuss results and trends in assessment scores, and review where students struggled to inform implementation resources, and to share with EQAO a draft of the revised de-streamed Grade 9 Math curriculum for comment. The Ministry also told us that it has continued to meet with EQAO regarding upcoming revisions to the Grades 1-8 Language curriculum and the Secondary English curriculum. The Ministry told us that it will further analyze EQAO results in relation to upcoming revisions in curriculum, which it expects to complete by August 2023.

- *have school boards put in place supports to directly impact those groups of students who may be struggling.*

Status: Fully implemented.

Details

In our follow-up, we found that the Ministry had provided funding and put in place tools to assist school boards in targeting supports for those groups of students who may be struggling in achieving the provincial standard on EQAO scores.

In September 2021, the Ministry released to school boards, an initial version of the Board Improvement and Equity Plan (BIEP), a tool designed to capture data about the experiences and outcomes of Indigenous students, Black and other racialized groups of students, students with disabilities and/or special education needs (non-gifted), 2SLGBTQ+ students, and students from low-income neighbourhoods. The BIEP is intended to provide a standardized tool for school boards to identify local actions that will lead to improved achievement. The tool includes performance indicators to measure and track success of the supports provided. For example, the percentage of students who received targeted early reading and math supports; the percentage of educators who received professional learning related to supporting students in early reading and math, and the percentage of students who meet or exceed the provincial standard in math report card assessments in Grades 3, 6 and 9. At the time of our follow-up, the results of the performance indicators were not available.

In November 2021, the Ministry communicated to school boards that, as of September 2022, all Grade 9 subjects will be offered in one stream. The Ministry believes this should help address systemic discrimination and break down barriers for Indigenous, Black, and racialized students, students from low-income households, 2SLGBTQ+ students, and students with disabilities and/or special education needs. The Ministry provided schools boards with professional development, and plans and initiatives to support students who are facing barriers to success in transitioning from Grade 8 to de-streamed Grade 9 courses.

The Effects of COVID-19 on Curriculum Delivery and Student Assessment

Recommendation 15

In order to have students achieve the level of learning they should be at in their current grade level, as indicated by assessment of all areas of the curriculum, we recommend the Ministry of Education develop strategies throughout the 2020/21 school year to provide to school boards to close the learning gap students experienced during remote learning required by COVID-19.

Status: Fully implemented.

Details

In our 2020 audit, we reported that school boards we spoke with anticipated there would be gaps in student learning beginning in the 2020/21 school year. In early April 2020, the Ministry announced student grades and marks were not to go down from what they were at the start of the closure period on March 13, 2020. As a result, some students did not feel incentivized to continue to be fully engaged in their studies. In addition, the Ministry did not clarify its expectations for remote learning, in regard to teacher instruction, e.g., whether learning was to be live, the duration and frequency. At the time of our fieldwork in August 2020, three of the four school boards that we spoke with had not developed any specific new strategies to help students catch up academically in the 2020/21 school year.

In our follow-up, we found that as the shutdowns and disruptions continued throughout the 2020/21 school year, in May 2021, the Ministry identified key themes emerging, including the need to focus on student mental health and well-being, supports for early reading and math and the re-engagement of students. The Ministry announced plans to support learning recovery and renewal through an allocation of an additional \$85.5 million in funding to school boards to provide supports to students through strategies including summer school programming; upgrading courses; support for students from First Nation Schools; targeted math and literacy support; STEM summer programming; targeted programs for

under-served students; and for supporting students with special education needs and mental health needs.

In June 2021, the Ministry asked school boards to develop re-engagement plans for supporting student disengagement that occurred throughout the COVID-19 pandemic and required that boards provide their re-engagement plan by September 30, 2021. In December 2021, the Ministry met with school boards to discuss the plans.

In September 2021, the Ministry provided school boards with the \$85.5 million in funding, that it had announced previously, including \$20 million for re-engaging students and reading assessment supports to address the impacts of learning disruptions during the COVID-19 pandemic. As part of this funding school boards were to reach out to students, and their families, who had not attended school, have had inconsistent attendance or have disengaged from their learning; and connect students to supports in the school community to respond to their individual interests, needs, and pathways; and to keep students engaged in learning, connected to their school, and motivated to achieve their learning goals. Funding was also directed to support re-engagement activities that have a strong focus on supporting students who have been historically disadvantaged and disproportionately impacted by COVID-19, including Indigenous, Black, and racialized students, Children and Youth in Care, students from low-income households, students with special education needs, students with mental health needs, and English/French Language Learners.

In February 2022, the Ministry introduced the Learning and Recovery Action Plan, including a proposed approach to initiatives and associated funding to address the effects of learning disruptions from the pandemic, in the following areas:

- Measure and assess the extent of learning gaps, including in specific regions and on specific populations and engage to establish targets for learning recovery.
- Strengthen numeracy and literacy skills, by introducing new or expanding existing learning focused programs and tools.

- Student resilience and mental well-being, by stabilizing and increasing historic mental health funding and consulting to develop an approach to support school-based children's resilience and mental well-being.
- Deliver tutoring supports through school boards, including in partnership with local community organizations, and the expansion of online tutoring. In March 2022, the Ministry established transfer payment agreements with school boards to offer tutoring support programs that supported learning recovery in response to the COVID-19 pandemic.
- Modernize education to better prepare students for the world of work, including aligning new and/or revised curriculum and programs with the skills students need for the jobs of tomorrow, and a requirement for school boards to provide remote learning for the 2022/23 school year.

Chapter 1

Section 1.04

Ministry of Indigenous Affairs

Indigenous Affairs in Ontario

Follow-Up on Value-for-Money Audit, 2020 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	1		1			
Recommendation 6	2				2	
Recommendation 7	2				2	
Recommendation 8	2			2		
Recommendation 9	3			3		
Recommendation 10	2			2		
Recommendation 11	4	4				
Recommendation 12	1				1	
Recommendation 13	2	2				
Recommendation 14	2			2		
Total	28	7	4	12	5	0
%	100	25	14	43	18	0

Overall Conclusion

The Ministry of Indigenous Affairs, as of November 15, 2022, has fully implemented 25% of actions we recommended in our 2020 Annual Report. The Ministry has made progress in implementing an additional 14% of the recommendations.

The Ministry has fully implemented recommendations such as developing time frames for assessing, negotiating and implementing land claims and

documenting events or circumstances that affected the anticipated progress in settling land claims.

However, the Ministry has made little progress on 43% of the recommendations, including working with the government to consider updating its mandate to enable it to lead Indigenous affairs in Ontario and to ensure that the development and delivery of Indigenous policies, programs and services are coordinated across the province and working with other ministries to ensure they are engaging with Indigenous Peoples

when they are developing relevant programs, services and policies.

The Ministry will not implement 18% of our recommendations, including addressing concerns about the land claims settlement process by establishing an independent body to assess future land claims, determine negotiation funding for Indigenous claimants, monitor and report on the progress of land claims and, if feasible, recommend its implementation to the Province. We continue to believe that this recommendation should be revisited by the Ministry as there may come a time when this may be advisable.

Further, the Ministry will not be making efforts to develop guidance for other ministries so that programs and services are operating as intended to meet the needs of Indigenous Peoples. We continue to believe that this recommendation is important to supporting Indigenous Peoples and should be revisited by the Ministry.

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

Background

In Canada, Indigenous Peoples are First Nations, Métis and Inuit. According to the last census in 2021, 22% of Canada's Indigenous population lived in Ontario. The nearly 407,000 Indigenous Peoples in Ontario accounted for 3% of Ontario's population. About 12% of Indigenous Peoples live on reserves (lands set aside by the Crown for the exclusive use of Indigenous communities). Many societal and historical issues have led to inequity between Indigenous and non-Indigenous people in Ontario, as well as Indigenous people living on reserve and off reserve.

Indigenous Peoples continue to advocate for their right to self-determination, eliminating systemic racism, and having a primary role in developing and implementing programs and services. The Ministry of Indigenous Affairs (Ministry) is responsible for setting priorities and tracking the Province's progress in delivering policies and programs effectively to improve the lives of Indigenous Peoples.

Overall, our audit in 2020 found that the Ministry had neither taken the lead, nor been given the authority required to co-ordinate the Province's policies, programs and services for Indigenous Peoples.

Each provincial ministry independently designed and implemented its own Indigenous policy initiatives according to its own priorities. Problems with this decentralized approach were compounded by the absence of Ministry oversight.

The following were some of our specific concerns:

- The Province was not regularly assessing and reporting on its effectiveness in improving the lives of Indigenous Peoples. Despite committing to publicly report on the progress of Indigenous initiatives in the areas of health, employment, education and justice in response to the 2015 Truth and Reconciliation Commission report, the Province had not done so. The Ministry did create reports on social and economic indicators using information from Statistics Canada and other sources in 2016 and 2018, but these reports were not publicly released. Canada, British Columbia and Alberta publicly report on their Indigenous affairs performance measures.
- Neither the Ministry of Indigenous Affairs, nor any other provincial ministry or agency, was aware of all provincial programs and services for Indigenous Peoples in Ontario, and this information was not publicly available. Without comprehensive information on Indigenous programs and services, the Province could not effectively co-ordinate its efforts to improve social and economic outcomes for Indigenous Peoples. At the time of our 2020 audit, the Ministry posted only 11 of the 140 provincial programs designed to benefit Indigenous Peoples on its webpage, and could only provide us with a listing of 30 programs when requested. To compile a complete inventory of all Indigenous programs and services in the province for a five-year period, we had to contact the Treasury Board Secretariat and each ministry separately for the information. As this information had not been compiled before, ministries took up to six

months to identify all relevant programs and associated funding for our Office.

- When developing programs and services for Indigenous Peoples, the Province did not always engage them to ensure the programs and services effectively met their needs. Engaging with Indigenous Peoples helps ensure that ministries develop programs and services that more effectively meet the needs of the communities in a culturally appropriate manner. Unlike consultation, there was no legal obligation for engagement when developing Indigenous programs and services. However, engagement is considered a best practice. For example, lack of engagement by the Ministry of Health resulted in Indigenous people not having access to culturally appropriate health care incorporating traditional healing and translators. The Ministry also did not engage Indigenous Peoples when developing either its 2016 Indigenous affairs strategy or its guide to help other ministries engage Indigenous Peoples.

The Ministry also did not effectively manage its land claims settlement process in an accountable manner. The Ministry did not establish expected timelines, milestones or costs for the settlement of land claims. Further, it did not track delays or identify barriers that could allow it to improve efficiency. The Ipperwash Inquiry identified delays in the land claims process as “the single biggest source of frustration, distrust, and ill-feeling among [Indigenous Peoples] in Ontario.” The 19 land claims we reviewed in 2020 that the Province had concluded took, on average, 22 years to settle.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the Ministry of Indigenous Affairs that effective November 15, 2022, it has provided us with a complete

update of the status of the recommendations we made in the original audit two years ago.

No Co-ordinated Approach to Indigenous Policies, Programs and Services

Recommendation 1

To guide the government’s initiatives to improve social and economic outcomes for Indigenous people, we recommend that the Ministry of Indigenous Affairs work with the government to consider updating its mandate to enable it to lead Indigenous affairs in Ontario and to ensure that the development and delivery of Indigenous policies, programs and services are coordinated across the province.

Status: Little or no progress.

Details

In our 2020 audit, we found that the Ministry of Indigenous Affairs, unlike ministries responsible for Indigenous affairs in British Columbia and Manitoba, did not have the authority or a clear mandate to lead the development of policies, programs and services related to Indigenous people. The Province’s decentralized approach to Indigenous affairs had created confusion and increased demands on resources in Indigenous communities. Representatives from Indigenous communities raised concerns that this lack of co-ordination did not allow for programs and services that could better address a specific community’s needs. For example, one community struggled to identify a program that would address problems with addictions in the community. None of the available individual programs could address the community’s needs. The community was instead required to apply to many ministry programs of differing duration and reporting requirements, and piece together the funding to address the need.

In our follow-up, we found that the Ministry has not yet made efforts to propose changes to its mandate that would enable it to lead Indigenous affairs in Ontario. However, the Ministry noted that it may have an opportunity to propose this change during 2022. The

Ministry has made additional efforts to ensure consistent guidance across government relating to Indigenous affairs. This includes giving cross-government presentations to highlight supports the Ministry can provide and developing a tool to be used as a guidance document in policy/program development to help assess impacts on Indigenous Peoples. The Ministry worked with Cabinet Office to ensure that proposals contained in this guidance document related to Indigenous affairs met a standard set of expectations, including evidence that analysis had been completed on any potential impacts the proposals may have on Indigenous Peoples and that consideration of legal requirements in relation to Indigenous communities were explicit considerations.

Province Does Not Regularly Measure and Report on Social and Economic Outcomes of Indigenous Peoples

Recommendation 2

To ensure the programs and services provided by the province are achieving desired outcomes and are transparent to the public, we recommend that the Ministry of Indigenous Affairs:

- *measure and publicly report on the province's effectiveness in improving key social and economic outcomes of Indigenous Peoples;*
- *provide guidance to other ministries on adjusting and realigning the programs and supports to better meet the needs and priorities of Indigenous Peoples.*

Status: In the process of being implemented by September 2024.

Details

We found in our 2020 audit that neither the Ministry of Indigenous Affairs nor any other Ministry tracked, assessed, or reported on the effectiveness of the government's strategic efforts and funded initiatives in improving outcomes of Indigenous Peoples. In comparison, the federal government, British Columbia and Alberta publicly reported on government objectives and performance measures related to Indigenous Peoples. In response to the 2015 Truth and

Reconciliation Commission, the provincial government committed to publicly report on the progress of Indigenous initiatives in the areas of health, employment, education and justice. However, as of our 2020 report, it had not done so.

In our follow-up, we found that the Ministry has been increasing its data capabilities by acquiring data analytics software for the purpose of developing dashboards and reports on socio-economic outcomes. The Ministry also intends to use Statistics Canada's 2021 Census of Population data and Ontario Indigenous-specific data to be released September 2022. This information will support the Ministry in developing a public progress report to be released in September 2024. Once this information is collected and analyzed, it will enable the Province to provide guidance to other ministries on adjusting and realigning the programs and supports to better meet the needs and priorities of Indigenous Peoples.

No Centralized Tracking or Disclosure of Programs and Services for Indigenous Peoples

Recommendation 3

To create a comprehensive understanding for the government and the public about Indigenous programs and services available that can be used for decision-making and public communication, we recommend that the Ministry of Indigenous Affairs:

- *develop and maintain a list of all Indigenous programs and supports offered by the province and make the list available on its website;*

Status: Fully Implemented.

Details

Our 2020 audit found that neither the Ministry nor any other provincial ministry or agency was aware of all the provincial programs and services for Indigenous Peoples in Ontario. Further, some of the Indigenous representatives we spoke with raised concerns about the lack of transparency of the types of programs and services offered by the Ontario government. The Ministry maintained a public website on programs

and services available to Indigenous Peoples, but it only included information on 11 of the 140 programs offered. When we asked the Ministry for a list of all Indigenous programs and services, the Ministry was only aware of 30 of the 140 programs in 2019/20, accounting for only \$351 million of the total of \$1.1 billion in Indigenous spending in Ontario.

In our follow-up, we found that the Ministry worked with partners at other ministries to gather and verify the accuracy of information on Indigenous programs and services, including hyperlinks to further program information. On September 28, 2022, the Ministry completed this listing and made it publicly available on a central webpage on the Ministry's website.

- *Update the list on an annual basis.*

Status: Little or no progress.

Details

While the Ministry expects to update the listing of Indigenous programs and services on an annual basis, further follow-up work will be needed to verify whether the updates become a consistent practice over the coming years.

Indigenous Peoples and Communities Are Not Engaged Consistently in the Development of Government Programs, Services and Policies That Impact Them

Recommendation 4

To improve the effectiveness of government programs, services and policies for Indigenous Peoples, we recommend the Ministry of Indigenous Affairs:

- *engage Indigenous Peoples on their needs prior to or during the development of its programs, services, policies, as well as its government-wide approach to Indigenous affairs;*

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

Details

We found in our 2020 audit that the Ministry did not always engage Indigenous Peoples. For example, the Ministry did not engage Indigenous Peoples in 2016 when it developed a strategy to outline the government's approach to Indigenous affairs.

In our follow-up, we found that the Ministry has only developed one new program, the Regional Social Emergency Manager program, that funds emergency manager positions to support Indigenous communities with social emergency management. The Ministry engaged with Indigenous partners including community front-line workers and regional health and social services providers on social emergency management needs in the development of this program. Further follow up work in 2023 will determine whether or not this becomes a consistent practice.

- *work with other ministries to ensure they are engaging with Indigenous Peoples when they are developing relevant programs, services and policies.*

Status: Little or no progress.

Details

Our 2020 audit found that other ministries also did not always engage Indigenous Peoples when developing programs and services to meet their needs. For example, Indigenous Peoples were not engaged in the development of the *People's Health Care Act, 2019*, by Ontario Health and Ontario Health Teams. As a result, Indigenous service providers said that there is a lack of culturally appropriate and safe care for Indigenous Peoples in Ontario.

In our follow-up, we found that the Ministry has not developed or amended any internal guidance provided to, or co-ordination processes with, other ministries to help ensure Indigenous Peoples are consulted on programs, services and policies impacting them. The Ministry noted that without a mandate to lead Indigenous affairs in Ontario, as discussed in **Recommendation 1**, it would not be able to ensure Indigenous Peoples are being engaged when other ministries are developing relevant programs, services and policies.

Lack of Broadband Impedes Benefits from eCommerce, eHealth and Online Learning in Indigenous Communities

Recommendation 5

To improve social and economic outcomes for Indigenous Peoples, we recommend the Ministry of Indigenous Affairs work with the Ministry of Infrastructure and the Government of Canada to ensure all First Nations communities have access to broadband to enable participation in eCommerce, eHealth and online learning opportunities within a clearly defined time frame.

Status: In the process of being implemented by December 2025.

Details

In our 2020 audit, the Indigenous communities we spoke with raised concerns about the lack of broadband access limiting social and economic progress. This was particularly impactful during isolation in response to the COVID-19 pandemic. One community informed us that they had children without access to high-speed Internet who were not able to participate in home schooling. Outside of COVID-19 isolation, the lack of Internet access restricted students from completing homework or accessing post-secondary programs available online.

In our follow-up, we found that the Ministry is continuing to engage with other provincial ministries, such as the Ministry of Infrastructure, and the Government of Canada to bring broadband access to First Nation communities. In July 2021, the Province announced \$1.2 billion in 58 new projects through the Province's Improving Connectivity for Ontario (ICON) program and the federal Universal Broadband Fund (UBF). This includes a joint provincial and federal investment to bring high-speed Internet to 67 First Nation communities in Ontario. As part of the Spring 2021 Ontario budget, the Province announced an additional \$2.8 billion for high-speed Internet infrastructure to connect every region in Ontario, including underserved First Nation communities. The Province has committed to bringing high-speed Internet access to all communities by the end of 2025.

Ministries Have Poor Oversight of Funding Provided for the Delivery of Programs and Services to Indigenous Peoples

Recommendation 6

To ensure the programs and services provided by the province are operating as intended, we recommend that the Ministry of Indigenous Affairs develop guidance for other ministries providing Indigenous programs and services to:

- ensure that the agreements for programs and services have sufficient accountability measures so that funding is spent as intended;
- ensure ministries follow the requirements contained in the agreements.

Status: Will not be implemented. The Office of the Auditor General continues to believe this is a significant recommendation and continues to recommend that the Ministry support the effectiveness of programs and services for Indigenous Peoples by developing guidance to ensure that programs and services are operating as intended to meet the needs of Indigenous Peoples.

Details

We found in our 2020 audit that ministries did not have accountability measures in place to confirm program funding was being used as intended. Of the 18 Indigenous programs and services we sampled, only two were able to provide documents to prove that funds were being used as intended. This limited the ministries' ability to ensure their programs and services were operating as intended to meet the needs of Indigenous Peoples. For example, when reviewing expenses for a program we requested receipts and invoices to support the expenses, but the Ministry was only able to provide a handwritten note explaining what the expenses consisted of.

In our follow-up, the Ministry informed us that it will not develop any guidance for other ministries providing Indigenous programs and services. However, the Ministry told us that it provides advice and guidance on

agreements impacting Indigenous communities when requested.

Ministries Do Not Ensure Programs and Services are Achieving Intended Outcomes

Recommendation 7

To ensure Indigenous programs and services provided by the province are operating as intended and achieving desired outcomes, we recommend that the Ministry of Indigenous Affairs develop guidance for other ministries providing such programs and services to ensure that the programs and services:

- *include measures that assess their effectiveness in achieving the desired outcomes;*
- *use the information to adjust the programs as required.*

Status: Will not be implemented. The Office of the Auditor General continues to believe this is a significant recommendation and continues to recommend that the Ministry support the effectiveness of programs and services for Indigenous Peoples by developing guidance to ensure that programs and services are operating as intended to meet the needs of Indigenous Peoples.

Details

We found in our 2020 audit that ministries did not have adequate performance measures in place to ensure Indigenous programs and services are effective in achieving the desired outcomes. We found that 12 of the 18 programs we sampled did not have such measures. Of the six that did have program measures, half were not able to measure the programs' effectiveness. This limited the ministries' ability to ensure programs and services are meeting the government's objectives and the needs of Indigenous communities.

In our follow-up, we found that the Treasury Board Secretariat is in the process of completing a Transfer Payment Performance Measurement Framework initiative. This initiative is intended to improve the alignment of performance measures with program

objectives to evaluate program effectiveness. The Ministry informed us that it participates in presentations related to this initiative and contributes to the discussion of effectiveness measures within the Indigenous context. The Ministry expects that the resulting revised approach will result in enhanced measures reflected in the development of transfer payment agreements with Indigenous partners. However, the Ministry has noted that it will not formally document best practices in programs and services for Indigenous Peoples to help guide other Ministries in ensuring they are operating as intended to achieve the desired outcomes.

Effectiveness of Some Indigenous Programs and Services Limited by Uncertainty and Delays in Funding

Recommendation 8

We recommend that the Ministry of Indigenous Affairs guide ministries on:

- *developing Indigenous program funding agreements with a long-term view, where appropriate;*
- *approving and transferring funds under agreements prior to the beginning of the funding year.*

Status: Little or no progress.

Details

We found in our 2020 audit that Indigenous communities and service providers were unable to perform long-term planning or effectively retain staff because many government programs and services did not guarantee funding for more than a year. The need to re-apply to these programs annually created additional demands on the community's resources, and delays in approvals limited the effectiveness of funding by requiring significant spending in a short period of time. In our sample of 14 transfer payment programs, two programs required recipients to re-apply annually, even though many recipients had continued to receive these funds year after year. For example, one Indigenous recipient had received funding for the Ministry of Natural Resources and Forestry's Far North Program for 12 consecutive years. However, they had to re-apply every year for these funds.

Our audit also found that ministries took more than three months into the term of a program's contract to transfer funding to recipients in three of the 14 transfer payment programs we sampled. This limited the effectiveness of the program. For example, one community we spoke to identified that they had completed their application for the Ministry of Indigenous Affairs' Indigenous Economic Development Program by July 15, 2019 but did not receive a transfer payment until January 2020. This left less than three months for them to spend the funding, which was required by March 31, 2020.

In our follow-up, we found that the Ministry has not made efforts to have program funding agreements developed with a long-term view or that the approval and transfer of funds under agreements are performed prior to the funding year as identified in the funding agreements.

Ministry Lacks Information to Adequately Oversee Consultations Performed by Other Ministries

Recommendation 9

To assist the province in meeting its constitutional obligation to consult Indigenous Peoples so that the Ministry can meet its mandate of ensuring the province is meeting its duty to consult, we recommend that the Ministry of Indigenous Affairs:

- work with other ministries to ensure they have complete and accurate information on consultations occurring in the province;
- mandate the use of the consultation tracking system for all ministries and establish the type of information required to be entered into the system;
- review consultations on a risk basis to ensure they are meeting the province's requirements.

Status: Little or no progress.

Details

We found in our 2020 audit that the Ministry did not have sufficient information to fulfill its mandate to ensure that the Province was meeting its constitutional obligation to consult with Indigenous communities.

Aside from the Ministry of Energy, Northern Development and Mines, which performed 458 consultations in 2019/20, no other ministries tracked how many consultations they performed and who they consulted. In 2006, the government developed a system to track the consultations being performed by various ministries. However, the use of this system was not mandatory and was not being accessed or updated by ministries, including consultations conducted by the Ministry of Indigenous Affairs.

In our follow-up, we found that in 2021 the Ministry began implementing the Ontario Portal for Indigenous Consultation (OPIC). OPIC includes a tool to allow ministries to track consultation activities in a centralized system. However, at the time of our follow-up report, we found that OPIC is in the very early stages of implementation. The Ministry also does not currently plan to update this tool to include past consultation records and is currently considering mandating the use of this system. The Ministry informed us that later phases of the implementation of this new tool will involve developing a risk-based approach to review consultations.

No Centralized Resource for Assessment of Indigenous Rights Assertions

Recommendation 10

To avoid inconsistencies when ministries comply with the province's duty to consult, we recommend the Ministry of Indigenous Affairs:

- centralize the assessment of assertions made by Indigenous communities;
- provide guidance to all ministries on the consultation based on the assessment of the assertions made.

Status: Little or no progress.

Details

The obligation to consult Indigenous communities is based on established and asserted Indigenous and treaty rights. Allegations that consultations with Indigenous communities were not handled properly in the past have resulted in legal disputes and failure

to properly consult Indigenous communities has also resulted in delays to private sector development and the associated economic benefits. We found in our 2020 audit that ministries did not have consistent processes to assess the credibility and strength of assertions of Indigenous and treaty rights. In 2017, the Ministry of Indigenous Affairs developed options to establish a centralized unit to support the assessment of assertions and to develop a process to make assertion decisions more transparent through public disclosure. The Ministry said that the work on this had not progressed due to other government priorities.

In our follow-up, we found that the Ministry is developing a process and structure within the Ontario Portal for Indigenous Consultation (OPIC) to centralize the assessment of assertions. However, as noted earlier, OPIC is in the very early stages of implementation. The Ministry is also currently involved in an inter-ministry working group that is working on a pilot to test a coordinated approach to assessing information on Indigenous and treaty rights assertions.

Land Claims Process Lengthy with No Accountability Measures to Determine Path to Improvement

Recommendation 11

To improve the timeliness of land claims resolutions, we recommend that the Ministry of Indigenous Affairs:

- establish milestones and reasonable timeframes for negotiating, settling and implementing land claims;
- document the causes of delays;
- provide guidance on documentation to all staff involved in land claims;
- monitor and report on the progress achieving set milestones.

Status: Fully implemented.

Details

Land claims are assertions made by a First Nation or another Indigenous community that their Indigenous and/or treaty rights have been violated. In a land claims process, the Ministry reviews and assesses the validity of the claim received, negotiates a settlement

with the Indigenous community if the claim is accepted, and co-ordinates the implementation of the agreement. This may involve providing financial compensation and/or parcels of land. Lengthy land claims assessments, negotiations and implementations delay communities from being acknowledged and compensated for infringements of their Indigenous and treaty rights. The 19 land claims we reviewed in 2020 that the Province had concluded took, on average, 22 years to settle.

We found in our 2020 audit that the Ministry did not track or document the causes of delays in settling land claims to better understand the causes of delays. Further, the Ministry did not establish expected timelines, milestones, or cost estimates for the settlement of land claims once research and assessment are completed. It did not track and report its progress on land claims, including any barriers resulting in delays. Without this information, the Ministry was unable to assess its performance, use this information to improve its processes and hold itself and other parties accountable for delays in the land claims process.

In our follow-up, we found that the Ministry has developed and approved time frames for assessing, negotiating and implementing land claims. For example, it plans to assess claims within three years of the Indigenous community's land claim submission. However, the implementation phase may vary depending on the agreement negotiated. For each individual land claim settlement, an implementation committee will develop an implementation plan which outlines the relevant milestones and timelines for implementation.

The Ministry has also developed a Claim Record to document events or circumstances that affected the anticipated progress of the assessment, negotiation and implementation of land claims and a guidance document advising staff on how to document these events or circumstances. Starting in May 2022, monthly reports were being provided internally on the land claims process to the Assistant Deputy Minister and Directors within the Ministry.

Concerns in Land Claims Process

Recommendation 12

To address concerns about the land claims settlement process, we recommend the Ministry of Indigenous Affairs assess the feasibility of establishing an independent body to assess future land claims, determine negotiation funding for Indigenous claimants, and monitor and report on the progress of land claims. If feasible, recommend its implementation to the province.

Status: Will not be implemented. The Office of the Auditor General continues to believe this is a significant recommendation and continues to recommend that the Ministry make efforts to assess the feasibility of establishing an independent body to address concerns about the land claims settlement process.

Details

We found in our 2020 audit that the Ministry is responsible for assessing whether an Indigenous land claim is valid and should be negotiated. This means the government determines the validity of the Indigenous community's claim that it had violated Indigenous and treaty rights. The Ministry then determines the Indigenous community's financial support for participating in negotiations. Because the government is the defendant in the claim, determines the validity of the claim and controls the Indigenous community's financial support, the land claims process itself has created long-standing First Nations concerns. In 1996, the Royal Commission on Aboriginal Peoples recommended that an independent tribunal be appointed to facilitate negotiations on land issues and historical claims. In 2007, the Ipperwash Inquiry reiterated the recommendation that Ontario create an independent treaty commission to establish and publish benchmarks for negotiations and dispute resolution techniques. It recommended that "the provincial government should make every reasonable effort to establish the [treaty commission] ... with full cooperation of the federal government. If that is not possible, however, the provincial government should proceed to establish the [treaty commission] and address other issues on its

own with the full participation and cooperation of First Nations in Ontario."

In our 2020 audit, the Ministry informed us that it would monitor the efforts of the federal government in the establishment of a National Treaty Commission. In our follow-up, however, the Ministry informed us that it has little to no additional information on the establishment of a National Treaty Commission since the time of our audit and that it would discontinue these monitoring efforts and considerations of establishing an independent body to assess future land claims. Additionally, the Ministry noted that the Assembly of First Nations, a national advocacy organization representing First Nations in Canada, will not be advocating for a National Treaty Commission. The Ministry further noted that First Nations that have concerns about the independence of the land claims process can choose to file a claim through the courts.

Province Lacks Transparency in Reporting on Land Claims

Recommendation 13

To enhance public awareness of Indigenous land claims and the Ministry's accountability for effectively and efficiently settling these claims, we recommend the Ministry of Indigenous Affairs:

- ensure the reporting of its land claims is complete;
- publicly report the costs by individual claim, as well as the progress made in negotiations.

Status: Fully implemented.

Details

We found in our 2020 audit that minimal information was publicly available on the number of land claims, the nature of these claims or their progress in negotiations. In contrast, the British Columbia Treaty Commission published annual reports that outlined the number of land claims and their progression through the negotiation process, including timelines and the settlement amounts paid.

In our follow-up, we found that the Ministry updated information on current land claims under negotiation on March 29, 2022 and plans to continue

updating semi-annually or as required. On March 29, 2022, the Ministry also developed a new section on the land claims web page that includes settlement or land and/or financial compensation. This information will also be updated semi-annually or as required.

No Reporting on Status of Ipperwash Recommendations

Recommendation 14

To further reconciliation between the government and Indigenous Peoples, we recommend that the Ministry of Indigenous Affairs work with other provincial ministries to:

- *implement the recommendations of the Ipperwash Inquiry;*
- *regularly monitor and publicly report on progress on actions taken toward implementing the recommendations.*

Status: Little or no progress.

Details

We found in our 2020 audit that in May 2008, the then Minister of Aboriginal Affairs committed to implementing all recommendations of the Ipperwash Inquiry's report. The Province last reported on the status of the Ipperwash recommendations in February 2014 when the Ipperwash Priority Actions Committee was disbanded. At that time, there were a number of key recommendations that had not been implemented; this included establishing a Treaty Commission of Ontario. There has been no reporting on progress in implementing the Ipperwash recommendations by the government since 2014.

In our follow-up, we found that the Ministry requested all ministries provide it with updates on the actions taken in response to the Ipperwash Inquiry recommendations. Once this information is received, the Ministry will perform an assessment on the status of provincial actions taken to respond to the recommendations. It will then work with Indigenous partners to develop indicators/outcomes to publicly report on Ontario's progress in addressing the recommendations.

Chapter 1

Section 1.05

Metrolinx

Follow-Up on 2020 Value-for-Money Audit: Information Technology (IT) Systems and Cybersecurity at Metrolinx

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	3	1			
Recommendation 4	2	1	1			
Recommendation 5	1	1				
Recommendation 6	3	2	1			
Recommendation 7	4	4				
Recommendation 8	1	1				
Recommendation 9	1		1			
Recommendation 10	4	1	1	2		
Recommendation 11	2		2			
Recommendation 12	2	1	1			
Recommendation 13	2	1	1			
Recommendation 14	3	3				
Total	32	20	10	2	0	0
%	100	63	31	6	0	0

Overall Conclusion

Metrolinx, as of August 31, 2022, has fully implemented 63% of actions we recommended in our *2020 Annual Report*. Metrolinx has made progress in implementing an additional 31% of our recommendations.

Metrolinx has fully implemented recommendations such as performing root cause analyses (RCAs) for IT incidents related to train delays by establishing

a monthly dashboard to identify and resolve recurring IT incidents. Metrolinx has also implemented the recommendation to establish a device lifecycle plan to replace old and ineffective PRESTO devices and has also improved the change management process for IT systems to ensure changes are authorized, tested and implemented without errors. To effectively monitor vendor performance, Metrolinx has implemented the recommendation to receive detailed reports on

vendor incidents through monthly incident reports and meetings with vendors. To address cybersecurity weaknesses, Metrolinx has implemented our recommendation by establishing an annual plan to regularly perform security testing such as penetration tests and vulnerability scans through a newly acquired security scanning IT system. In addition, Metrolinx has implemented the recommendations related to overreliance on IT contractors, whereby, through a documented framework, it now assesses internal capability and performs cost/benefit analyses prior to hiring contractors instead of full-time staff. In addition, Metrolinx has also addressed the recommendation to implement audit logging capabilities. Metrolinx has also fully implemented the recommendation to develop an IT strategy to procure IT systems and services centrally. Additionally, to address the recommendation to review existing websites, Metrolinx has assessed the purpose of all websites and created a development plan to combine and decommission existing websites.

As noted, Metrolinx has made progress in implementing an additional 31% of the recommendations. These include the recommendation to enact a consistent service guarantee program across all Metrolinx services, which is in the process of being implemented for UP Express. In order to effectively monitor IT vendor performance, Metrolinx has made progress with respect to holding its vendors accountable by adding a contractual clause for missed service targets for new vendors that were onboarded after December 2021. Metrolinx is still in the process of making amendments to older contracts. It has also implemented an IT system to enforce password policies for single sign-on (SSO) IT systems, but has not yet implemented an IT system for the Oracle Database. It has also made progress in the recommendation to implement a Disaster Recovery (DR) strategy; at the time of the follow-up, Metrolinx was in the process of operationalizing the required infrastructure to perform DR test exercises. Additionally, Metrolinx has made progress on the recommendation surrounding the excess of existing websites and is in the process of combining and decommissioning the 20 current websites into three simplified ones by April 2023. IT has also made progress on the

recommendation to set an IT strategy and centralized procurement function with a dedicated team and director. As part of its procurement process, Metrolinx performs analysis such as identifying a list of business requirements and evaluating existing systems to ensure an existing one does not satisfy the business need before procuring new technologies. Metrolinx has made progress regarding our cybersecurity recommendation to perform code scanning reviews by implementing an IT system. We noted that Metrolinx has onboarded four IT systems and is planning to onboard an additional 26 IT systems to perform code reviews.

However, Metrolinx has made little or no progress on 6% of the recommendations. There has been little progress on the recommendation to perform an assessment to classify existing data according to its data classification policy in order to encrypt applicable data. Metrolinx also has made little progress on the recommendation to restrict access to sensitive corporate information.

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

Background

Information Technology (IT) systems play a vital role in managing day-to-day public transit operations at Metrolinx. In the 2021/22 fiscal year, Metrolinx provided a total of over 70 million passenger trips on eight train lines through 68 GO train stations, on the Union-Pearson (UP) Express and its four stations, and on 44 GO bus routes. IT systems are used to operate critical transit functions such as rail signals, switches and fare payment devices as well as the customer information systems that provide schedule information, service alerts and disruption updates. Metrolinx has various IT systems and websites that are used by its employees for transit operations, and by its customers to plan their trips with information about fares and schedules, and for general inquiry.

Metrolinx also oversees the operation of PRESTO, a fare payment system that has been managed and

operated by Accenture under contract since 2006. PRESTO and other fare payment operations are also heavily dependent on IT systems.

During the course of our audit in 2020, we noted that Metrolinx had begun to act on some of our findings. It was in the process of improving contractor oversight processes, including contractors' performance reviews. Metrolinx had also begun to improve IT project management processes, such as documenting project approvals, monitoring timelines and tracking costs. In addition, Metrolinx was in the process of identifying key IT systems to assess impacts to business operations in an event of an outage from a disaster.

Our significant findings included the following:

- Frequent IT incidents caused train delays and cancellations, resulting in lost revenue. Critical transit operations experienced frequent IT-related incidents, such as network connectivity issues, system malfunctions, and software and hardware issues that resulted in train delays and cancellations. From January 2015 to January 2020, there were nearly 4,500 GO train and UP Express delays and cancellations due to IT software and hardware issues. In that time period, train delays and cancellations attributable to IT incidents caused customers to be inconvenienced and resulted in approximately \$450,000 in lost revenue due to refunds through the Service Guarantee Program.
- Metrolinx did not consistently test its IT systems for cybersecurity risk. With the exception of the PRESTO IT system, Metrolinx did not perform regular security scans, such as penetration tests, on selected critical IT systems and websites to identify security weaknesses. We noted that Metrolinx had been subject to cyberattacks resulting in breaches of its customers' personal information.
- Contractors were recruited without the required analysis of other options, and many held key decision-making roles. Metrolinx neither assessed whether it already had the resources nor considered whether it should hire full-time employees prior to contracting resources at much higher rates. Metrolinx relied heavily on external contractors for IT operations and services, and had paid approximately \$157 million to contract staff in the last five years, almost 2.5 times the salaries and benefits paid for Metrolinx full-time staff. About one-third of these contractors have had their contracts repeatedly renewed for over two years, and some over five years in total.
- Contractors held key management and decision-making roles, such as overseeing project budgets, and hiring and supervising other contractors. From January 2015 to July 2020, about 40% (307 of 764) of IT contractors hired to support the day-to-day IT operations and services were overseen by other contractors.
- PRESTO fare payment devices have encountered software and hardware issues resulting in a number of problems that affect customers. These problems include transit tickets not dispensing and ticket paper jams, faulty displays and Internet connectivity outages that render the devices inoperable. From February 2016 to March 2020, the most current data available, PRESTO fare payment devices used for UP Express and GO trains and buses encountered over 45,000 such incidents. The two devices that have the highest number of IT incidents and significant impacts on customers are ticket vending machines and station fare transaction processors, the green tap machines found at stations.
- Lack of an enterprise IT strategy and governance result in the procurement of redundant IT systems and project cost overruns. Metrolinx does not take a centralized approach to procuring IT systems and websites. We found that different departments procured their own IT systems and websites, resulting in a number of redundant IT systems duplicating functions that already existed in other Metrolinx departments. In addition, systemic issues in IT project management resulted in cost overruns of approximately \$152 million, for a total cost of

\$288 million, more than double the initial estimate of \$136 million from 2014/15 to 2018/19.

We made 14 recommendations, consisting of 32 action items, to address our audit findings. We received commitment from Metrolinx that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted our assurance work between March 2022 and August 2022. We obtained written representation from Metrolinx that effective November 18, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

IT Issues Affecting Rail Operations Result in Revenue Loss

Recommendation 1

In order to use root cause analysis to improve customer experience and to reduce train delays and cancellations, we recommend that Metrolinx document and investigate the IT incidents that result in train delays and cancellations, determine their root causes and take corrective actions where necessary to avoid similar incidents from recurring.

Status: Fully implemented.

Details

In our 2020 audit, we found that IT systems and related technology components for critical transit operations had experienced frequent incidents, such as network connectivity issues, system malfunctions and software and hardware issues resulting in train delays and cancellations. While Metrolinx documents basic information about IT incidents that cause delays and cancellations, we found that key information, such as the root causes of the incidents and the steps taken to resolve them, were not recorded. These details were

necessary for analysis and assessment to ensure that similar issues do not regularly occur.

In our follow-up, we noted that Metrolinx has enhanced its existing problem management process by performing root cause analyses for recurring IT incidents and develops monthly performance dashboards that identify frequently occurring incidents resulting from train delays or cancellations. This analysis includes customer and financial impact, and action items identified to implement permanent fixes to ensure similar IT incidents that impact GO Train service are identified and resolved.

We noted that from December 2020 to October 2022, 44 root cause analyses have been performed for IT incidents related to rail crossings, train signals, hardware issues, and track-side bungalows. In addition, we reviewed a sample of three incidents related to faulty rail crossing sensors, hardware malfunction and loss of power. We found that all three IT incidents were documented and action plans were created to implement permanent fixes.

Recommendation 2

In order to promote public transit ridership, and improve customer experience and satisfaction through fairness and transparency, we recommend that Metrolinx:

- *analyze the feasibility of implementing an automatic process to refund PRESTO customers for eligible service delays under the Service Guarantee Program, reducing the need for customers to manually apply for a refund;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that Metrolinx had a Service Guarantee Program to refund customers their fares when GO trains are delayed by 15 minutes or more. The program required customers to verify their eligibility and apply for refunds at GO Transit's website by entering the date of the trip, departure station, arrival station, scheduled train departure time and their PRESTO card number. Although Metrolinx had the technology and necessary data through PRESTO cards to automatically refund customers who qualify

for the Service Guarantee Program, Metrolinx customers are required to apply for a refund.

In our follow-up, we reviewed a detailed analysis performed by Metrolinx to determine the feasibility of implementing an automatic process to refund PRESTO and we noted that to automate the process, PRESTO tap machines would need to be installed on all trains and not just at the GO stations to accurately identify which train a customer boarded and process refunds. With the current set-up of PRESTO machines installed at GO stations, Metrolinx cannot determine which train a customer has boarded, as trains could be scheduled between short intervals during rush hours, or if a customer taps to board a train and does not tap off, Metrolinx cannot know whether the customer was on board during the portion of the trip that was delayed. We reviewed the feasibility analysis and noted that an investment of \$73 million would be required to install PRESTO tap machines on GO Trains and automate the refunds. Due to this significant investment, Metrolinx has decided to maintain the previous self-serve process, and expand the eligible fares to include paper and e-tickets.

- *assess the feasibility of establishing a consistent Service Guarantee Program for GO Transit and UP Express customers.*

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

Details

Our 2020 audit found that Metrolinx's Service Guarantee Program was delivered inconsistently for customers on GO trains and UP Express, offering refunds based on different criteria. We noted that GO Transit's program offered a full refund of fares if GO trains are delayed by 15 minutes or more. UP Express customers are eligible to receive a fare refund if trains are delayed for more than 45 minutes.

In our follow-up, we noted that Metrolinx had performed a review of the feasibility of implementing a consistent and standard service guarantee program across GO Transit trains, buses and UP Express. While a service guarantee program had existed at the time of our 2020 audit for GO trains, Metrolinx is proceeding

to implement the same service guarantee to UP Express that it offers for GO trains. The UP Express service guarantee will function identically to the GO train system with the same 15-minute guarantee. We reviewed the results of the feasibility analysis and noted that Metrolinx had considered the impact on revenue of offering a UP Express service guarantee and it was estimated to have an impact of approximately \$57,000 annually. The UP Express service guarantee program is targeted to be implemented by March 2023.

In addition, to determine if a service guarantee is feasible for GO buses, Metrolinx performed a case study that considered a list of 35 regional bus transit agencies worldwide and found that a service guarantee for buses was only offered by one agency and was not automated. Based on the case study, Metrolinx decided it was not reasonable to implement a service guarantee program for buses, due to the unpredictability of external factors such as traffic and detour routes. It was also noted that the bus transit agency with the service guarantee saw a significant increase in fraudulent claims for refunds. Due to these factors, Metrolinx decided to not extend the guarantee program to buses, but only to UP Express.

Recommendation 3

In order to promote transit ridership and improve customer experience and satisfaction, we recommend that Metrolinx improve the reliability of PRESTO devices and cards by:

- *reviewing and analyzing the root causes of incidents to identify software and connectivity issues and take corrective actions to prevent these incidents from re-occurring;*

Status: Fully implemented.

Details

In our 2020 audit, we found a significant number of IT incidents affecting PRESTO cards and devices, ticket vending machines, and station fare processors. PRESTO fare payment devices encountered software and hardware issues resulting in a number of problems that affected customers. From February 2016 to March 2020, PRESTO fare payment devices used for UP

Express, GO trains, and buses encountered over 45,000 such incidents.

In our follow-up, we noted that Metrolinx has enhanced its existing incident management system that is used to record and resolve IT incidents for PRESTO devices to also include a problem management module. A problem record allows for the ability to group similar, recurring incidents together and add a root cause classification to assist in performing an RCA. In our 2020 audit, we noted that Metrolinx performed root cause analyses (RCAs) only for Priority 1 and Priority 2 type of IT incidents that may have a significant impact on PRESTO devices, but not for Priority 3 or 4.

During our follow-up, we noted that RCAs are performed for all priorities of incidents, including Priority 3 and 4 incidents that affect PRESTO devices.

We reviewed a list of all problem records from November 2021 to November 2022 and noted that 112 problem records have been created to identify and resolve recurring Priority 3 and 4 IT incidents. We reviewed a sample of five problem records, and noted root cause analysis was performed for all problem records which included a reference to similar incidents and impact to customers and operations.

- *establishing a device lifecycle plan to ensure replacement of old and ineffective devices in a timely manner;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that ticket vending machines at GO Transit and UP Express stations are used to purchase paper tickets, and purchase and load PRESTO cards using cash, debit and credit cards. We noted that there were over 40,000 IT incidents over the last five years that rendered these machines partially or completely inoperable. These incidents included software issues caused by unplanned changes, interface issues between IT systems, and hardware issues where machines were unable to dispense tickets due to mechanical issues as a result of aging devices. Other IT incidents included, for example, display screen malfunctions in older devices and poorly written software

code that caused machines to malfunction, rendering them inoperable.

In our follow-up, we noted a detailed PRESTO asset management plan was developed by Metrolinx in October 2021, which included a review of all PRESTO assets, along with documenting the age of devices, and lifecycles of assets for all PRESTO devices, including the ticket vending machines. Assets that have reached their end of lifetime are assessed for replacement on a continuous basis. We noted that as of September 1, 2022, Metrolinx has replaced about 2,700 devices as part of the asset replacement plan.

- *improving the existing Change Management process to detect exceptions such as unplanned changes, duplicate and delayed transactions;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that many IT incidents included, for example, display screen malfunctions in older devices and poorly written software code that caused machines to malfunction, rendering them inoperable. We analyzed these incidents and noted that over half related either to connection time-outs, software issues or hardware issues. Many of these software issues were caused by unplanned changes.

In our follow-up, we noted that, in July 2021, Metrolinx enhanced the Change Management process by expanding the scope of their Change Advisory Board (CAB) whereby they now review planned and unplanned changes to IT systems. The CAB meets twice a week to review all changes to ensure that changes are tested, approved by the right stakeholders (for example, IT, Cybersecurity and Business) and the process includes other necessary components, such as an implementation plan, fallback plan, and change impact. As per the new process, all changes are approved by the CAB before final implementation. We reviewed a sample of five change tickets and identified that the changes were tested, required plans were attached, approved by required individuals and implemented without errors.

- *implementing a process to calculate loss of revenue due to IT incidents that result from PRESTO devices being inoperable and factor this into future contracts with the IT device vendors.*

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

Details

In our 2020 audit, we noted that from February 2016 to March 2020 there were over 3,500 IT incidents with green tap machines. Any problems with these devices at a high-traffic GO station (such as Union Station) may result in a number of inconvenienced customers. For example, for approximately two hours on February 25, 2019, the devices at Union Station were inoperable and unavailable for fare payment while the system updated. This impacted about 35,000 customers who were unable to pay their fares, resulting in an estimated loss of \$315,000 in fare revenue. We had also noted that Metrolinx did not analyze and assess the loss of revenue due to tap machine outages.

In our follow-up, we noted that Metrolinx has updated its existing contracts with its vendors to include a clause to hold them accountable in case of missed service targets and will use the clause to calculate loss of revenue.

Loss of revenue has been addressed by commercial agreements created with Service Level Agreements (SLAs) for availability and restoration time. We reviewed the contract for the vendor responsible for managing and addressing IT issues with ticket vending machines and noted that a point system calculates reductions in service and availability and that Metrolinx is compensated according to standard clauses included in vendor contracts that reduce Metrolinx's invoices based on any failures by the vendor to restore service. This loss of revenue calculation has been defined. However, Metrolinx is in the process of updating the vendor contracts to include loss of revenue calculations, where applicable. At the time of our follow-up, there has been no breach of the defined SLAs by vendors and therefore no need to enact any of these clauses.

Recommendation 4

In order to effectively monitor IT vendor performance, we recommend that for all vendors, Metrolinx:

- *receive detailed reports for incidents at all priority levels broken down by priority level and review the reports to assess if resolution performance targets are being met within the required time frame, and take corrective action where necessary;*

Status: Fully implemented.

Details

In our 2020 audit, we found that third-party contracts did not adequately allow Metrolinx to monitor vendor performance and escalate vendor incidents appropriately. We noted that performance targets are reported collectively, with performance information for all four priority levels (Priority 1, Priority 2, Priority 3, and Priority 4) consolidated, rather than by individual priority level as identified in the agreement. Reporting on each priority level separately is important because each priority level requires a different resolution time.

In our follow-up, we noted that Metrolinx has implemented monthly touch points with vendors to obtain service level reports, track performance and review any incidents with four existing PRESTO vendors: Telus, Accenture, Sheidt & Bachmann, and BAI Communications. Metrolinx now receives reports on incidents on a monthly basis from vendors that provide an overview of incidents and availability of services and SLA performance. We reviewed a sample of meeting minutes for the four PRESTO vendors, as well as for Flowbird, the Metrolinx vendor that was identified in the 2020 audit. We noted that monthly meetings are occurring with these vendors to assess if resolution performance targets are being met within the required time frame. We confirmed that Metrolinx and PRESTO had representatives attending the meetings and that they noted incidents for discussion. Additionally, Metrolinx has the ability to request the raw data used to generate the reports provided by the vendors, should it decide to perform its own validation of reported results.

- *incorporate clauses in contracts to hold vendors accountable and incentivize them to meet targets, and allow for penalties where targets are not met.*

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

Details

In our 2020 audit, we noted that Metrolinx does not systematically analyze the information that is reported by Accenture to assess if targets are being met by individual priority level, and that Accenture miscategorized Priority 1 incidents as Priority 2 in 15 instances. We also noted that the contract between Metrolinx and Flowbird does not require monthly service level agreement reports or penalties that allow Metrolinx to hold Flowbird accountable for missed resolution-time targets for incidents at each priority level.

In our follow-up, we noted that all new contracts from December 2021 onwards include a standardized set of clauses that mandate vendor performance reports and meetings. We reviewed an extract of these clauses from contracts initiated after December 2021 and noted that they consistently include deductions from vendor invoices based on availability of the service or time to restore service from an incident. While this has been completed for Flowbird, we noted that for legacy and evergreen contracts, such as the one with Accenture that was established before December 2021, a third-party legal firm has been selected to develop enhanced clauses in new contracts that will go to market as part of the procurement process. This process was ongoing at the time of our follow-up.

Overuse and Overreliance on IT Contractors

Recommendation 5

To effectively manage its contract staff, we recommend that Metrolinx align with the Ontario Public Service Procurement Directive, and require that key roles and responsibilities be performed by qualified, full-time Metrolinx IT management staff.

Status: Fully implemented.

Details

In our 2020 audit, we found that contractors had key management roles in Metrolinx. Of the 307 IT contractors, about 80% (246) of these IT contract staff reported to three contractors holding management positions. Contrary to the Ontario Public Service (OPS) Directive, these three contractors were making decisions about project budgeting and recruiting contractors from staffing vendors.

In our follow-up, we noted that Metrolinx had reduced its total number of IT contractors from 243 in March 2021 to only 57 in March 2022, while increasing its full-time staff count from 148 to 262. We reviewed the position title for these 57 IT contractors and noted none of them had key management roles in Metrolinx.

Recommendation 6

To effectively and economically resource IT projects and align with the Ontario Public Service Procurement Directive, we recommend that Metrolinx:

- *assess the internal capability of IT resources before making the decision to hire contractors;*

Status: Fully implemented.

Details

In our 2020 audit, we found that according to the OPS Procurement Directive, the decision to procure external consulting services must include prior consideration of using internal resources. Metrolinx has paid approximately \$157 million to IT contractors, almost 2.5 times the salaries and benefits paid for Metrolinx staff, while the total costs for full-time IT employees were approximately \$65 million. Based on our review of a sample of 25 contractor recruitment files, we found that for all 25, Metrolinx had not documented any review of internal capability, contrary to Metrolinx's own policy and the OPS directive that clearly requires a review of internal capability and a cost/benefit analysis for hiring a full-time employee before hiring a contractor.

In our follow-up, we noted that Metrolinx has implemented a documented process to consider full-time staff before a contractor can be hired. After a resource request is placed, an assessment is performed to check for staff internally. If staff are identified and

available, the request is filled. If there is no internal staff available, there is another assessment to determine if a contractor is needed, or if a full-time staff can be hired. This process requires approval from a Vice President (VP) before a contractor can be hired and is included as part of the overall framework created by Metrolinx to overhaul the resource management process for both contractors and full-time staff. From a total of 57 existing IT contractors we selected a sample of five and reviewed the internal capability assessment. We noted for all five IT contractor positions, Metrolinx performed an assessment of internal capability prior to hiring the contractor and the request to hire contractors was approved by the Vice President.

- *perform cost/benefit analyses to assess the economy and appropriateness of retaining contractors rather than hiring full-time employees, especially when resources are likely to be required long-term;*

Status: Fully implemented.

Details

In our 2020 audit, based on our review of a sample of 25 contractor recruitment files, we found that for all 25, Metrolinx had not performed cost/benefit analyses for hiring contractors instead of full-time employees. This is contrary to Metrolinx's own policy and the OPS directive that clearly requires a cost/benefit analysis for hiring a full-time employee before hiring a contractor.

In our follow-up, we noted that the cost/benefit analysis was included as part of the updated framework that considers full-time staff over contractors. After it is determined that an existing internal full-time staffer cannot be used to fulfill a resource request, there is then an assessment to determine if a contractor is needed, or if the request is long-term and a full-time staffer can be hired. From a total of 57 existing IT contractors we selected a sample of five and reviewed their recruitment files to assess if Metrolinx had performed a cost/benefit analysis. We noted that an assessment was performed for all five contractors to ensure economy and appropriateness of retaining contractors rather than hiring full-time employees.

- *perform and document interviews, and retain interview notes including the required approvals prior to hiring contractors.*

Status: In the process of being implemented.

Details

In our 2020 audit, we found that there were no documented records showing justification for new resources, or that approvals for procuring contractors were properly obtained by hiring managers. For 23 of the 25 contractor recruitment files we reviewed, Metrolinx did not have any documents for candidates interviewed for contractor roles, interview notes, or names of the employees that participated on the interview panel.

In our follow-up, we noted that Metrolinx has established a centralized process identical to the one implemented for full-time staff, in which a calculated score is assigned to all candidates for a role based on documented interview answers. We selected nine recruitment files for IT contractors hired after our 2020 audit to assess whether interview notes were documented along with the names of the employees that participated on the interview panel. We noted that for five IT contractors Metrolinx did not document and retain interview notes. We also noted that two of these five IT contractors were hired directly, bypassing the interview process without any formal justification. Upon our review, Metrolinx is committed to fully implement this recommendation by documenting and retaining interview notes in all future hiring of contractors.

Recommendation 7

So that Metrolinx manages its IT resources efficiently and effectively, we recommend that Metrolinx:

- *align with the Ontario Public Service Procurement Directive and document the rationale and justification for contract renewals or extensions;*

Status: Fully implemented.

Details

In our 2020 audit, we observed that Metrolinx was not providing appropriate justification or performing evaluations of vendor performance before renewing or extending contractors' contracts. Based on our sample of 25 IT contractors, 20 (or 80%) had their contracts extended by their managers.

In our follow-up, we noted that every contractor renewal is now mandated to have a documented rationale and VP approval, which is stored in an IT system. We reviewed a sample of five contract renewal documents, and noted that all five contractors had received adequate justification and documented rationale, approved by a VP prior to their contract extension.

- *confirm through performance evaluations that the contractor is performing satisfactorily and obtain the appropriate approvals prior to the renewal or extension of a contract;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that none of the 20 contract extensions we sampled had business justifications for the extensions provided or had performance evaluations conducted by their managers to ensure the adequacy of their work.

In our follow-up, we noted that as of March 2021, Information & Information Technology (I&IT) conducts a performance survey prior to every contract renewal and contractor departure. We reviewed five sample performance reviews and noted that the survey rates the contractor's technical requirements, professionalism, and whether the manager wants to re-hire and extend the contract. We also noted that all five contract extensions had been appropriately approved by a VP via email prior to extension of the contract.

- *assess the rationale for increases in contractors' hourly rates so that the revised rates are economical;*

Status: Fully implemented.

Details

In our 2020 audit, we found that contractors were also consistently receiving rate increases without documentation or rationale to justify the increases. Based on the sample of 25 contractors whose recruitment files we reviewed over the previous five years (at the time of the audit), we found that Metrolinx paid increased hourly rates to 12 (or 48%) of the 25 contractors. There were no reasons identified for these increases, such as promotions to more senior roles or being assigned more responsibilities. These hourly rate increases ranged from 4% to 12%.

In our follow-up, we noted that Metrolinx has implemented a new vendor management process to ensure any contractor that requests a rate increase has their request reviewed for justification and approved by the applicable Vice President. As part of the vendor management process, Metrolinx reviews the tenure of the contractor and when the last rate increase was given and conducts a comparison against other contractors in the same role on the same contract. There is a defined maximum rate for each role that cannot be exceeded by the rate increase. The rate increase must also be approved by the applicable Vice President and Chief Information Officer before the contract can be amended. We reviewed all three contractors who had their rate increased and noted that all three increases were appropriately approved by an applicable Vice President and the Chief Information Officer with appropriate rationale provided. We also reviewed three rate increase requests that were rejected, and noted that one request to increase a contractor's hourly rate above the maximum for that role was denied with justification being documented as the rate being beyond the maximum. We also noted two other instances where contractors that had requested to switch to a role with a higher rate were also denied, as the requestors could not provide detailed justification to switch to that role to get higher pay.

- *conduct a comprehensive qualitative and quantitative analysis of its outsourcing strategy and obtain both board and ministry approvals prior to any major strategic change such as IT department outsourcing.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that Metrolinx had a strategy in April 2020 to hire more full-time staff instead of contractors to reduce the existing overreliance on contractors, reduce costs and help retain knowledge within the organization. The ratio of contractors to full-time employees had increased from 40% to 63% from 2015/16 to 2019/20. The strategy was presented to the Metrolinx's Board of Directors and the Chief Executive Officer and senior leadership team and the department was approved to hire about 60 full-time IT staff. However, in August 2020, we found that Metrolinx had considered engaging a research firm to develop options for outsourcing certain activities within the IT department in order to transfer the technology risks to an outsourced vendor.

In our follow-up, we noted that Metrolinx has not outsourced any of its Information Technology functions such as Project Management Office, IT Infrastructure, IT Development and Delivery, and IT Architecture and Information Security. Instead, Metrolinx has hired a new Chief Information Officer and four Vice Presidents to manage the four technology divisions noted above. In addition, if there were any large decisions such as outsourcing the entire Information Technology division, Metrolinx indicated that it would involve the Ministry of Transportation and its Board for approvals.

Security Weaknesses in Metrolinx's IT Systems

Recommendation 8

To minimize Metrolinx's vulnerability to cyberattack and accidental release of information, we recommend that Metrolinx reduce its risks and more effectively protect across its IT systems by performing security tests, such as penetration testing, on its critical IT systems and websites regularly, according to industry standards.

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx lacked regular security testing of IT systems to identify weaknesses and prevent breaches from occurring. With the

exception of the PRESTO IT system, we noted that Metrolinx had not performed regular penetration tests on critical IT systems and websites for years. As a result, we noted IT systems were vulnerable to attack and resulted in two significant security breaches.

In our follow-up, we noted that Metrolinx has implemented a new IT system, to perform regular testing including vulnerability scans for new product releases and major changes. In addition, Metrolinx has developed a schedule for vulnerability scans and penetration testing. We reviewed the security testing schedule for the last two years and all penetration tests that have been performed since our 2020 audit. We noted that Metrolinx has performed regular penetration testing for its IT network and individual IT systems. In addition, we also noted that penetration testing for the IT network was re-performed to ensure previously identified weakness were remediated. All IT systems identified in the audit were included in these penetration tests and risks were identified and remediated.

Recommendation 9

To effectively protect its IT systems from the risk of cyberattack due to security weaknesses, we recommend that Metrolinx regularly review essential and critical transit system software codes according to industry best practices.

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

Details

In our 2020 audit, we found that Metrolinx did not perform reviews of software code to identify security weaknesses. We found that the software code had not been reviewed for any of the 12 sampled IT systems for security weaknesses. According to industry best practices, organizations should perform software code reviews whenever changes are made to critical IT systems to determine security weaknesses.

In our follow-up, we noted that Metrolinx has implemented a new IT system, which it uses to perform software code reviews for Metrolinx IT systems. All new projects go through the code review process to identify errors and all identified errors must be

resolved or go through a formal process to gain an exception prior to going live. We reviewed a sample code review and confirmed that findings and errors were identified to be remediated. At the time of the follow-up, we noted that four IT systems had been onboarded into the code review IT system and code reviews have been performed. Metrolinx is currently in the process of onboarding an additional 26 IT systems into the code review IT system. Metrolinx indicated that all new IT systems implemented will be onboarded into the code review IT system.

Recommendation 10

To effectively protect information and comply with the Freedom of Information and Protection of Privacy Act requirements, we recommend that Metrolinx:

- *safeguard all personal information by classifying the data and masking or encrypting it using industry best practices;*

Status: Little or no progress.

Details

In our 2020 audit, it was observed that not all Metrolinx customer personal information was adequately protected. With the exception of PRESTO, we found in our review that Metrolinx does not consistently identify, classify and protect customer and employee personal information. Since this information is covered by the province's *Freedom of Information and Protection of Privacy Act* (FIPPA), Metrolinx is required to store and transfer any personal information in a secure manner, as well as create an annually updated inventory of its customers' personal information.

In our follow-up, we noted that Metrolinx has not performed an assessment as per its data classification policy to identify highly sensitive data and apply adequate protection such as encryption. Metrolinx has implemented an IT system used to scan and identify Personal Identifiable Information (PII). We noted that Metrolinx is currently in the process of identifying IT systems that contain highly sensitive information, as per Metrolinx's Information Security Policy. The assessment is expected to be completed by May 1, 2023.

- *restrict access to sensitive corporate information according to industry standards and best practices;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that Metrolinx has seven IT database administrators with full access to read and modify confidential Metrolinx customer and employee personal information stored in two databases. Further, three of the seven IT database administrators were contractors, not full-time Metrolinx employees. We also noted that four administrators of the Oracle database were sharing administrator user IDs and passwords, making it less likely that Metrolinx would be able to establish accountability in the event of an error or breach.

In our follow-up, we noted that Metrolinx has not limited or removed the excessive access to its databases that store confidential information. In addition, we noted that passwords were still being shared among the four administrators identified in our audit. However, Metrolinx has initiated a Privileged Access Management (PAM) project to implement an IT system to securely store and share administrator IDs. We reviewed the project scope and noted that the project roadmap will be created by November 2022. Additionally, we reviewed four sample meeting minutes from biweekly meetings that Metrolinx has established, and noted that it reviews any changes or additions to all administrator user groups.

- *review password settings for all critical IT systems and enforce its password policy to reduce the risk of unauthorized access;*

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

Details

In our 2020 audit, we noted that four administrators of the Oracle database were sharing administrator user IDs and passwords, making it less likely that Metrolinx would be able to establish accountability in the event of an error or breach.

In our follow-up, we noted that Metrolinx is in the process of implementing a new IT system, which will enforce password policies to reduce the risk of unauthorized access. At the time of our follow up, password policies had been enforced for all IT systems that rely on Microsoft Windows authentication. However, Metrolinx is still in the process of implementing the IT system to enforce password policies for IT systems that have their own authentication process. As of September 1, 2022, there were 22 IT systems that Metrolinx had onboarded into the password IT system. Metrolinx is also in the process of migrating its Oracle IT System to the password IT system, which will enable multi-factor authentication for Oracle.

- *implement audit logging capabilities and alerts for events that are necessary for ensuring accountability and protecting information.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that Metrolinx does not log necessary activities in the event a database table is either modified or deleted. Detailed database logs and tracking activities performed by database administrators allow organizations to establish accountability, identify unauthorized data modification and detect fraud-related activities.

In our follow-up, we noted that Metrolinx has installed an IT system that is used to monitor IT security threats on its network. We reviewed a sample report for January 2022 for threat events, such as phishing and computer viruses, that occurred, including severity of the threat event and resolution status. In addition, we noted that audit logging capabilities were implemented for the Oracle database in August 2021.

Lack of Disaster Recovery Strategy

Recommendation 11

To better manage risks to information technology systems that are critical to transit services, we recommend that Metrolinx:

- *establish a disaster recovery strategy, and plan and perform disaster recovery exercises on a regular basis in order to minimize disruptions due to IT incidents;*

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

Details

In the 2020 audit, we found that Metrolinx lacked any disaster recovery (DR) strategy or regular testing. We noted that Metrolinx had not established an organizational disaster recovery strategy to ensure continuity of business operations.

At the time of our follow-up, we noted that Metrolinx was developing a DR strategy and was in the process of setting up the infrastructure required for the strategy to be operational. DR exercises were not yet being performed; however, Metrolinx has performed an assessment of its IT systems to identify the 54 most critical systems, and has established a plan to develop a DR test exercise for all 54 critical IT systems. We reviewed a schedule for the DR project and noted that DR is set to be fully operational for the most critical 20 out of 54 critical IT systems identified by Metrolinx by October 2022, with the remaining IT systems to follow.

- *perform a cost/benefit analysis for establishing a functional disaster recovery location for continuity of transit operations.*

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

Details

In our audit, we found that the Kingston Data Centre was Metrolinx's DR site. The Kingston centre, however, is not equipped with the necessary servers, software and data to function as an alternative location in case of a disaster. Because any disaster affecting the Guelph Data Centre could result in significant delays to transit operations, back-ups and redundancies should be established so that service outages can be minimized.

In our follow-up, we found that Metrolinx has performed a cost/benefit analysis and selected a private data centre in Barrie, Ontario, to be the DR site for all applicable systems. We reviewed the contract between

Metrolinx and the vendor that owns the Barrie Data Centre and noted that it was signed October 1, 2021. At the time of the follow-up, the infrastructure required for the site was being installed in order for the site to be operational. We also noted that a comprehensive DR exercise has not yet been performed.

Lack of IT Strategy Results in Duplicate Costs, Resources and Avoidable Cost Overruns in IT Projects

Recommendation 12

In order to reduce duplicate costs and efforts, and improve the oversight of IT operations, we recommend that Metrolinx:

- *set an overall IT strategy with a centralized procurement process for IT systems and services;*

Status: Fully implemented.

Details

In the 2020 audit, it was observed that IT projects lacked a centralized procurement process to avoid duplicate costs and avoidable cost overruns. Metrolinx has a decentralized approach for procuring IT systems with no overall IT strategy or effective oversight. According to the Ontario Public Service Procurement Directive, organizations should validate if the same goods and services already exist within the organization before a new procurement process is initiated.

In our follow-up, we noted that in August 2021, a new director for Corporate I&IT Procurement was hired to lead a dedicated team for procurement. A strategy was established that stipulates that all procurement is facilitated by the dedicated I&IT procurement team. There is a process to first go through existing Metrolinx Vendors of Record and then justify and gain approval from the procurement team to seek another external vendor. For all new IT systems that Metrolinx wants to implement, prior to requesting funding, the project must undergo a full architectural review to ensure existing technology is used where possible. We reviewed a recently procured IT system, Microsoft Customer Insights, that provides analytics-related data from Metrolinx's existing IT system. We noted

that the procurement documents included business requirements and was compared against two others existing Metrolinx IT systems across all businesses to verify that the existing systems do not satisfy requirements adequately or cost-effectively. For the sampled IT systems reviewed in the 2020 audit, we noted that Metrolinx has performed an assessment and is in the process of replacing duplicate IT systems.

- *monitor and assess the need for existing IT systems or devices installed across the organization, and establish a process to determine if there is an existing system within Metrolinx prior to procuring any new IT systems.*

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

Details

In our audit, we found that some departments had procured additional IT systems and services when other departments already possessed the same systems or functions that were needed. Metrolinx's decentralized approach to IT governance has resulted in a lack of centralized knowledge about IT systems that are being used in different departments across the organization.

In our follow-up, we noted that, in February 2022, Metrolinx Procurement, I&IT, and the Commercial Office jointly introduced a monthly relationship management forum that supports the strategy, planning, prioritization and oversight of IT-related procurement transactions. A weekly strategy standup is also held with attendees including the Chief Information Officer, the Vice President of IT, Director Procurement, Vice President Commercial, and Director Commercial. We reviewed an assessment completed by Metrolinx to identify duplicate IT systems and noted that 32 systems were identified and a strategy is in place to leverage existing technology where applicable.

Recommendation 13

To save costs and realize potential efficiencies, we recommend that Metrolinx:

- *review and consider existing websites;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx had a total of 20 different websites with overlapping functionality, similar information and unnecessary development costs. Metrolinx has a total of eight customer websites with various features such as ticket purchasing, trip planning, schedules and service updates. In total, Metrolinx has paid approximately \$44 million in capital costs for the development of these websites, and pays approximately \$14 million annually for maintenance and operating costs to various vendors.

In our follow-up, we noted that Metrolinx has created a development plan to consolidate all the 20 identified duplicate websites into three unique websites. Website development had commenced at the time of our follow-up and evidence of an implementation schedule was provided, with the first consolidated website going live in September 2022 and all remaining duplicate websites will be consolidated and launched as part of the remaining websites by March 2023.

- *assess the information and functionality requirements, and perform cost/benefit analyses to identify if a new website is required in the future, or if an existing website should be enhanced.*

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

Details

In our 2020 audit, we found that three of the eight websites provided similar information with overlap, such as corporate information and construction updates.

In our follow-up, we reviewed evidence of investment panel approval of the project to merge the websites, approved on April 13, 2021. We noted that a vendor was selected to perform the development work to merge the existing websites, with a contract award memo having been approved on March 4, 2022. We reviewed a development schedule, as at August 2022, and noted that the vendor had completed several stages of the project and was on track according to its schedule, to release the first merged website on September 27, 2022.

Recommendation 14

To improve the oversight of IT projects and improve project management practices so that IT projects are completed on time and within estimated budgets, we recommend that Metrolinx:

- *clearly define and provide necessary details in project scope;*

Status: Fully implemented.

Details

In our 2020 audit, we observed poor project management and oversight practices at Metrolinx, resulting in project cost overruns, delays, and cancellations. Based on our review, we found that Metrolinx's project management process does not ensure that IT projects are delivered within approved budgets and timelines.

In our follow-up, we found that all action plans for this recommendation were addressed through a new agile development method implemented by Metrolinx that uses a 90% "on time" delivery target. This development method includes a clear project scope, and a monthly project review has been implemented to review projects that are in "red" status to ensure concerns are identified. We reviewed two sample projects, the Customer Digital Transformation Strategy (CDTS), and Identity and Access Management projects. We noted that Metrolinx retained and reviewed a detailed project scope in steering committee meetings that explains project milestones, risks, and project dependencies for both projects.

- *properly document and monitor project timelines, budgets and costs;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx's project management process does not ensure that IT projects are delivered within approved budgets and timelines. About 72% of all completed IT projects experienced combined cost overruns of approximately \$152 million for a total IT projects cost of \$288 million, more than double the initial estimate of \$136 million.

In our follow-up, in addition to the monthly project review noted in the previous recommendation, monthly exception reports are presented by Metrolinx to the investment panel on all red or yellow status projects. We reviewed submissions made by Metrolinx to the investment panel for the two sampled projects, and noted that Metrolinx includes detailed budgets and cost projections broken down by specific requirement, and whether the work is being performed by a vendor or Metrolinx. The submission also lists out key milestone dates to be approved, as well as lists all previous milestone dates from previous investment panel submissions for the same project.

- *ensure proper oversight over project changes with well-documented justification and appropriate approvals.*

Status: Fully implemented.

Details

In our 2020 audit, we identified systemic issues in IT project management and operations, including a lack of oversight over project changes.

In our follow-up, we noted that Metrolinx's top 10 projects were identified for an exercise to test the newly implemented agile development method and it has now been extended to all projects. Additionally, a steering committee has been established to review changes occurring in key projects. We reviewed the presentation decks for the steering committee for two months for each of our two selected projects, Revenue Accounting Management System (RAMS), and Identity and Access Management. We noted that the presentations included detailed breakdowns of outstanding issues and status, and a roadmap of the current status of what has been done and what needs to be completed, with key dates attached to each step. The key purpose and requirements of the project are listed as well, with the budget allocations used to date to ensure that the project requirements are being met in a timely fashion, cost-effectively, and to the specifications noted in the original project scope.

Chapter 1

Section 1.06

Ministry of Transportation

Follow-Up on 2020 Value-for-Money Audit:

Metrolinx Operations and Governance

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	2	1			
Recommendation 2	1		1			
Recommendation 3	3	3				
Recommendation 4	2	2				
Recommendation 5	3	3				
Recommendation 6	3	2			1	
Recommendation 7	1		1			
Recommendation 8	1		1			
Recommendation 9	1			1		
Recommendation 10	2	2				
Recommendation 11	1	1				
Recommendation 12	4	2	2			
Recommendation 13	1	1				
Total	26	18	6	1	1	0
%	100	69	23	4	4	0

Note: Recommendation 9 was made to the Standing Committee on Government Agencies and Recommendations 10 and 13 were made to the Ministry of Transportation.

Overall Conclusion

Metrolinx and the Ministry of Transportation (Ministry), as of November 15, 2022, have fully implemented 69% of the actions we recommended in our 2020 Annual Report. Metrolinx and the Ministry have made progress in implementing an additional 23% of the recommended actions.

Metrolinx and the Ministry have fully implemented recommendations such as reducing dependence on Accenture by enhancing in-house technical expertise, adding the Accenture master agreement to Metrolinx's contract performance appraisal process, introducing performance monitoring in new and renewed PRESTO contracts, implementing a process to track bus delays and cancellations, updating the Memorandum of Understanding between Metrolinx and the Ministry of Transportation, and conducting an independent peer

review of the estimates for projects greater than \$50 million prior to seeking Treasury Board approvals.

Metrolinx and the Ministry have made progress on implementing recommendations such as undertaking a competitive procurement for the development and delivery of various elements of PRESTO, working with the Greater Toronto and Hamilton Area (GTHA) transit agencies to resolve outstanding issues related to the operation of PRESTO, working with municipal transit agencies to propose fare integration options to the Ministry of Transportation, and ensuring future cost estimates for LRT projects include all cost components before the estimate is submitted to Treasury Board.

However, one action item saw little or no progress, which was addressed to the Standing Committee on Government Agencies (Committee) to have Metrolinx provide regular updates to the Committee on its progress on meeting its legislated mandate and the results of its financial operations. Also, Metrolinx will not be implementing one recommended action, automating the refund process of the Service Guarantee Program, because it does not have the capability to determine which train a customer has boarded. The Office of the Auditor General of Ontario continues to believe that this recommendation should be implemented.

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

Background

Metrolinx is a government agency that plays a key role in public transit services in Ontario. Metrolinx operates GO Transit trains and buses in the Greater Toronto and Hamilton Area and the Union Pearson (UP) Express from Union Station in downtown Toronto to the Toronto Pearson Airport. It also awards and manages the contracts for the electronic fare system PRESTO. Regarding its train and bus operations, Metrolinx's on-time performance for GO trains, that is, its ability to keep trains on schedule, was between 92% and 95% between 2015/16 and 2019/20, and for buses approximately 95% consistently. Its on-time performance for

trains is comparable to that of other transit agencies in the United States and the United Kingdom.

Metrolinx is highly dependent on its service provider Accenture for PRESTO's core services. The Ministry contracted Accenture in 2006 to build an electronic fare system with capability for flat fares (same fare regardless of the distance travelled) and zone-based travel (fare based on the number of zones crossed in one trip); fare system equipment (for example, tap devices); an initial website; and capability for customer service access such as in-person, via telephone and email. Since 2006, Accenture's scope of work increased to include services including deploying PRESTO on the TTC in Toronto and OC Transpo in Ottawa.

The Ministry's original contract with Accenture totalled \$231.7 million. Metrolinx took over the contract with Accenture in 2011. As PRESTO services expanded after 2012, Metrolinx engaged Accenture for additional work worth over \$1.7 billion under the existing agreement without competitive procurements.

In 2021/22, Metrolinx's total operating costs were \$1.176 billion (\$1.151 billion in 2019/20). As of March 31, 2022, Metrolinx employed the equivalent of 4,957 full-time staff (4,197 as of December 31, 2019). Since 2014/15, Metrolinx had increasing operating deficits that were being subsidized by the Province. It faced further financial pressure as a result of the COVID-19 pandemic.

On December 18, 2019, the Leader of the Official Opposition in Ontario requested that our Office assess the reasonableness of cost estimates presented to the public under the current and previous governments for rapid transit projects. This request included the Hamilton light rail transit (LRT) system, which the Ministry cancelled on December 16, 2019. We replied on December 19, 2019 that we were in the process of auditing Metrolinx and we would be reviewing this issue.

Our significant findings included the following:

- Although Metrolinx planned to competitively procure the services Accenture provided in anticipation of the PRESTO contract expiration in October 2022, Accenture may have an advantage in being chosen for this work. Between

October 2019 and April 2020, Metrolinx engaged Accenture, under its existing agreement, to develop and pilot an open payment capability (the ability to use debit or credit cards to tap and pay) on UP Express. Engaging Accenture to deliver the open payment pilot work could likely have given Accenture a further advantage over competing service providers when all the PRESTO systems and services are tendered.

- Since the launch of PRESTO in 2010, riders had not yet had two key elements implemented: the convenience of integrated fares across the GTHA, and the ability to use their own debit or credit cards to tap and pay. Metrolinx's vision for integrated fares across the GTHA would allow riders to pay just once when they cross regional and municipal boundaries using different transit systems. However, we found that little progress had been made at the time of our 2019 audit.
- The COVID-19 pandemic had a significant impact on all areas of Metrolinx's business. In March 2020, Metrolinx reduced services and/or suspended routes on GO trains, buses and the UP Express, as ridership declined by as much as 95% as a result of the pandemic. In September 2020, Metrolinx increased services on both its rail and bus lines as schools and some businesses reopened. As of June 2022, GO Transit ridership was at about 41% and UP Express ridership was almost at 50% compared to June 2019 levels (before COVID-19). In 2021/22, Metrolinx received \$946.2 million in operating subsidy from the Province.
- The Ministry of Transportation was aware as early as 2016 that the total cost estimate for the Hamilton LRT would be higher than the \$1 billion in capital costs that the Province had publicly committed to funding in 2015, but it did not make this fact public. The \$1 billion was sufficient to cover only the project's initially estimated construction cost. Subsequently, in December 2016, Treasury Board approved a budget of \$2.981 billion for the project, based on estimated costs that included \$823 million

in construction costs. In March 2018, Treasury Board approved a revised cost estimate of \$3.659 billion, including construction costs of \$1.083 billion because the LRT's estimated length had increased. We found that the 2016 and 2018 estimates did not represent the full cost of the LRT and were significantly understated. These estimates were not made public at those times. Based on a detailed review, we found that the \$5.5 billion cost estimate reported by the Minister of Transportation in December 2019, when the project was cancelled, was reasonable.

We made 13 recommendations consisting of 26 action items to address our audit findings. We received commitment from Metrolinx and the Ministry of Transportation that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from Metrolinx and the Ministry of Transportation that effective November 15, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Accenture Contract for PRESTO

Recommendation 1

In order to have PRESTO operating in a cost-effective manner that meets business and customer needs, we recommend that Metrolinx:

- *reduce dependency on Accenture by improving its in-house technical expertise with respect to knowledge and understanding of PRESTO services and technological solutions;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx was sole-sourcing the development and operations of the PRESTO fare card system from Accenture since it took over the contract from the government in 2011. All subsequent contract extensions and increases occurred without Metrolinx undertaking competitive procurement, which increased its dependency on one vendor. Metrolinx itself indicated that the dependency limited its ability to consider alternative procurement options and evaluate whether Accenture's services and solutions were cost-effective.

In our follow-up, we found that Metrolinx has begun the process to build in-house capabilities to reduce dependency on Accenture. This includes onboarding a Chief Technology and Information System Officer with expertise in technology and information security responsible for overseeing and managing the current PRESTO platform, keeping PRESTO's current technology up-to-date, managing cyber security risk and delivering PRESTO's modernization programs. Since December 2021, Metrolinx has also hired a program director to manage client success and a payment security director to lead the identification, development, implementation and maintenance of PRESTO technologies. In July 2022, Accenture migrated the major components of PRESTO's operations, such as the PRESTO website, the PRESTO app, and the PRESTO Integration Hub from Accenture's cloud platform to Metrolinx's platform.

- *undertake a competitive procurement for the development and delivery of various elements of PRESTO, including the open payment capability, in anticipation of the expiry in 2022 of the current contract with Accenture;*

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

Details

In our 2020 audit, we found that since Metrolinx took over the Accenture contract from the Ministry of Transportation in 2011, all subsequent contract extensions and increases occurred without Metrolinx undertaking competitive procurement, which limited its ability to

consider alternative procurement options and evaluate whether Accenture's services and solutions were cost effective.

In our follow-up, we found that Metrolinx obtained approval from the Treasury Board in September 2021 on the PRESTO Modernization procurement plan. Based on request for information results completed in February 2021, Metrolinx informed the Treasury Board that it will be moving forward with issuing requests for proposals (RFPs) that will allow for multiple specialized vendors to bid on and win one or more of seven procurement lots. In this way, Metrolinx sought to diversify its vendor base and also reduce overall costs. Metrolinx retained Accenture for two of the seven lots due to subsequent cost benefit and operational analyses. These two lots were contracts for the renewal of TTC Presto devices and the PRESTO software system. At the time of the follow-up, Metrolinx had issued two RFPs in April 2021 and plans to issue the remaining three by January 2023. It expects all procurement activities to be completed by November 2023.

Metrolinx is aiming to completely transition to the new operating system by October 2025. In the meantime, Metrolinx has extended the existing Master Services and Supply Agreement with Accenture until October 5, 2025 at a cost of \$315.6 million as a bridge until the procurement program noted earlier can be fully implemented. According to Metrolinx's presentation to the Treasury Board, this extension will ensure that there is service continuity for customers and transit agencies, enable a more thorough transition of modernization initiatives, including the rollout of the open payment solution across all of PRESTO's GTHA transit agency networks.

- *establish strategies and actions to manage the advantage held by the current service provider and level the playing field for all potential bidders during the planned larger competitive procurement process.*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx did not undertake a competitive procurement process for its

open payment pilot for PRESTO, but instead decided to use Accenture to shorten delivery timelines since Accenture had prior knowledge of the fare system. We noted that the pilot could give Accenture an advantage in future bidding since open payment will be part of the services to be included in the planned larger procurement.

In our follow-up, we found that Metrolinx has established a data room that houses all documentation that reflects the current operations of PRESTO. This consolidated archive will be used by Metrolinx to share common operational knowledge with all vendors participating in the procurement process. Metrolinx also reminded all interested vendors and staff of its conflict of interest policy, and provided guidance to all staff. The guidance stated that vendor communications that fall outside of existing business should be directed to one senior Metrolinx staff to minimize conflict of interest situations and streamline information sharing to further ensure that all prospective vendors have access to the same information. In addition, Accenture has been required to sign conflict of interest declaration forms during the request for supplier qualification process for two RFPs that were issued in April 2022. This requires Accenture to declare those individuals with any actual, potential or perceived conflict of interest due to the existing Master Agreement between Accenture and Metrolinx.

Recommendation 2

In order to increase adoption of PRESTO across Greater Toronto and Hamilton Area (GTHA) transit agencies, we recommend that Metrolinx work with the GTHA transit agencies to resolve outstanding issues related to the operation of PRESTO, including an inability to accommodate varying fare types, that prevent its full adoption by respective transit systems.

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

Details

In our 2020 audit, we found that costs and technological limitations of adding the unique needs of each municipal transit system using the PRESTO fare card system have been barriers to greater adoption of the

card. While PRESTO card adoption has increased considerably over the last decade (71% across the Greater Toronto Area as of January 2020), the adoption rates varied by municipalities.

In our follow-up, we found that Metrolinx has added several new fare types and fare payment options across the GTHA to assist in greater PRESTO adoption. Some of the new options introduced include:

- E-tickets were introduced in September 2020 in Durham Region Transit and Hamilton Street Railway and in January 2022 in Oakville Transit which allows riders to buy digital tickets on their smartphones. This also allowed Durham post-secondary students to receive their UPASS through PRESTO.
- Open payment was launched on the UP Express in March 2021, and GO Transit, Oakville, Brampton and Mississauga in August 2022. This allows customers to be able to pay their fare by tapping their credit card on a PRESTO device. Metrolinx is also working with the TTC to upgrade its equipment and will be able to roll out open payment by July 2023.
- Starting in October 2021, TTC devices across all vehicles were updated to display information such as fare paid, remaining balance and remaining transfer time.
- Metrolinx launched the use of bulk limited use media (LUMs) on the TTC in June 2022. Partnership agreements have been signed with 52 organizations such as the Canadian Red Cross, the Toronto District School Board, and additional partnership agreements have been offered to 50 organizations such as Toronto Public Health and Covenant House Toronto, which are expected to be finalized before the end of the year. The agreements will allow these organizations to buy limited use tickets in bulk for their members/clients. Phase 2 of the program launch will be focused on offering customers additional features related to the bulk LUMs such as automated purchases, daily settlement of transactions, FAQ resources, and self-service capabilities to track orders.

Recommendation 3

To improve its oversight of PRESTO service providers' performance (Accenture and subcontractors), we recommend that Metrolinx:

- *include Accenture's PRESTO Agreement (Master Services and Supply Agreement) in Metrolinx's Vendor Performance Management system in order to formally oversee Accenture's performance for the remainder of the contract term;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the 2016 master agreement between Metrolinx and Accenture, the key PRESTO vendor responsible for design, build, execution and operations of the entire system, was not managed using Metrolinx's Vendor Performance Management System. As a result, unlike the arrangement with other service providers, Metrolinx did not assess and review Accenture's performance for work under this agreement every six months and provide a performance rating that can be used to assess Accenture for future contracts.

In our follow-up, we found that, as of January 2021, Metrolinx has added the master agreement with Accenture to its contract performance appraisal process and Accenture's performance for the remainder of the contract term will be overseen by the appraisal process.

- *undertake risk-based operational/performance audits of PRESTO services currently provided by Accenture;*

Status: Fully implemented.

Details

In our 2020 audit, we found that, in accordance with the current master agreement, Metrolinx received monthly operations reports from Accenture, including service-level performance measurements for Accenture and its subcontractors. In these reports, Accenture self-reported whether performance targets had been met but Metrolinx did not validate Accenture's self-reporting against supporting data unless there was an anomaly. While Metrolinx hired third parties to

conduct financial reporting and compliance standards audits with international data security standards for payment cards, it did not conduct any operational and/or performance audits of the PRESTO system.

In our follow-up, we found that Metrolinx developed an internal audit process in June 2021 that consists of bi-monthly assessments of Accenture's delivery of PRESTO, with a focus on data accuracy and completeness of mandatory requirements. Any non-compliance results in direct feedback to Accenture or necessary process and technology updates.

- *require agreements with future PRESTO service providers contain robust performance monitoring, reporting and accountability mechanisms with contractual rights for periodic operational and/or performance audits, issue escalation, and compensation or penalties for poor performance.*

Status: Fully implemented.

In our 2020 audit, we found that the master agreement between Accenture and Metrolinx was not part of Metrolinx's Vendor Performance Management System. As a result, Metrolinx did not assess and review Accenture's performance for work under this agreement every six months and provide a performance rating that can be used to assess Accenture for future contracts.

In our follow-up, we found that, as of February 2020, Metrolinx has enhanced its contract language to include performance monitoring, reporting and accountability by the responsible vendor, for new and renewed contracts. The updated agreement terms also include service level agreements and penalties for non-performance, issues escalation mechanisms and Metrolinx's ability to perform operational and performance audits on the vendors. For example, the enhanced language is being implemented into new PRESTO contracts as they are signed or renewed. This language has already been implemented in vendor agreements for the installation of PRESTO devices on the Eglinton Crosstown LRT, signed December 2020 and for the supply, installation and maintenance of PRESTO ticket vending machines, signed June 2021.

Oversight and Management of External Service Providers

Recommendation 4

To further reduce the number of train delays and cancellations associated with train operations and maintenance and improve the management of the Bombardier contracts, we recommend that Metrolinx's Commercial Management Division:

- *determine and record the root cause of all delays and cancellations;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx had not consistently tracked the cause of train delays and cancellations related to Bombardier, who provide the crew to operate all GO rail trips and also maintain the entire GO train fleet. We found that while Metrolinx has various mechanisms through its agreement with Bombardier to manage its performance, Metrolinx's data collection and analyses were not consistent in terms of monitoring Bombardier's performance under both agreements.

In our follow-up, we found that Metrolinx established a centralized and dedicated performance team subsequent to our audit to improve its analysis and tracking of root causes of delays and cancellations. The team works with various operation units on a daily basis to determine root causes and planned actions, and creates monthly performance dashboards to report and ensure attribution of delays and cancellations to the proper business units. These dashboards include logs of all delays and cancellations by date, location, and trip number, and include the reasons and root causes for the delay. We also found that eight workshops had been held across various business units between July and September 2022 to identify root causes and planned actions on delays caused by construction events, rail fleet and equipment maintenance, and signals.

- *have Bombardier take corrective actions to reduce the number of operational and equipment failures on trains.*

Status: Fully implemented.

Details

In our 2020 audit, we found that between 2015/16 and 2019/20, Bombardier's train crew operations issues were responsible for 2,353 train delays and 211 train cancellations, which included reasons such as shortage of train crews and platform overshoot. For that same time period, Bombardier equipment issues resulted in 2,804 train delays and 724 train cancellations.

In our follow-up, we found that, as of March 2022, Metrolinx has updated its contract performance agreement with Alstom (formerly Bombardier Transportation) to formalize monthly meetings to hold Alstom accountable when GO train delays and cancellations are attributable to their operations and maintenance. Alstom is required to respond to delay/cancellation causes within 90 days and pay fines when it is responsible for delays and cancellations. Metrolinx and Alstom's fleet maintenance group have also developed a daily huddle group as of October 2021 which identifies leading indicators of delays and cancellations. Alstom uses this data to focus on under-performing systems and continuously improve its fleet performance.

Bus Services

Recommendation 5

To improve measurement and analysis of GO buses' performance and improve on-time bus service, we recommend that Metrolinx:

- *implement a robust process to track bus delays and cancellations with detailed reasons;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx had not consistently tracked the cause of bus delays and cancellations. We found that while Metrolinx used data from GPS devices on GO buses to determine whether a bus is on time, it used a manual process to track the reasons for delays. We also found that not all bus delay reasons were captured, as Metrolinx did not categorize other

reasons for delays such as “vehicle availability” and “late start.”

In our follow-up, we found that, in July 2022, Metrolinx implemented a process to track bus delays and cancellations with detailed reasons using a new Microsoft Form. The Network Operations Control Centre (NOC) enters all delay reasons into a Microsoft Form, which stores all delay reasons in a database. Metrolinx produces a monthly report from this data and holds monthly meetings to discuss service performance and to take corrective actions as necessary.

- analyze root causes for bus routes that experience more significant delays and cancellations than others;
- take corrective action to address common or recurring root causes of bus delays and cancellations.

Status: Fully implemented.

Details

In our 2020 audit, we found that between 2018 and 2019, Route 47 – Highway 407 West and the Express route Hamilton/Toronto accounted for approximately 14% and 10% of all bus cancellations each year, respectively. However, Metrolinx did not analyze the data for the reasons for the cancellations, and relied on the experiences of bus operations supervisors to infer the reasons for the cancellations. From our review, we noted that the most common reasons provided for cancellations were “cancellation” and “service adjustments”, which did not provide sufficient information for analysis.

In our follow-up, we found that Metrolinx has been analyzing the top re-occurring categories for delays and cancellations and has found that traffic and bus breakdowns are the most common reasons. All categories of delays are discussed during monthly on-time performance meetings and additional corrective actions being applied as necessary, such as supervisor coaching to drivers and Network Operations Control Centre assistance to avoid traffic accidents. Metrolinx has also developed process documents for staff on how to best identify root causes for bus delays and cancellations and how to respond to issues such as mechanical breakdowns. To help identify repeat failures leading

to bus breakdowns, Metrolinx has also implemented a monitoring program to review the number of times that a bus has broken down due to the same issue in the past 60 days.

Service Guarantee

Recommendation 6

To ensure that the Service Guarantee Program (Program) is effective, we recommend that Metrolinx:

- conduct a review of the Program to determine whether it is effective in improving customer satisfaction;

Status: Fully implemented.

Details

In our 2020 audit, we found that the Service Guarantee Program (Program) had a number of deficiencies, such as no automatic refund services, a short window to make a claim, and lack of clarity on some denied claims. Customer satisfaction for the Program ranged from 57% to 63% over the last five years and Metrolinx’s GO Contact Centre received over 19,800 customer complaints relating to the Program.

In our follow-up, we found that Metrolinx conducted a review of the Service Guarantee Program in March 2021, and had begun implementing a number of proposed recommendations in phases. In October 2021, Metrolinx expanded the Service Guarantee Program eligibility by adding a total of eight new eligible delay causes such as police investigations, onboard emergencies, trespassing incidents and track obstructions. By April 2022, Metrolinx also added the ability for customers to submit a Service Guarantee claim related to paper tickets and e-tickets through the online refund portal which was previously only available for customers who had paid for their fare using PRESTO. Going forward, Metrolinx will be conducting an annual review of its Service Guarantee Program beginning in September 2022.

- address customer feedback on the Service Guarantee claim process, including implementing a fully automatic refund process for claims;

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

Details

In our 2020 audit, we found that eligible customers needed to submit a claim to get a refund. Our 2020 audit Information Technology (IT) Systems and Cybersecurity at Metrolinx found that, although Metrolinx had the technology and necessary data to automatically refund customers who qualify, Metrolinx does not do this.

In our follow-up, we found that Metrolinx conducted a review of the Service Guarantee Program in March 2021 and implemented improvements to the claim process, such as extending the window to submit a claim from 7 to 30 days and removing the requirement to have a positive balance to be eligible for a refund. However, the assessment determined that automatic refunds were not possible with existing technology as Metrolinx does not have the capability to determine what train a customer boards. PRESTO cards are associated with stations and not specific trains. Metrolinx will not be implementing this recommended action at this time, but will continue to explore opportunities for automatic refunds in future reviews of the program.

- *improve tracking and analysis of Service Guarantee claims, including denied claims.*

Status: Fully implemented.

Details

In our 2020 audit, we found that between 2015/16 to 2019/20, around 172,000 or 9% of submitted Service Guarantee Program claims were denied. We noted that some data older than one year had been purged from the system. In addition, we noted that Metrolinx is reliant on other systems such as Accenture's PRESTO system to investigate or validate denied claims, meaning that Metrolinx was not able to readily validate some of the denied claims that may have been eligible. We also calculated that only 27% of all eligible passengers made a claim in the last five fiscal years. Metrolinx does not undertake any analysis to

determine why eligible riders do not submit claims, it only tracks and reports the number of claims and the amount claimed.

In our follow-up, we found that Metrolinx developed a new dashboard in January 2022 that tracks and analyses all service guarantee claims. Previously, Service Guarantee claim data was limited to basic reports that included claim counts and claim details (submission date, claim status, reason for claim denial, and refunded amounts). Claim data has been integrated with train performance data and is now being aggregated, trended, and reviewed regularly. As part of the new dashboard is a view of denied claims in more detail to inform future updates to the refund process or to the policy itself. This report uses the number of denied claims as a percentage of all claims submitted as the main key performance indicator.

Integrated Regional Fare System

Recommendation 7

To make progress with the implementation of the integrated fare system in the Greater Toronto and Hamilton Area, we recommend that Metrolinx work jointly with municipal transit agencies to propose fare integration options to the Ministry of Transportation and that the Ministry address barriers to implementation.

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

Details

In our 2020 audit, we found that Metrolinx did not have the authority or control to set transit fare policies in the GTHA, which makes it difficult to lead and attain fare integration in the region. Fare policies are determined by individual municipalities as part of their budget process, and as a result, different transit agencies have different fares not only for regular one-way travel, but also for specific groups such as seniors and children.

In our follow-up, we found that in June 2021, the Ministry of Transportation (MTO) announced a Minister's Provincial-Municipal Table on Fare and Service Integration, bringing together MTO, Metrolinx and the

transit agencies from the Greater Golden Horseshoe. Through the table, Metrolinx led the development of a three-phased approach to build fare integration options. Under Phase 1, Metrolinx identified short-term actions such as introducing 100% co-fare for 905-GO Transit connections and other systems with GO co-fare agreements, increases to the youth and post-secondary students discount and a new GO Affordability Program for low-income riders, which were launched on March 14, 2022. Under Phase 2, Metrolinx identified three regional fare options to evaluate further in Phase 3. These options include free transfers between transit systems, fare based on geographic zones, and fare by distance. In July 2022, Metrolinx prepared a draft initial business case on the fare structure options and submitted it to the Ministry of Transportation. Metrolinx anticipates finalizing the document by December 2022, after it receives and addresses feedback from the Ministry and transit agencies.

Opportunities to Reduce Operating Costs

Recommendation 8

To demonstrate its legislative accountability, compliance with its mandate, and to reduce its operating costs, we recommend that Metrolinx implement cost-saving strategies, such as reducing management overhead and reliance on external consultants, noted in the Ministry of Transportation's review and in our audit of Metrolinx's Information Technology (IT) Systems and Cybersecurity.

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

Details

In our 2020 audit, we found that Metrolinx's operating expenses increased by 52% from 2015/16 to 2019/20. This led to an 80% or \$187-million increase in operating subsidies funded by the Province during that period. We noted that there was a February 2020 review of Metrolinx's operations commissioned by the Ministry of Transportation that found there was opportunity to reduce operating costs by reducing management overhead, reducing back-office costs, and

improving operations costs and revenue collection. The review also noted that Metrolinx could save \$10 million to \$15 million annually by bringing in external consulting roles in the capital projects group in-house.

In our follow-up, we found that Metrolinx implemented business improvement plans (BIPs) to help reduce operating costs. For 2021/22, Metrolinx developed a set of 35 BIPs which resulted in savings of \$180.7 million and additional revenue opportunities of \$2.4 million. Metrolinx also conducted a full review of its organization, except for units engaged in business transformation, and developed divisional action plans to address span of controls. Span of control refers to the number of staff that can be managed effectively and efficiently by supervisors or managers in an organization. Metrolinx noted that some of its Executive Vice President (EVP) and Vice President (VP) levels were not set up with appropriate span of control, and divisions were restructured and reorganized to remedy this.

To reduce reliance on consultants and contractors, Metrolinx's Capital Projects Group requested a total of 90 new internal positions. At the time of our follow-up, Metrolinx had filled 30 of those positions and planned to fill another 77 positions with hiring plans that will continue into 2022/23. The remaining 13 positions are on hold pending an evaluation of needs. In addition, the I&IT department has approved a contractor reduction plan, which reduced the number of contractors from 243 in March 2021 to 58 as of July 2022.

Recommendation 9

To strengthen legislative accountability, we recommend that the Standing Committee on Government Agencies have Metrolinx provide regular updates to the Committee on its progress on meeting its legislated mandate and the results of its financial operations.

Note: This recommendation is for consideration by the Standing Committee on Government Agencies.

Status: Little or no progress.

Details

In our 2020 audit, we found that Metrolinx had not recently been called to the Standing Committee on

Government Agencies of the Ontario Legislature (Committee), which is empowered to review and report on the operations of provincial agencies such as Metrolinx. The last time the Committee reviewed Metrolinx's financial performance results or its achievement of its legislated mandate was on November 19, 2013.

In our follow-up, we found that, since our audit in 2020, the Standing Committee has not requested Metrolinx to provide regular updates on its progress on meeting its legislated mandate and the results of financial operations.

Memorandum of Understanding between Metrolinx and Ministry of Transportation is Outdated

Recommendation 10

To publicly and operationally clarify roles and responsibilities, and to reduce the impact on Metrolinx's Board from a change of a high percentage of Board members at the same time, we recommend that the Ministry of Transportation (Ministry):

- *update the Memorandum of Understanding between itself and Metrolinx in line with 2018 amendments in the Metrolinx Act, 2006 and post the updated version on Metrolinx's website;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx's Memorandum of Understanding (MOU) with the Ministry of Transportation (Ministry) was out-of-date and did not reflect current accountability relationships and the respective roles of Metrolinx and the Ministry regarding transportation planning. Since the MOU was signed in 2010, there had been 13 amendments to the *Metrolinx Act, 2006* and the Ministry had also issued 20 letters of direction to Metrolinx. However, the MOU had not been amended to reflect these changes in responsibility and accountability.

In our follow-up, we found that the MOU was updated in September 2020 to establish the accountability relationships between the Minister of Transportation and the Chair of Metrolinx on behalf

of the agency; clarify the roles of the Minister, Deputy Minister, Agency Chair, Agency CEO, and the Agency's Board of Directors; and clarify the various operational, financial, auditing, reporting and other arrangements between Metrolinx and the Ministry. The MOU states that the Minister is responsible for providing the government's strategic direction to Metrolinx for transit in the regional transportation area and for other transit work, approving the development, scope, consultations and amendments to the regional transportation area and outlining high-level expectations, key commitments and performance priorities for Metrolinx. Metrolinx's mandate in the updated MOU includes providing leadership in the co-ordination, planning, development and implementation of an integrated transit network in the regional transportation area, acting as the central procurement agency for local transit system needs and being responsible for the operation of the regional transportation area. This new MOU effectively replaces the MOU that was approved by Cabinet on September 17, 2009. The new MOU has also been posted on Metrolinx's website.

- *stagger the appointments of Board members in the future.*

Status: Fully implemented.

Details

In our 2020 audit, we found that 12 out of 14 Board members had been appointed in the last two years, and that not staggering the appointments of directors could negatively impact a board when a high percentage of members leave at the same time. Appointments to the Metrolinx Board of Directors are made by the Lieutenant Governor in Council on recommendation of the Minister of Transportation.

In our follow-up, we found that two new members were appointed, and six existing members were re-appointed to Metrolinx's Board of Directors in early 2022. The appointment periods of each of these Board members have been staggered, with four members serving for at least two years, and the remaining four for at least three years.

Cost Estimates of LRTs

Recommendation 11

To obtain sufficient information to demonstrate effective Board oversight of Metrolinx, we recommend that the Chief Executive Officer provide the Board with all light rail transit projects being managed by Metrolinx on a quarterly basis, or more regularly, should costing or other issues arise throughout the life of the project.

Status: Fully implemented.

Details

In our 2020 audit, we found that Metrolinx's Board of Directors was not sufficiently apprised by management of the rising cost estimates and the Ministry's intent to cancel the Hamilton LRT project up until the decision was actually made.

In our follow-up, we found that Metrolinx's Board of Directors established a Capital Oversight Committee in October 2020, after the events of the Hamilton LRT project, which enables the Board to obtain information about all major transit projects managed by Metrolinx, including light rail transit projects. Meetings of the Capital Oversight Committee occur at least quarterly, and include the distribution of the latest Capital Projects Monthly Report, which includes detailed performance information on all capital projects, presentations that provide granular project-by-project detail, and a health check memo that identifies key project risks and issues, and summarizes aggregate performance trends. Following each meeting, the Chair of the Committee prepares a report to the full Board summarizing their deliberations and findings and recirculates the health check memo for the full Board's awareness.

Recommendation 12

We recommend that Metrolinx work with Infrastructure Ontario to:

- *estimate the cost of future light rail transit (LRT) projects using estimation techniques consistent with industry best practices and benchmarks;*

Status: Fully implemented.

Details

We found in our 2020 audit that both budget estimates for the Hamilton LRT project used to obtain Treasury Board approval in December 2016 and March 2018 were not a fulsome representation of the project costs and were significantly understated. Metrolinx informed us that the 2016 and 2018 budgets represented the best available data at the time. However, we noted that these budgets used rates based mainly on rates from Finch West and Eglinton LRT projects as opposed to detailed specifications measurements and pricing. The Finch West and Eglinton LRT projects are both in Toronto and it was not accurate to base Hamilton's rates on these two projects.

In our follow-up, we found that Metrolinx revised its estimating policy in August 2021 based on the Association for the Advancement of Cost Engineering Improvements (AACE International) guidelines and industry best practices. Changes to the policy include:

- clarifying the design milestones that require an estimate completed and the level of estimate expected for that milestone;
- checklist of required information to ensure estimating team has all information to complete the estimate;
- requirements for an independent peer review for projects over \$50 million; and
- quarterly review of unit rates to ensure estimates include most current rates.

These improvements have been applied to the re-initiated Hamilton LRT project and will be applied to all future LRT projects. For example, the Hamilton LRT project updated its estimate in June 2021, February 2022 and again in May 2022 to update the unit rates and escalation.

- *have future cost estimates for LRT projects include all cost components such as construction, financing, maintenance and operations and other costs before the estimate is submitted to Treasury Board and any commitments to fund the projects are made by the government;*

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

Details

Our 2020 audit found that in 2015, the then government made a public announcement that it would “provide up to \$1 billion to build a new light rail transit (LRT) line in Hamilton ... the province will cover 100 per cent of the capital cost of building the LRT.” In a December 2019 internal communication, Infrastructure Ontario’s senior management wrote that the public announcement of \$1 billion was “based upon a very conceptual level of design, and did not account for financing costs, operations, maintenance and lifecycle costs and was not done by IO [Infrastructure Ontario] but rather produced by the City [of Hamilton] and then adopted by the Province without a costing exercise.”

In our follow-up, we found that work has been in progress for the re-initiated Hamilton LRT project since May 2021, the only LRT project initiated since our original report. Metrolinx is currently preparing a Treasury Board Submission, expected to be finalized by the end of 2022, which will include a full estimate that will include construction, financing, operations and maintenance costs. This submission is intended to seek approval to begin procurement for the project.

- *update cost estimates regularly using most recent project specifications and new market data before the end of the procurement stage;*

Status: Fully implemented.

Details

Our 2020 audit found that the 2016 and 2018 budgets for the Hamilton LRT project were prepared at an early concept stage and should have been subjected to rigorous peer review, market sounding and risk analysis in order to provide more accurate estimates.

In our follow-up, as noted above, we found that Metrolinx updated its estimation policy in August 2021 to review unit rates quarterly to ensure estimates include most current rates. Since the Hamilton LRT project was re-initiated in May 2021, its cost estimate was updated in June 2021, February 2022, and May 2022 to reflect the most up-to-date unit rates.

- *communicate all cost estimates, the content of all Treasury Board submissions and related updates*

to the Metrolinx Board and municipal government partners.

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

Details

Our 2020 audit found that Metrolinx’s Board was not consulted nor notified before the Minister’s cancellation announcement on December 16, 2019. The last Board meeting in 2019 was on November 22nd, where the quarterly capital projects report did not note any issues with the Hamilton LRT project. According to the Ministry, there was also no communication or consultation between the Ministry and the Board prior to the Minister’s cancellation announcement. We also found that the City of Hamilton was still expecting the LRT to go ahead when the Minister announced the cancellation of the project.

As noted above, the Capital Oversight Committee established by Metrolinx’s Board in October 2020, after the events of the Hamilton LRT project, will enable the Board to obtain information about all major transit projects managed by Metrolinx, including light rail transit projects. Per Metrolinx, the re-initiated Hamilton LRT will likely entail a sharing of cost information with municipalities and transit authorities, to the extent necessary and under confidential information-sharing agreements. Metrolinx stated that it will share information that is aligned with the content of Treasury Board submissions, but full submissions will not be disclosed to municipalities out of respect for Cabinet confidentiality. It expects to fully implement this recommendation by the end of 2022 when the contents of the Treasury Board submission for the re-initiated Hamilton LRT can be communicated to its Board and municipal partners.

Recommendation 13

Given the significant risks inherent in project estimates and costs involved with the construction of light rail transit (LRT) projects, we recommend that the Ministry of Transportation independently review, with the assistance of external expertise, Metrolinx and Infrastructure Ontario’s future estimates for LRT projects prior to

seeking Treasury Board approvals.

Status: Fully implemented.

Details

In our 2020 audit, we found that in December 2018, the Ministry of Transportation sought Treasury Board approval to reduce the scope of the Hurontario LRT project. The Ministry did this because Metrolinx had received feedback from the shortlisted bidders that the cost of the LRT would be substantially higher than the Treasury Board-approved initial budget.

In our follow-up, we found that the Ministry of Transportation has identified opportunities to improve the process Metrolinx undertakes when developing project estimates, including determining steps in the process where independent review of the estimates occur. Metrolinx's process now formally includes an independent peer review of estimates for projects greater than \$50 million. For example, we noted that Metrolinx had a peer review of the estimate for its Eglinton Crosstown West Extension project in April 2022.

Chapter 1

Section 1.07

Ministry of Children, Community and Social Services

Follow-Up on 2020 Value-for-Money Audit:

Supportive Services for Adults with Developmental Disabilities

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	5		1	4		
Recommendation 3	3			3		
Recommendation 4	4			4		
Recommendation 5	2	1	1			
Recommendation 6	3			3		
Recommendation 7	2			2		
Recommendation 8	1		1			
Recommendation 9	2			2		
Recommendation 10	3	2		1		
Recommendation 11	3	3				
Recommendation 12	2			2		
Total	32	8	3	21	0	0
%	100	25	9	66	0	0

Overall Conclusion

The Ministry of Children, Community and Social Services (Ministry), as of July 28, 2022, has fully implemented 25% of the actions we recommended in our *2020 Annual Report*. The Ministry has made progress in implementing an additional 9% of the recommendations.

The Ministry funds supportive services to help adults with developmental disabilities—approximately 1% of Ontarians. As of March 2022, the Ministry funds 325 transfer payment agencies (Service Agencies) to provide supportive services across the province. Eleven

of these Service Agencies also administer the Ministry's Passport program which provides funding directly to adults with developmental disabilities to purchase their own supportive services on a reimbursement basis. In addition, nine Service Agencies are designated as Developmental Services Ontario (DSO) offices responsible for the intake of applicants for supportive services, which includes confirming the applicant's eligibility and assessing support needs. In 2021/22, Ministry transfer payments to fund supportive services for adults with developmental disabilities totalled \$875.8 million.

The Ministry has fully implemented recommendations such as requiring that DSO staff verify that

psychologists and psychological associates who complete psychological assessments are registered and in good standing with the College of Psychologists of Ontario. In addition, the Ministry made changes to its information system, and introduced a requirement for DSO staff to record identifying information about the psychologists and psychological associates that complete psychological assessments in its information system.

So that Passport funding is more effectively used to meet the needs of clients, and the amounts reimbursed for support workers are reasonable, PassportONE's information system was updated so that persons managing Passport funding cannot be registered as a support worker in the system, and thus cannot be reimbursed as support workers. In addition, the Ministry implemented controls so that it is not possible for a parent, step-parent, spouse or primary caregiver to be registered as a support worker in PassportONE's information system. The Ministry also updated its Passport program guidelines to introduce a new reasonableness standard for live ticket events, including a limit of \$150 per event ticket, and a maximum of two tickets per event.

The Ministry has also made progress in increasing the availability of assessor training in the province. To increase the number of trained assessors at each DSO, the Ministry hired additional assessor trainers, bringing the total complement up to three. These three trainers now offer three training sessions per year.

To improve Service Agency compliance with regulatory requirements for services provided to adults with developmental disabilities, the Ministry was in the process of implementing improvements to its compliance inspection process, including increasing the risk ratings applied to recurring compliance violations (and reducing the time that an agency has to correct them), and obtaining written attestations from an Executive Director or Chief Executive Officer, that identified violations are addressed throughout the agency.

However, the Ministry has made little progress on 66% of the recommendations. The Ministry has not set a target time frame for DSO offices to complete needs assessments, nor has it reviewed and analyzed

large differences in wait times for needs assessments between DSO offices, and taken steps to minimize them. In addition, the Ministry has not compared the number of needs assessments completed by DSO offices to their targets to take corrective action when targets are not met. Furthermore, the Ministry has not taken sufficient steps to track how long clients wait for agency supportive services by DSO office, to compare and assess the reasonableness of differences, and to take corrective action to minimize differences and reduce wait times.

The Ministry has also made limited progress in collecting sufficient and comparable information on the services provided by agencies and their related costs, to study the level of support and cost per client across the province. In addition, the Ministry has not taken steps to perform spot checks on Service Agencies to validate the number of individuals they serve.

As well, the Ministry has not yet assessed the \$5,000 minimum amount of Passport funding it provides, including its impact on the equitability of funding, program demand, and wait times for additional funding for people with higher needs. In addition, the Ministry has yet to implement a performance measurement framework with indicators on client outcomes and quality of life measures.

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

Background

Approximately 1% of Ontarians have a developmental disability—a lifelong condition that affects a person's intellectual, social, and/or behavioural development. The Ministry of Children, Community and Social Services (Ministry) funds a variety of supportive services to help adults with developmental disabilities live at home, work and attend school in their communities, and participate in a wide range of activities.

As of March 2022, the Ministry funded 325 (316 in 2019) transfer payment agencies (Service Agencies) to provide supportive services across the province to adults with developmental disabilities. Eleven of

these Service Agencies also administer the Ministry's Passport program, which provides funding directly to adults with developmental disabilities to purchase their own supportive services on a reimbursement basis. In addition, nine Service Agencies are designated as Developmental Services Ontario (DSO) offices responsible for the intake of applicants for supportive services, which includes confirming the applicant's eligibility and assessing support needs.

The Ministry's funding of developmental supportive services programs was \$875.8 million in 2021/22 (\$859.4 million in 2019/20). We found in our audit that funding increased by 49% from \$578.7 million in 2015/16 to \$859.4 million in 2019/20. However, due to limited funding, not all people received all the supports they were eligible for.

The following were some of our specific concerns:

- Although Developmental Services Ontario (DSO) relied on psychological assessments to establish eligibility for supportive services, DSO staff were not required to verify that the psychologists or psychological associates completing the assessments were qualified. We found that in 6% of the application files we reviewed, the psychological assessment was either missing, or the qualifications of the psychologist or psychological associate could not be verified with the College of Psychologists of Ontario.
- DSO offices did not have a targeted time frame to complete client needs assessments, and wait times across the province for these assessments were very long. The average wait time for adults in Ontario to receive a needs assessment was 8.1 months in 2019/20, and ranged from 8.1 months to 10.8 months in the previous five years. Wait times for needs assessments also varied significantly among the province's nine regional DSO offices. While clients waited an average of 13 months for their needs assessment at the Toronto DSO office in 2019/20, clients at the Northern region DSO office in Thunder Bay waited an average of just 3.1 months. How quickly a client received supports was therefore significantly influenced by where they lived.
- Across the province, the number of people waiting for agency supportive services had grown by 80% from almost 19,000 in 2015/16 to almost 34,200 in 2019/20 (as of 2021/22, 39,710 were waiting). The number of people waiting at some DSO offices had grown by more than 100% over the same five-year period—and by 147% at the South East DSO office. The Ministry did not assess the reasonableness of the growth in wait lists at DSO offices to determine whether corrective action was needed to provide equitable access to services across the province.
- Passport recipients were being reimbursed for very expensive professional sports and concert tickets. While Passport funding can be used to attend events to increase client participation in their communities, we found a number of instances where Passport clients were reimbursed for expensive and/or large numbers of tickets to professional sports and entertainment events. This was occurring while the Passport program had limited resources that could not meet the demand for the program. For example, a client spent \$2,214 on two tickets to a Toronto Raptors game and \$2,070 on two tickets for a concert just three weeks later.

We made 12 recommendations, consisting of 32 action items, to address our audit findings. We received commitment from the Ministry that it would take action to address these recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and October 2022. We obtained written representation from the Ministry that effective November 11, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Eligibility and Needs Assessments

Recommendation 1

So that the Ministry of Children, Community and Social Services' (Ministry) limited resources for developmental supportive services are provided to eligible individuals only, we recommend that the Ministry, in co-ordination with Developmental Services Ontario (DSO):

- *record identifying information in their information system about the psychologists or psychological associates that complete each psychological assessment;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Developmental Services Ontario (DSO) does not record the names of psychologists or psychological associates that complete psychological assessments in its information system. As a result, neither DSO nor the Ministry is able to generate a list of all the individuals that have completed psychological assessments to compare them with the College of Psychologists of Ontario's (College's) records. We observed that the College's website publicly discloses the following information about its members: registration status; authorized areas of practice; authorized client populations (for example, children, adults); and details of any disciplinary or other proceedings.

In our follow-up, we found that at the end of 2021, the Ministry made changes to its information system, and introduced a requirement for DSO staff to record identifying information (name and provincial registration) about psychologists and psychological associates that complete psychological assessments in its information system.

- *require that DSO staff verify that psychologists and psychological associates who complete psychological assessments are registered and in good standing with the College of Psychologists of Ontario.*

Status: Fully implemented.

Details

In our 2020 audit, we found that applicants must provide psychological assessments to the DSO office to support that they have disabilities that meet the definition of a developmental disability under the *Services and Supports to Promote the Social Inclusion of Persons with Developmental Disabilities Act* (Act) and its regulations. These assessments must be completed by a psychologist or psychological associate in good standing with the College of Psychologists of Ontario (College). Although DSO relies on psychological assessments to establish applicants' eligibility for supportive services, DSO staff are not required to verify that those completing the assessments are qualified psychologists or psychological associates who are in good standing with the College.

In our follow-up, we found that at the end of 2021, the Ministry introduced a requirement for DSO staff to verify that psychologists and psychological associates are registered and in good standing with the College, or other equivalent extra-provincial body. Specifically, in December 2021, the Ministry implemented a directive which outlines the procedure for confirming that a psychologist or psychological associate is registered and in good standing with the College at the time they completed the psychological assessment. The Ministry communicated this new directive and procedures to DSO staff through webinar training in December 2021.

Recommendation 2

So that individuals with developmental disabilities have access to timely and consistent services across the province, we recommend that the Ministry of Children, Community and Social Services:

- *set a target time frame for Developmental Services Ontario (DSO) offices to complete needs assessments;*
- *review and analyze the large differences in wait times for needs assessments between DSO offices, and take steps to minimize these differences;*
- *study the reasonableness of the targeted number of needs assessments to be completed by DSO offices and assessors, to revise targets accordingly;*

- *compare the number of needs assessments completed by DSO offices to their targets to take corrective action when targets are not met;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that once an applicant has been confirmed to be eligible for developmental supportive services, the individual must have their support needs assessed by a DSO assessor before they receive agency supports or additional Passport funding above the \$5,000 minimum. We found that the DSO offices did not have a targeted time frame to complete needs assessments, and wait times across the province for these assessments were very long, ranging from 8.1 months to 10.8 months over the last five years.

We also found that wait times for needs assessments vary significantly between the province's nine DSO offices. We noted that while adults waited an average of 13 months in 2019/20 for their needs assessments at the Toronto DSO office, at the Northern region DSO office in Thunder Bay they waited an average of just 3.1 months. How quickly a client receives supports is therefore significantly influenced by where the client lives.

In our 2020 audit, we noted that although the Ministry sets targets for the number of needs assessments it expects DSO offices to complete each year, we found that such targets were seldom met. We found that collectively, DSO offices have missed the Ministry's annual needs assessment targets in each of the last five years. In addition, based on the Ministry's expectations, most DSO offices are not funded for enough full-time assessors to meet the Ministry's yearly target for assessments. Across the province, based on Ministry funding for assessors, DSO offices are likely to complete 562 fewer assessments annually than the Ministry's target. The shortfall in funding is also a contributing factor in the long waits for assessments.

We also found that the Ministry could not demonstrate that it reviews the actual results of DSO offices on needs assessments to determine why they missed their targets and to take corrective action so that Ministry targets are met. The Ministry funds each DSO office for a certain number of full-time-equivalent

assessors. As well, the Ministry set an expectation, based on previous results, that an experienced assessor should complete 75 assessments annually, and an assessor in the first year of employment should complete 60 assessments. However, we found that the number of assessors funded by the Ministry did not align with the targeted number of assessments the Ministry expected DSO offices to complete.

In our follow-up, we noted that the Ministry has not yet taken steps to directly address these recommendations. The Ministry noted that it undertook a review between May 2021 and February 2022 of DSO operations and business processes. The review process engaged DSO offices to examine areas such as training, staffing, and assessments. Based on this review, the Ministry indicated that it plans to update its information system's functionality by the end of 2022/23, to allow it to track individuals who do not want to complete a needs assessment (only individuals seeking agency supports or additional Passport funding above the \$5,000 minimum require a needs assessment). According to the Ministry, this will allow for more accurate reporting on wait times. Thereafter, the Ministry noted that it plans to analyze differences in wait times across the province and take corrective action to minimize differences. The Ministry also indicated that in the 2022/23 fiscal year, it plans to establish a working group to review current needs assessment targets; introduce a reporting mechanism that identifies DSO offices that do not meet their needs assessment targets; and to schedule quarterly meetings with DSO staff to review productivity.

- *provide sufficient training opportunities so that DSO offices can fill assessor vacancies on a timely basis.*

Status: In the process of being implemented by March 2024.

Details

In our 2020 audit, we noted that both the Ministry and the majority of DSO offices indicated that assessor vacancies are due to a lack of trained assessors available to fill open positions in the province. DSO offices hire assessors, who then receive training from the

Ministry. However, some DSO offices indicated training was not offered often enough by the Ministry to fill assessor vacancies. We noted that the Ministry has had one trainer qualified to deliver assessor training in the previous five years who typically offered training for new assessors semi-annually. Some DSO offices told us that despite having funding to hire assessors, training sessions were often full or cancelled, limiting their ability to fill positions.

In our follow-up, we noted that in April 2021 the Ministry hired an additional trainer to deliver assessor training, increasing the Ministry's total complement of trainers to three. In addition, the Ministry advised us that beginning in November 2021, it expanded the number of training sessions for new assessors from two to three per year (January, April and September). However, the Ministry has not analyzed whether holding three training sessions for new assessors provides sufficient training opportunities so that DSO offices can fill assessor vacancies on a timely basis. We noted that since the time of our audit, the number of full-time-equivalent assessors had increased by just one, from 87.55 in 2019/20 to 88.55 at the end of March 2022, relative to 114.44 total funded positions. According to the Ministry, the unfilled positions include 13 leaves and 12.89 vacancies. The Ministry indicated the COVID-19 pandemic had impacted the ability of DSO offices to hire assessors and get them trained. The Ministry expects that by the end of the 2023/24 fiscal year, it will review whether there is a continued need to provide three training sessions a year for new assessors based on the number of assessor vacancies at the time.

Service Agency Supports

Recommendation 3

So that clients waiting for services are prioritized consistently across the province, we recommend that the Ministry of Children, Community and Social Services:

- *track the length of time clients wait for agency supportive services by DSO office;*
- *periodically compare these wait times to assess the reasonableness of differences; and*

- *take corrective action to minimize differences and reduce wait times.*

Status: Little or no progress.

Details

In our 2020 audit, we found that across the province, the number of people waiting for agency supportive services had grown by 80% in the last five years, from almost 19,000 in 2015/16 to almost 34,200 in 2019/20. In addition, the increase at individual DSO offices ranged from as low as 51% at the Central West DSO office to as high as 147% at the South East DSO office. However, we found that the Ministry does not assess the reasonableness of the growth in wait lists at DSO offices to determine if corrective action is needed to ensure equitable access to services across the province.

In our 2020 audit, we also found that the Ministry does not calculate wait times for agency supportive services. However, in April 2017, in addition to tracking when individual clients requested agency services, the Ministry began tracking when they were placed in those services, and at what agency. Approximately 14,300 requests made for agency supportive services were made in 2017/18, and as of March 31, 2020, only about 1,200 individuals that requested these services had been placed, and approximately 13,000 were still waiting. The Ministry does not track these wait times and does not assess whether they are reasonable, or whether corrective action is necessary.

In our follow-up, we found that the Ministry has not yet improved its tracking and assessment of the time clients wait for agency supportive services at individual DSO offices. The Ministry indicated that in spring 2022, it began to explore the feasibility of calculating service wait times based on data currently available. The Ministry also plans to determine if it needs to capture additional data in its information system to enable it to accurately calculate service wait times, and to make the necessary updates to its information system to do so if required. The Ministry expects to complete an initial analysis of service wait times, including the feasibility of calculating service wait times based on available data by September 2022. Once the necessary data collection requirements are

in place, the Ministry will define reasonable wait times for all DSOs and periodically compare DSO wait times to assess the reasonableness of differences. Thereafter, the Ministry will take steps to minimize these differences and reduce wait times.

Recommendation 4

To provide equitable levels of supports at a reasonable cost across the province, we recommend the Ministry of Children, Community and Social Services:

- collect sufficient and comparable information on the extent of services provided by agencies and their related costs;
- study the level of support and cost per client of agency services across the province;
- create benchmarks for support levels and cost per client, and evaluate regions and agencies against these benchmarks; and
- take corrective action where regions and agencies do not meet these benchmarks.

Status: Little or no progress.

Details

In our 2020 audit, we found significant differences between the Ministry's five regions in the level of supportive services individuals with developmental disabilities received from Service Agencies, and the cost of these services to the Ministry. For example, we found that while clients in the Toronto region received an average of 179 support days for community participation, clients in the East region only received 94 days of support. In addition, the cost per client served was almost \$7,000 higher in Toronto. However, we found that the Ministry did not review these differences to assess their reasonableness, and to take corrective action where needed to ensure people with developmental disabilities received appropriate supports, and that the services provided by Service Agencies represented value-for-money.

In our 2020 audit, we noted that for 2019/20, the Ministry reduced Service Agencies' reporting requirements about the clients they served. The Ministry explained it made the change to reduce the administrative burden for Service Agencies. However, the change

limits the Ministry's ability to compare support levels or client costs between agencies and regions. For example, for caregiver respite, the Ministry no longer requires Service Agencies to report the number of hours of respite provided, and for employment and community participation supports, it no longer requires Service Agencies to report the number of days of service provided.

In our follow-up, we found that the Ministry had made limited progress toward implementing these recommendations. The Ministry identified that in May 2021, the Ontario government released Journey to Belonging: Choice and Inclusion, outlining key commitments to developmental service reform. As part of this reform, by 2023, the Ministry will begin to develop a needs-based funding model. To begin this process, the Ministry contracted a vendor in November 2021 to complete a study to obtain a better understanding of service and service delivery unit costs. The Ministry advised us that the vendor began collecting data to undertake the study in May 2022. Using the results of the vendor's study, the Ministry expects to gain a full understanding of the costs of service delivery that it will later use to establish a funding model and to make decisions related to the services that will be funded and the prices for those services. The Ministry indicated that it plans to use the new funding model to create benchmarks for support levels and cost per client, and evaluate regions and agencies against these benchmarks, and to take corrective action where necessary.

Recommendation 5

So that Service Agencies provide the supportive services they are contracted to provide, and the funding provided to them is commensurate with the value of the services they provide, we recommend that the Ministry of Children, Community and Social Services:

- require Service Agencies to submit written, detailed explanations for all variances greater than the Ministry's established threshold;

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Ministry's contracts with Service Agencies include agreed-upon service targets, and agencies report their results against these targets quarterly. Ministry policy directives state that agencies must provide explanations when actual service volumes fall short of targets by 10% or more. These explanations include a description of the impact on service delivery and staffing, and action plans for improving. We found that in 2018/19, almost 50% of agency programs reported at least one service measure that was 10% or more below the target for the year. We reviewed a sample of reports for these instances and found that the majority contained no explanation for the variance from the target, or the included comments did not explain the variance. For example, one agency that fell 20% short of its target for the number of support days provided for caregiver respite simply commented "less than anticipated" as its explanation to the Ministry.

In our follow-up, we found that the Ministry had fully implemented this action item. In May 2021, the Ministry implemented a template for use by Service Agencies, which included the requirement for written and detailed explanations for all variances greater than the Ministry's established threshold of 10%. To support the template's implementation, the Ministry also provided voluntary, remote training to agency staff in May 2021. Once data is received from Services Agencies, Ministry staff are required to follow up with agencies that have not provided a satisfactory explanation for significant variances and may also request action plans to address the variances.

- *perform variance analyses to evaluate whether these explanations are reasonable, and facilitate corrective action where they are not.*

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

Details

In our 2020 audit, we found that the Ministry did not always perform the required analyses when agencies reported that their services fell significantly short of their targets. In 2018/19, almost 50% of agency

programs reported at least one service measure that was 10% or more below the target for the year. We reviewed a sample of reports for these instances, and found that the majority contained no explanation for the variance from the target, or the included comments did not explain the variance. There was no indication in these cases that the Ministry followed up to assess if the shortfall from the target was reasonable.

In our follow-up, we found that the Ministry had made progress in implementing this recommendation. The Ministry's Program Data Analytics (PDA) Unit reviewed Service Agencies for the 2020/21 fiscal year, and flagged variances +/- 10% where an explanation was missing or was unclear. In December 2021, the PDA Unit communicated these cases, where a variance explanation was missing, to the applicable regional offices to facilitate follow up in order to obtain satisfactory explanations for the variances and where applicable, proposed action plans to address them. The Ministry advised us that as of June 2022, it had reviewed and followed up with Service Agencies to obtain a satisfactory explanation and applicable action plans for about 70% of the cases flagged by the PDA Unit for the 2020/21 final reports. The Ministry advised us that it expects to complete the remaining cases by March 2023.

The Ministry advised us that for the 2020/21 fiscal year, it had communicated to Service Agencies that due to the COVID-19 pandemic, they were not required to meet pre-COVID-19 targets and to provide explanations for variances relative to those targets. Nevertheless, the Ministry advised us that requirements to perform variance analysis resumed in the 2021/22 fiscal year, and final reports from Service Agencies, including explanations and action plans for variances, were due to the Ministry in June 2022. Once the Ministry receives these reports from Services Agencies, Ministry staff are required to follow up with agencies that have not provided a satisfactory explanation for significant variances, and where applicable, proposed action plans to address them. At the time of our follow-up, the Ministry had received 87% of all final reports for the 2021/22 fiscal year and expected to complete its review of these reports by March 2023.

Recommendation 6

To improve the accuracy of reporting by Service Agencies of supports, and to improve accountability within the supportive services program, we recommend that the Ministry of Children, Community and Social Services:

- *require Service Agencies to submit client lists that support the individuals they have reported providing service to, and link these lists to the Ministry's database of eligible clients for verification;*

Status: Little or no progress.

Details

In our 2020 audit, we found that although the Ministry collects output data from Service Agencies, such as on the number of clients they serve by type of supportive service, the Ministry does not validate the accuracy of the information reported by Service Agencies. We found several instances where Service Agencies claimed that they provided services to more individuals than they actually did. We noted that the Ministry requires DSO offices to maintain a list of all clients eligible for supportive services at agencies in its information systems. However, it does not require agencies to submit a list of their clients when reporting the number of individuals served to enable the Ministry to match the list against its records.

In our follow-up, we found that the Ministry had not yet made progress on this recommendation. The Ministry indicated that changes to its information systems will be required to allow Service Agencies to manage their service records for more efficient reporting. The Ministry noted that it has begun discussions internally to evaluate options to validate agencies' reporting using client lists and its information systems.

- *perform spot audits on Service Agencies to validate the information provided in the quarterly reports; and*
- *take corrective action where actual results achieved by Service Agencies fall short of the results they have reported.*

Status: Little or no progress.

Details

During our audit in 2020, we noted that the Ministry's contracts with Service Agencies include agreed-upon service measures with targets. Agencies report results against these targets quarterly. We selected a sample of agencies, including the four Service Agencies we visited during our audit, that reported meeting their targets exactly for the number of individuals served in 2018/19. We found that 73% of the agencies did not have client records that supported the number of individuals served they had reported to the Ministry. This included three agencies that had over-reported the number of individuals they served in one or more of their programs by between 13% and 120%.

In our follow-up, we found that the Ministry had not yet made progress on these recommendations. Nevertheless, the Ministry indicated it plans to create a work plan to address these recommendations.

Recommendation 7

To ensure that services are appropriate, high quality, and represent value for money, we recommend the Ministry:

- *expedite the implementation of a performance measurement framework that includes indicators on client outcomes and quality of life measures; and*
- *publicly report the results of client outcome measures from the framework.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the Ministry does not have performance indicators in place to measure the effectiveness of the developmental supportive services it funds, or the outcomes of clients who receive those services. We found that in spring 2017, the Ministry developed an outcomes-based Performance Measurement Framework (framework) for developmental supportive services to measure the effectiveness of the supportive services it funds and the outcomes of those receiving supportive services. However, at the time of our audit three years later, the Ministry had yet to implement this framework and did not have a timetable for doing so. As a result, the Ministry cannot assess whether the agencies it funds provided the right

services according to their clients' needs, or identify whether it is funding poor-performing agencies.

In our follow-up, we found that the Ministry had not yet implemented a performance measurement framework with indicators on client outcomes and quality of life measures. The Ministry informed us that it is taking a staged approach to developing a performance measurement framework beginning with performance indicators related to the application process. The Ministry advised us that it has begun internal discussions to identify desired outcomes for the application process, potential performance indicators to measure those outcomes using existing data, and an implementation plan. The Ministry expects to complete this work, implement indicators related to the application process, and publicly report the results by December 2022. Thereafter, the Ministry plans to build upon lessons learned in developing performance indicators on the application process to develop a performance measurement framework across other areas of client service, such as accessing and receiving services.

Recommendation 8

To improve Service Agency compliance with regulatory requirements for services provided to adults with developmental disabilities, we recommend that the Ministry of Children, Community and Social Services take enforcement action against Service Agencies where its inspections identify significant recurring issues.

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

Details

In our 2020 audit, we found that the Ministry identified recurring compliance issues during its inspections of Service Agencies that provide supportive services. However, we noted that the Ministry did not take any enforcement action to deter repeated non-compliance by these agencies—even in instances involving significant issues. The purpose of inspections is to check for and enforce compliance with the 236 quality assurance standards related to supportive services. When non-compliance issues are found, Service Agencies are required to report to the inspector how they have addressed the issue, and certify that the issue has been

resolved. We selected a sample of agencies inspected multiple times between 2016/17 and 2019/20, and reviewed year-over-year inspection results. Despite Service Agencies certifying that non-compliance issues in the original inspection had been resolved, we found that nine out of the 10, or 90% of the agencies in our sample had non-compliance issues identified in inspections show up again in subsequent inspections. In total, we found that 34 non-compliance issues identified across the agencies in our sample were identified again in subsequent inspections. None of the Service Agencies in our sample were disciplined for any of the issues that were identified again during subsequent inspections.

In our follow-up, we noted that in June 2021, the Ministry approved enhancements to its existing compliance inspection process aimed at addressing this recommendation. These enhancements include increasing the risk ratings applied to recurring non-compliances (and reducing the time that an agency has to correct them), and obtaining written attestations from an Executive Director or Chief Executive Officer, that identified compliance violations are addressed systemically throughout the agency. In September 2021, these enhancements were implemented and notification of the changes to the compliance process were communicated to all transfer payment recipient agencies. Between September 2021 and March 2022, the Ministry noted that it conducted 81 inspections of Service Agencies and identified recurring compliance violations in 17 of them. According to the Ministry, all agencies attested that they addressed the non-compliances. The Ministry indicated that since it implemented these changes to its compliance inspection process, Service Agencies have met its requirements and as such, it has not deemed it necessary to take enforcement action. However, we noted that the Ministry has not yet conducted a follow-up inspection of the 17 agencies found to have recurring compliance violations to ensure that they remain in compliance after submitting written attestations indicating that they have addressed the non-compliances throughout the organization. The Ministry expects to have completed follow-up inspections by the end of 2023.

Passport

Recommendation 9

So that Passport funding is allocated equitably, we recommend that the Ministry of Children, Community and Social Services:

- *assess the \$5,000 minimum funding amount, including its impact on the equitability of funding, wait times for additional funding for people with higher needs, and program demand; and*
- *make adjustments to its funding allocation method based on this assessment.*

Status: Little or no progress.

Details

In our 2020 audit, we noted that clients eligible for supportive services receive \$5,000 in Passport funding before they complete their needs assessment. This allows clients to purchase some supports while they wait for their needs assessment. Annual Passport funding is not reduced below \$5,000, even if a client's needs are assessed below this level. By not reducing funding in subsequent years when a client's needs are assessed below the \$5,000 minimum, we found that clients with higher needs were waiting longer for much-needed additional funding. The wait list for Passport funding increased significantly from 2015/16 to 2019/20, with almost 19,500 individuals waiting in 2019/20. Based on Passport agency-provided data, there were 5,239 individuals assessed with needs which entitled them to less than the \$5,000 requirement. We calculated that these 5,239 Passport recipients, on average, would have been assessed for annual Passport funding of \$3,390—or \$1,610 less than the \$5,000 minimum allocation. The \$1,610 in additional funding allocated to these clients represents, on average, \$8.4 million dollars in annualized funding that could be allocated to individuals with higher needs waiting for additional funding.

In our follow-up, we noted that the Ministry has not yet assessed the \$5,000 minimum funding amount nor adjusted the funding allocation. In November 2021, the Ministry began working with Family Services Toronto, the agency that administers the PassportONE funding

program, to establish data transfer processes to obtain the data needed for the Ministry to assess the impact of the \$5,000 minimum funding. The Ministry advised us that it began its review of this data in February 2022. The Ministry expects to complete its assessment and determine a recommended course of action regarding any possible adjustments to the funding allocation method by the end of 2022. Thereafter, the Ministry will determine a timeline for any adjustments to the funding allocation method.

Recommendation 10

So that Passport funding is more effectively used to meet the needs of clients, and that amounts reimbursed for support workers are reasonable, we recommend the Ministry of Children, Community and Social Services:

- *identify and assess options for providing Passport recipients with sufficient guidance for purchasing supportive services that are appropriate to their needs;*

Status: Little or no progress.

Details

In our 2020 audit, we found that many Passport program clients spend the vast majority of their funding allocation to pay family members for support work. While using Passport funding for this purpose is within the rules of the program, we found it was often not aligned with the individual's needs as identified by the Supports Intensity Scale. We reviewed needs assessments for a sample of 15 Passport clients who spent 100% of their annual funding allocation on support workers who were relatives in 2019/20. In the majority of assessments reviewed, we found that family support work did not align with the client's support needs as determined by their Supports Intensity Scale results. For example, one client spent \$17,107, 100% of their funding, on a relative support worker to provide caregiver respite. However, their greatest need, as identified by the Supports Intensity Scale, was for lifelong learning, such as problem solving, and functional academics like reading signs and counting change.

In our follow-up, we found that the Ministry has not made significant progress toward implementing this

recommendation. We noted that the Ministry has taken steps to begin to develop options for providing Passport recipients with sufficient guidance for purchasing supportive services that are most appropriate to their needs. In fall 2021, the Ministry provided funding to a Passport Agency through the Ontario Passport Agency Network (OPAN) to hire a project manager, and to create a working group to identify ways to better support clients. Through this process, the Ministry plans to implement a new Passport program website by the end of March 2023, to share information with clients, and to share best practices for providing guidance to clients between Passport Agencies. The Ministry also advised us that education materials will be developed to facilitate the appropriate utilization of funds by Passport Program funding recipients and the individuals managing their funds.

The Ministry also advised us that it is working with an organization called Partners 4 Planning to provide additional resources for the Passport program, including a digital library of resources for clients, such as videos and webcasts to help clients navigate the use of their Passport funding independently and in compliance with Passport program guidelines. Resources will also address topics such as financial literacy and budgeting basics, and tips on how to improve claim submissions. The Ministry expects these resources to be developed by March 2023.

- *require Passport Agencies to perform thorough checks of all support workers to ensure they are not parents, step-parents, children, or the spouses of clients;*

Status: Fully implemented.

Details

In our 2020 audit, we analyzed PassportONE's information systems and found that 23% of all Passport clients had registered at least one family member as a support worker. In addition, we found that \$61.8 million of \$197 million, or 31% of funds reimbursed to Passport clients for support workers in 2019/20, was related to paying family members for support work.

Under the Passport program, anyone over the age of 18 can provide Passport clients with support work,

including family members except a client's child, spouse, parent or primary caregiver. However, our review of a sample of 15 Passport clients who spent 100% of their annual funding allocation on support workers who were relatives identified limited controls for PassportONE approval of support work provided by family members. For example, \$22,600 was reimbursed for support work by a client's family member between July 2018 and June 2020. While reviewing this claim, we discovered that the support worker was the client's step-parent—a fact that was not disclosed in PassportONE's information system. Support work provided by step-parents is not eligible for reimbursement.

In our follow-up, we found that in April 2021, PassportONE's information system was updated so that Persons Managing Passport Funding cannot be registered as a support worker in the system and thus cannot be reimbursed as support workers. In addition, the Ministry advised us that it implemented controls in PassportONE's information system to restrict who can become a support worker and be reimbursed as such. The Ministry advised that it is not possible for a parent, step-parent, spouse or primary caregiver to be registered as a support worker in PassportONE's information system. The Ministry also reflected these restrictions in its updated Support Worker Information form, which was revised in August 2021.

- *implement controls, in co-ordination with PassportONE, that prevent persons managing Passport funding on a client's behalf from charging for services.*

Status: Fully implemented.

Details

In our 2020 audit, we identified limited controls for PassportONE approval of support work provided by family members. For example, \$17,250 was reimbursed for support work provided by a client's sibling between May 2018 and April 2020. This represented 100% of the client's reimbursed Passport expenses during this period. A flat rate was being charged each month for support work, with no indication of how many hours of support were being provided, on what days, or at

what rate. In addition, the Passport Agency serving the client listed the support worker sibling as the person managing the client's Passport funds, a clear conflict of interest, as the sibling could approve and submit their own account of services provided for reimbursement. By approving support work claims for family members without information such as dates, hours provided, and locations and distances travelled, though these claims may be within the program guidelines, PassportONE cannot assess whether services were provided, the reasonableness of the amounts claimed, or whether they provide value for money for the person with a developmental disability.

In our follow-up, we found that in April 2021, PassportONE's information system was updated so that Persons Managing Passport Funding cannot be registered as a support worker in the system and thus cannot be reimbursed as support workers. Support worker registration and information forms, as well as Passport guidelines were also revised in summer 2021 to incorporate these changes. In addition, the Ministry advised us that it worked with PassportONE and Passport agencies to flag and address existing cases where the person managing a client's Passport funding was identified as a support worker in PassportONE's information system, so that these individuals now only hold one role or the other—not both. The Ministry advised us that all identified cases were rectified by March 31, 2021.

Recommendation 11

So that the Passport program's limited funds can provide benefits for more people, we recommend that the Ministry of Children, Community and Social Services:

- *establish reasonable restrictions on the cost, number, and location of events for tickets purchased for sports, concerts, and other activities and events that can be claimed for reimbursement;*

Status: Fully implemented.

Details

In our 2020 audit, we found many instances where Passport clients were reimbursed for expensive and/or large numbers of tickets to professional sports

and entertainment events which do not represent value-for-money, particularly given the Passport program's limited resources and the unmet demand for the program. We noted that professional sports and entertainment events were considered eligible expenses under the category of Community Participation.

However, we found that the Ministry's program guidelines do not include any restrictions on purchases for these events such as the cost, number of events, location of events, or percentage of a client's total Passport program funding. For instance, we noted that a client spent \$2,214 on two tickets to a Toronto Raptors game, which PassportONE subsequently approved.

In our follow-up, we found that the Ministry had fully implemented this recommendation. The Ministry advised us that it updated its Passport program guidelines effective September 2021, to introduce a new reasonableness standard for live ticket events, including a limit of \$150 per event per ticket, and a maximum of two tickets per event (i.e., a client and their support worker). The Ministry also advised us that these limits were hard-coded into the PassportONE information system that will automatically flag and/or reduce claims that exceed the maximum allowable limit. The Ministry communicated these changes to all Passport recipients by mail or email in a package sent out in August 2021. The Ministry now also tracks whether or not the claim is related to expenses incurred in Ontario.

- *work with PassportONE to update its claim form to capture relevant details about activities and events, including concerts and sports tickets claimed;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that PassportONE staff responsible for reviewing individual claims submitted by clients can review all relevant supporting documents related to a claim. However, the claim form, and as a result PassportONE's information system, is missing key details required to analyze trends or identify systemic issues in claims reimbursed by PassportONE. For example, we found the claim form does not include a field for a description of the services purchased (for example, hockey tickets). In addition, while the claim

form includes a field to identify the service provider, we found it often included only a vague description such as “event ticket” or “activity.”

In our follow-up, we found that as part of its update to the Passport program guidelines (as discussed in the first action item in **Recommendation 11**) in September 2021, the Ministry also updated its claim form to reflect the changes related to the live ticket events requirements. The updated form now includes a new expense category for live events and collects additional information on these events, such as the date, number of tickets (to a maximum of two), ticket cost and reimbursement amount.

- *require that PassportONE periodically analyze reimbursed claims for sports and concert tickets to ensure the cost, number, and location of events claimed are reasonable, and take corrective action where they are not.*

Status: Fully implemented.

Details

In our 2020 audit, PassportONE informed us that it had made the decision to use generic service providers for events and activities such as “event ticket” rather than inputting the actual service provider, to allow for easier review. However, we noted that without information such as a description of the event, the service provider holding the event, or the number of events included in the purchase, a complete analysis of how much was spent on concert or professional sports tickets is not possible. In addition, since such claims cannot be readily identified, it is also not possible to perform a targeted review of such expenditures for reasonableness.

In our follow-up, we found that the Ministry updated its Passport program guidelines effective September 2021, to introduce a new reasonableness standard for live ticket events, including a limit of \$150 per event per ticket, and a maximum of two tickets per event (i.e., a client and their support worker). For season ticket packages, which we noted were a concern in our 2020 audit, the maximum ticket amount of \$150 is applied but for each ticket in a season ticket package. In addition, the Ministry updated its claim form to

reflect these changes related to live ticket events. The Ministry also advised us that these limits were hard-coded into the PassportONE information system that will automatically flag and/or reduce claims that exceed the maximum allowable limit. As a result of these changes, the Ministry noted that unreasonable amounts for sports and concert tickets can no longer be claimed and reimbursed. To ensure that these changes are effective, the Ministry has committed to collect data on live event tickets and to monitor it quarterly to ensure the system and controls are functioning properly. We reviewed the Ministry’s monitoring reports related to live ticket event claims between September 1, 2021 and March 31, 2022. The Ministry found that as a result of the new changes, the reimbursement of 406 tickets was lowered to the cap of \$150, leading to Passport program savings of over \$40,000.

Response to COVID-19

Recommendation 12

So that it has the necessary information to understand the impact on the developmental supportive services it funds, and maintains accountability for the transfer payments it provides, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *require Service Agencies to report to the Ministry any changes on the availability of their supportive services during the COVID-19 pandemic, including whether their physical locations are open;*

Status: Little or no progress.

Details

In our 2020 audit, we found that in response to the declaration of the COVID-19 pandemic, the Ministry made several changes to funding, oversight and reporting requirements related to supportive services provided by Services Agencies to provide agencies with the flexibility to respond to the outbreak. The Ministry advised Service Agencies to self-report through the Ministry’s Serious Occurrence Reporting System if they were closing their physical locations. The Ministry speculated that most Service Agencies stopped providing in-person supportive services after the

emergency declaration. However, at the conclusion of our fieldwork six months after the Province's emergency declaration, we found that the Ministry still did not have a summary of how many agencies had closed, how long they had closed for, and the degree to which the services they provide and the individuals they provide them to were affected.

In our follow-up, we noted that in February 2021, the Ministry released an addendum to its Serious Occurrence Reporting Guide for COVID-19-related serious occurrences, which described COVID-19-specific reporting requirements, including a requirement to report as a serious occurrence cases where a program or site closed due to COVID-19-related precautions or an outbreak. However, the Ministry advised us that it does not otherwise require Service Agencies to report the impact of COVID-19 on the availability of services, such as converting services from in-person to virtual or changes in an Agency's ability to service the same number of clients.

- *use this information to assess the reasonability of expenditures reported by Service Agencies.*

Status: Little or no progress.

Details

In our 2020 audit, the Ministry indicated that with the onset of COVID-19, it expected agency service delivery costs to increase due to additional costs to adhere to public health guidelines for the health and safety of their clients and staff through physical distancing

and other COVID-19 safety measures. In response, the Ministry also made several changes related to Service Agencies' use of Ministry funding, oversight and reporting requirements, including the Ministry advising us that Service Agencies were to be provided with full funding allocations for the 2020/21 fiscal year, and that they told Service Agencies they would not be held accountable to meet service targets, such as the number of individuals served. At the conclusion of our fieldwork, the Ministry could not say whether, as a result of the COVID-19 pandemic, it expected Service Agencies would report having unspent supportive services funding in the 2020/21 fiscal year. However, it advised us that, as in prior years, it would recover any unspent funds.

In our follow-up, we noted that the Ministry had begun assessing the reasonability of expenditures reported by Service Agencies for the 2020/21 fiscal year. The Ministry advised us that this includes taking into consideration service disruptions reported during the COVID-19 pandemic. However, although the Ministry required Service Agencies to report as a serious occurrence cases where a program or site closed due to COVID-19-related precautions or an outbreak, the Ministry does not otherwise require Service Agencies to report the impact of COVID-19 on the availability of services, such as converting services from in-person to virtual or changes in an Agency's ability to service the same number of clients.

Chapter 1

Section 1.08

Ministry of Health

Virtual Care: Use of Communication Technologies for Patient Care

Follow-Up on Value-for-Money Audit, 2020 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	1	1				
Recommendation 3	2	2				
Recommendation 4	2		2			
Recommendation 5	5	4	1			
Recommendation 6	1	1				
Recommendation 7	1	1				
Recommendation 8	1		1			
Recommendation 9	2	2				
Recommendation 10	2	1	1			
Recommendation 11	1		1			
Recommendation 12	4	4				
Recommendation 13	2	2				
Total	28	20	8	0	0	0
%	100	71	29	0	0	0

Overall Conclusion

The Ministry of Health (Ministry) and Ontario Health, as of October 19, 2022, have fully implemented 71% of actions we recommended in our *2020 Annual Report*. The Ministry and Ontario Health have made progress in implementing an additional 29% of the recommendations.

The Ministry and Ontario Health have fully implemented recommendations such as reviewing policies and structures related to delivery of and billing for virtual care to identify ways of expanding virtual-care options; evaluating the feasibility of allowing

physicians to bill for virtual care provided outside of the Telemedicine Network; developing a framework to monitor virtual-care visit and billing data continuously, and identify red flags that warrant further reviews; assessing whether Telemedicine Network and Telehealth Ontario services can be integrated; analyzing virtual-care usage and costs across the province to decide whether pandemic-related temporary changes (for example, to virtual-care billing codes) should be made permanent; and obtaining feedback from health-care providers on their experiences with virtual care during the pandemic.

The Ministry and Ontario Health have made progress in implementing recommendations such as evaluating the effectiveness of their measures to prevent, detect, and reduce inappropriate virtual-care billings; working with primary-care physicians and stakeholders to find solutions that enable all Ontarians to receive virtual primary-care services when they want and when clinically appropriate; continuously assess the effectiveness of Telehealth Ontario services on an annual basis using follow-up surveys of patients; and working with experts in other jurisdictions and/or private virtual-care providers to identify and implement metrics for measuring and evaluating patient and health-care system outcomes.

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

Background

Virtual care, unlike traditional in-person health care, uses technologies to enable remote communication between patients and health-care providers and between health-care providers. While many of the technologies required to deliver virtual care, such as smartphones, computers and email, have been around for decades, virtual care is still an emerging area of health care.

Although virtual care does not replace traditional in-person care, there has been a significant increase in the interest and importance of virtual care as an option, driven by a public demand for convenience and timely access to health-care services and by the COVID-19 pandemic. In our audit, we found that the number of virtual-care visits between physicians and patients through the Ontario Telemedicine Network (Telemedicine Network) increased by over 250% from about 320,000 in 2014/15 to over 1.2 million in 2019/20. Since our audit, virtual-care visits increased even further to 1.8 million in 2021/22.

The Ministry of Health (Ministry) primarily funds virtual-care services for Ontario patients in three ways: funding to the Telemedicine Network; payment of physician billings for virtual care; and payment to an

external service provider operating Telehealth Ontario, a 24-hour-a-day, seven-day-a-week telephone line that allows callers to ask health-related questions and receive information or advice from a nurse.

In 2021/22, the Ministry provided approximately \$26 million in funding (\$31 million in 2019/20) to the Telemedicine Network and spent almost \$131.3 million (almost \$90 million in 2019/20) on physician billings for care that was provided to patients virtually through the Telemedicine Network. The Ministry also paid approximately \$31 million (\$28 million in 2019/20) to the external service provider operating Telehealth Ontario.

Our audit found that although the Telemedicine Network had been operating for almost 15 years and the Ministry had initiated health strategies that focused on digital technology, Ontario's progress on integrating virtual care into the health-care system remained slow. For example, the Ministry had not established any long-term vision or goals and targets. It began allowing physicians to bill for virtual-care video visits outside of the Telemedicine Network only when necessitated by the COVID-19 pandemic. By comparison, other jurisdictions and private companies had adopted multiple technologies (such as phone calls and secure messaging) that had been working well and were more convenient for patients to access.

The following were some of our significant findings:

- Although the Ministry had initiated digital health-care strategies between 2015/16 and 2019/20 and its 2019 Digital First for Health Strategy aimed to expand virtual care in Ontario, the Ministry had not identified specific long-term goals and related targets for what it wanted virtual care to look like in the future. As a result, it was difficult to evaluate the effectiveness of the Ministry's efforts in moving virtual care forward, and progress had remained slow.
- The Ministry provided funding specifically for virtual-care services only when physicians used the Telemedicine Network's platform to interact with their patients and it was the physician's choice of whether and when to offer patients virtual care. Therefore, in order to bill for

virtual-care services, physicians had to register with the Ministry and use the Telemedicine Network's platform. While the Ministry had increased access to virtual care by allowing physicians to bill Ontario Health Insurance Plan (OHIP) for virtual-care services provided through other platforms or by telephone during the pandemic, the changes were temporary. If these temporary changes are removed and a physician decides not to offer virtual care, patients who want virtual care may have to seek other options such as private companies offering virtual care at a cost.

- Gaps between virtual-care availability and demand provided an opportunity for private companies to offer virtual-care services to patients outside of the public health-care system. These private companies offered more timely and convenient access to virtual care for patients who were willing and able to pay, but created risks to patient continuity of care. These private companies operate outside the purview of the Ministry.
- The Ministry had not made adequate efforts to monitor and review questionable patterns of virtual-care usage through the Telemedicine Network and related billings by physicians. We identified numerous cases where physicians had significantly high virtual-care billings and reported seeing an unusually high number of patients in a single day. For example, a physician working in a primary-care practice had virtual-care billings of \$1.7 million in 2019/20 and saw as many as 321 patients virtually in a single day. This physician also billed the Ministry for another \$1.9 million for insured services (for example, in-person care) in 2019/20. The Ministry was unaware of billing discrepancies because it did not compare physician billing data with the Telemedicine Network's data to verify that physicians were using the Telemedicine Network appropriately for virtual-care billing purposes.

We made 13 recommendations, consisting of 28 action items, to address our audit findings.

We received commitment from the Ministry and Telemedicine Network that they would take action to address our recommendations.

Standing Committee on Public Accounts

On May 26, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit of Virtual Care – Use of Communication Technologies for Patient Care. In December 2021, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations. The Ministry of Health (Ministry) and Ontario Health reported back to the Committee in April 2022. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.05** of our *2022 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022, and August 2022. We obtained written representation from the Ministry of Health (Ministry) and Ontario Health that effective October 19, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Progress of Expanding Virtual Care Remains Slow in Ontario

Recommendation 1

To achieve the virtual-care objectives in its Digital First for Health Strategy (Strategy), we recommend that the Ministry of Health:

- *specifically define what virtual care includes and how it fits into the provincial health-care system in terms of technology and physician billing;*

Status: In the process of being implemented by December 1, 2022.

Details

In our 2020 audit, we found that the Ministry neither specifically laid out how virtual care fits into the future of Ontario's health-care system nor set any long-term goals and measurable targets for virtual care (such as requiring primary-care providers offer virtual care as an option for their patients).

In our follow-up, we found that in response to the changes seen during the COVID-19 pandemic, the Ministry has refreshed its virtual-care strategy. Its renewed virtual-care strategy is aligned with the existing Digital First for Health Strategy (2019), which now includes a refined definition of virtual care: "Virtual care is the use of technology (e.g., phone, video, secure messaging, remote monitoring) to deliver health care when patients and providers are not face-to-face." This refined definition specifically defines what virtual care includes compared with the broad definition of virtual care provided in the Digital First for Health Strategy in 2019: "Virtual care will allow patients to have more options to interact with the health care system. Providers can also benefit from innovative virtual care technologies to better serve their patients".

The refined virtual-care strategy and definition also highlight the importance of ensuring the availability of private, secure, and integrated digital technologies. The Ministry is using various channels to recommend or require the use of virtual-visit solutions that have been verified by Ontario Health (see further details in **Recommendation 2**).

The Ministry informed us that it did not include specific details related to physician billing for virtual care in the refined definition because it was expecting a new Physician Services Agreement that would affect virtual-care fees; this Agreement has since been ratified as of March 27, 2022. The Ministry plans to include payment parameters related to physician phone and video visits in the updated OHIP Schedule of Benefits

once new virtual-care fee codes are implemented, which will take effect December 1, 2022.

- *revisit its existing Strategy in light of the COVID-19 pandemic and lessons learned;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that while the Ministry initiated digital health-care strategies over the last five years, it did not incorporate virtual care into its strategy until late 2019.

In our follow-up, we found that the Ministry's Digital Health Program Branch has continued to refresh the existing Digital First for Health Strategy (Strategy) in light of lessons learned through the COVID-19 pandemic. For instance, the Ministry:

- began piloting (in collaboration with the Ministry of Government and Consumer Services and Ontario Health) a cyber security shared services model to improve health-care organizations' cyber capabilities and readiness while reducing the risks of health-care disruptions and large costs related to cyber incidents.
- created the Ontario Health Data Platform, which enables secure, accurate, and privacy-protective data transfers.

As well, the Ministry funded the Centre for Digital Health Evaluation (CDHE) at Women's College Hospital to lead a national evaluation of virtual-care adoption during COVID-19. The Ministry then used the findings from this evaluation when updating its Strategy. For example, the Ministry:

- provided funding to Ontario Health Teams to use for various virtual-care delivery models (e.g., remote care monitoring and video visits) and made funding available for primary-care settings; and
- provided funding to Ontario Health to lead development of guidance to support clinically appropriate use of virtual-care.

Additionally, the Ministry has extended the temporary virtual-care fee codes for OHIP-insured phone and video visits until November 30, 2022, to support patients' continued access to health care as

the government gradually reopened the province and rolled out the COVID-19 vaccine. The new Physician Services Agreement that was ratified as of March 27, 2022, includes fee codes for OHIP-insured physician phone and video visits that will replace the temporary virtual-care fee codes in the 2022/23 fiscal year. The new Physician Services Agreement also includes a proof-of-concept pilot of secure messaging to determine whether this delivery option can be implemented in the future.

Furthermore, the Ministry has updated the provincial virtual-care strategy's focus from one of adoption to one that ensures patients have access to the right balance of virtual and in-person care, and to prioritizing virtual care that is appropriate, equitable and integrated.

- *identify annual and long-term targets for virtual care availability and use;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that although the Ministry included virtual care as part of its Digital First for Health Strategy in 2019, it still had not set long-term goals and measurable targets for virtual-care availability and usage in Ontario.

In our follow-up, we found that the Ministry's annual multi-year planning process has established funding to meet government direction on virtual care, and has defined results to be achieved and metrics to measure progress. The Ministry has also established a key performance indicator—that is, the percentage of Ontarians who have had a virtual visit (for example, through phone, email/website, video call, text/instant messaging) in the last 12 months—to capture long-term targets for virtual care adoption in 2019/20 with a three-year outlook to align with the government's multi-year planning process.

As mentioned in the second action item of **Recommendation 1**, the Ministry has refreshed the overall focus of the provincial virtual-care strategy in response to lessons learned from the COVID-19 pandemic. The refreshed strategy has moved away from focusing on virtual-care adoption to focusing more on ensuring

patients have access to the right balance of virtual and in-person care, and prioritizing virtual care that is appropriate, equitable and integrated.

Included within the refreshed virtual-care strategy and in response to the broad adoption of virtual care during the pandemic, the Ministry has renewed the long-term target for 2022/23 and beyond: 40% to 50% of Ontarians have had a virtual visit in the last 12 months (as measured through the Healthcare Experience Survey). This target accounts for an appropriate balance between in-person and virtual care.

Apart from the Ministry, Ontario Health has also worked with the Ministry to advance the Digital First for Health Strategy through various digital health solutions operated by Ontario Health. According to its 2021/22 Business Plan, Ontario Health's key deliverables with respect to virtual care in the next few years include:

- **2021/22:** expand and evaluate virtual-care programs (such as remote care monitoring, urgent virtual care, and home and community virtual care); support virtual-care initiatives that build long-term virtual capacity into the home and community system across the province; evaluate the impact of COVID-19 regional funded initiatives to guide planning and future funding of sustainable virtual-care models in alignment with Ontario Health Teams; and develop a plan to sustain and optimize virtual care after the pandemic.
- **2022/23:** support continued innovation in care at home, mental health and addictions care and primary care that aligns with regional and Ontario Health Team's priorities; and continue to support the Ministry's ongoing virtual-care policy development.
- **2023/24:** continue to implement the prior year's deliverables to enable patient-provider engagement from any location; and sustain virtual-care innovations in primary care, care at home and mental health and addictions care to ensure they align with regional and Ontario Health Teams' priorities.

- *measure and publicly report on its results against these targets.*

Status: In the process of being implemented by March 31, 2024.

Details

In our 2020 audit, we noted that the Ministry had not identified specific long-term goals and related targets for what it wanted virtual care to look like in the future. As a result, it was difficult to evaluate the effectiveness of the Ministry's efforts in moving virtual care forward.

In our follow-up, we found that the Ministry has established performance measures and will publicly report its results against the virtual-care targets it has set (as detailed in the third action item of **Recommendation 1**). For example:

- Ontario Health's 2022/23 Annual Business Plan sets out a three-year plan for publicly reporting performance measures specific to virtual care. The current plan sees public reporting occurring in March 2024.
- Ontario Health has measured performance metrics related to virtual care and reported them internally through the Ontario Health Corporate Scorecard. It has also reported these metrics publicly through its Annual Report. The 2020/21 Annual Report has yet to be approved for release.

Additionally, the Ministry has been working with the Canadian Institute for Health Information (CIHI) to report on virtual-care metrics as part of the federal government's support for Pan-Canada Virtual Care Priorities in Response to COVID-19. The metrics have been publicly reported in the Virtual Care in Canada: Strengthening Data and Information report released by the CIHI in April 2022, and will be included again in CIHI's spring 2023 report on virtual care. The agreed-upon metrics reported publicly by CIHI include:

- the percentage of Ontarians with a virtual visit (via any form of virtual-care delivery such as through phone, video call, email/website, and text/instant messaging) in the last 12 months (as measured through the Health Care Experience Survey, which is conducted regularly by the Ministry via a third-party contract, including the

most recent one that showed cumulative results from June 2021 to February 2022); and

- the number of patients and volume of virtual-care services delivered through multiple projects in, for example, virtual urgent care, pre- and post-virtual surgical transition, and integrated virtual care.

The CIHI has also released the following recent data reports related to virtual care:

- March 24, 2022—Virtual care: A major shift for physicians in Canada and Virtual care: A major shift for Canadians receiving physician services, which included data from Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. The data analysis covered the period between April 2019 and March 2021. It showed the percentage of services that patients received virtually in Ontario increased significantly, from 2% in 2019/20 to 30% in 2020/21, which was higher than Alberta (24%) but lower than British Columbia (42%), Saskatchewan (34%) and Manitoba (33%).
- April 28, 2022—How Canada Compares: Results from the Commonwealth Fund's 2021 International Health Policy Survey of Older Adults in 11 Countries, which included the proportion of respondents who reported having a virtual appointment with a doctor or other health-care professional, with a focus on the views and experiences of older adults (aged 65 and older).

Recommendation 2

To provide Ontarians with convenient virtual-care options, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network within Ontario Health, review its policies and structures around physician delivery of and billing for virtual care to identify ways of expanding the availability of virtual-care options in Ontario.

Status: Fully implemented.

Details

In our 2020 audit, we found that virtual care was not always convenient or available for Ontarians in

Ontario's publicly funded health-care system. The Ministry provided funding specifically for virtual-care services only when physicians used the Telemedicine Network's platform to interact with their patients. While the Ministry increased access to virtual care by allowing physicians to bill Ontario Health Insurance Plan (OHIP) for virtual-care services provided through other platforms or by telephone during the COVID-19 pandemic, the changes were temporary.

In our follow-up, we found that both the Ministry and Ontario Health have been reviewing their policies and structures around virtual care. For example:

- The Ministry and Ontario Health brought new policies and proposed structures for discussion as part of their regular monthly priorities and planning meetings.
- The Ministry set up, in conjunction with the Ontario Medical Association (OMA), a Virtual Care and Digital Health Table, which met regularly in 2019/20 to advance virtual-care policy priorities such as expanding the availability of non-Telemedicine Network solutions, and expanding other virtual-care delivery options under the provincial billing framework.
- As mentioned in **Recommendation 1**, the new Physician Services Agreement has expanded OHIP-insured virtual-care delivery options to include phone and video visits. Additionally, the agreement includes a proof-of-concept pilot to publicly fund secure messaging services as another delivery option.
- Ontario Health, which is the province's primary delivery and implementation partner, established the Virtual Visits Verification Program (Program) to identify a list of verified solutions, including many of the larger vendors that account for significant market share in Ontario's virtual-care solution marketplace. The Program gives providers choices to select virtual-care delivery options that meet both their needs and provincial standards, such as for privacy, security, and interoperability. Physicians have been encouraged to use verified solutions when billing for virtual-care services using the temporary

OHIP codes. Upon implementation of the new billing codes (expected in 2022/23), the new OHIP virtual-care billing codes may require physicians to use verified solutions for insured video visits to be eligible for payment under OHIP. The use of a verified solutions is also a requirement for secure messaging services under the proof-of-concept pilot.

As mentioned in **Recommendation 1**, the Ministry has refreshed the overall approach to its virtual-care strategy. The new strategy is focused more on ensuring patients have access to the right balance of virtual and in-person care, and prioritizing virtual care that is safe, equitable and integrated.

Overall, the Ministry indicated that the review of policies and structures around physician delivery of and billing for virtual care is an ongoing activity. The Ministry also indicated that it will continue to collaborate with Ontario Health to perform this review and identify ways of expanding the availability of virtual-care options in Ontario.

Significant Gaps Exist between Virtual-Care Availability and Needs

Recommendation 3

To provide Ontarians with an opportunity to access care virtually through a reliable platform in a timely and convenient way, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network (Telemedicine Network) within Ontario Health:

- *engage physicians and other users who have used the Telemedicine Network, and those who have chosen not to, to identify their specific concerns and issues with the platform, identify opportunities for improvement, and implement appropriate solutions;*

Status: Fully implemented.

Details

In our 2020 audit, we found that prior to the Ministry's introduction of temporary billing codes during the COVID-19 pandemic, physicians wanting to provide virtual care and bill for those services had to use the Telemedicine Network platform. However, the uptake

and usage of virtual care remained low because the Telemedicine Network platform was not always reliable and user-friendly to meet physicians' needs.

In our follow-up, we found that Ontario Health has partnered with physicians and other users to provide them with meaningful opportunities to share their concerns and issues with virtual-care solutions and associated processes in order to improve provider and patient experiences on an ongoing basis.

Ontario Health has engaged with physicians and other users of virtual care to solicit feedback in multiple ways, including:

- administering a Customer Satisfaction Survey twice annually to physicians and care providers who have used Ontario Health's virtual-care services, and conducting follow-up interviews;
- creating an on-line feedback form;
- directly engaging with individuals and groups of care providers who co-design or co-develop virtual-care solutions;
- engaging with organizations representing groups of care providers and other users to solicit their thoughts; and
- engaging with third-party vendors who work closely with care providers in developing their virtual-care solutions.

Ontario Health has also included a general "contact us" email form on its website, through which any physician or other health-care provider that uses virtual care, or those who choose not to, can provide feedback on their issues or concerns with the platform. Ontario Health has a process for responding to those who provide input, analyzing feedback, and using that feedback to identify areas for improvements.

Additionally, Ontario Health has routinely collected user experience data through the Voice of the Customer program. A general Customer Feedback Form is available at all times through Ontario Health's website. Ontario Health has reviewed these forms and follows up directly with users to address the feedback.

In our follow-up, we found Ontario Health has analyzed the feedback it received from the various forms and surveys, as well as from telephone inquiries, to identify specific concerns and issues with the

Telemedicine Network, such as technical problems and service availability. It was also able to identify opportunities for improvement and implement appropriate solutions, namely by introducing the Virtual Visits Verification Program (Program) as mentioned in **Recommendation 2**. Given the issues it identified with the Telemedicine Network and users' desire for more delivery options, the Ministry established the Program to provide Ontarians with more opportunities to access care virtually through a reliable platform outside the Telemedicine Network platform. The Program gives care providers more choices to better meet their needs while also maintaining provincial standards, such as for privacy, security, and interoperability.

Apart from Ontario Health, as mentioned in **Recommendation 1**, the Ministry was also able to understand the specific concerns and issues with virtual-care delivery and use of the Ontario Telemedicine Network platform through the Centre for Digital Health Evaluation's (CDHE) findings on virtual-care adoption during COVID-19. The CDHE's report outlined patient and provider preferences for alternative virtual-care delivery models or solutions.

- *study virtual-care delivery models or practices in other jurisdictions to determine whether the Telemedicine Network's roles should be revisited or changed going forward given the evolution of virtual care since it was established.*

Status: Fully implemented.

Details

In our 2020 audit, we found that other jurisdictions in Canada did not have any government-funded virtual-care platform like the Telemedicine Network in place. Instead, they focused on supporting health-care providers with integrating virtual care into their services. For example, the Office of Virtual Health in British Columbia worked directly with health-care providers to help them integrate virtual health into their services. This included identifying and exploring virtual-care opportunities, sharing knowledge about information privacy, and providing project support and coaching during integration.

In our follow-up, we found that the Ministry has evaluated virtual-care delivery models or practices in other jurisdictions in order to provide Ontarians an opportunity to access care virtually in a timely and convenient way. For example:

- As mentioned in **Recommendation 1**, the Ministry funded the Centre for Digital Health Evaluation (CDHE) to lead a national digital evaluation of virtual-care adoption during COVID-19. Its findings identified which delivery models were effective and where gaps and challenges existed with the delivery of virtual care. The Ministry and Ontario Health used these findings to inform their approach to investing into Ontario Health Teams to support their use of digital health and virtual care solutions. These investments, along with Ontario Health's Virtual Visits Verification Program, which provides verified alternatives to the Telemedicine Network (as mentioned in **Recommendation 2**), have created an environment in which health service providers have choice in their use of virtual-visit solutions. They also give the Ministry an opportunity to support the creation and expansion of innovative virtual-care delivery models.
- In addition to the CDHE's report, the Ministry has reached out to all other provinces and territories about their experiences with compensating physicians for virtual care. The Ministry has also commissioned a jurisdictional scan through its Research, Analysis and Evaluation Branch to collect information that supported policy and program development in Ontario.
- Additionally, the Ministry contributed to two major cross-jurisdictional reports on virtual care, which focused on the state of virtual care in Canada during the third wave of COVID-19, as well as the federal, provincial and territorial virtual-care strategy. These two reports have provided further insights into other jurisdictions' virtual-care initiatives and priorities, which the Ministry has used, as appropriate, to inform its strategic thinking on the future of virtual care in Ontario.

Apart from the Ministry, Ontario Health has also continued to monitor and learn best practices in delivering virtual care, and to leverage a broad network of experts in other jurisdictions with experience in virtual care. Apart from learning and implementing best practices, the role and certain functions of the former Ontario Telemedicine Network remain relevant. Ontario Health has taken the following actions to keep abreast of emerging practices in other jurisdictions:

- Participated in formal and informal leadership and working groups and routinely liaised with peer organizations in other jurisdictions both within Canada and internationally. Ontario Health representatives have participated in the following groups:
 - Centre for Digital Health Evaluation (CDHE) Oversight Committee;
 - Ontario Digital Health Collaboration Table together with Canada Health Infoway and the Ministry;
 - Telehealth International Community of Practice led by New Zealand;
 - International Telehealth Working Group; and
 - International Medical Informatics Association.
- Met with international organizations (including the Agency for Clinical Innovation at New South Wales in Australia; the Health Systems Innovation Branch of Queensland Health in Australia; and Digital Health and Care in Scotland) to exchange information.
- Retained a third party to conduct a jurisdictional scan to learn best practices in implementing virtual-care guidelines. It also continues to seek opportunities to liaise with other jurisdictions and gather information that could benefit virtual-care practice in Ontario.

Based on the evaluation of various models and practices in other jurisdictions, the Ministry has revised and adjusted the roles and functions of the Ontario Telemedicine Network, and incorporated those functions that remain relevant to the current environment into Ontario Health. These functions include, but are not

limited to, provincial leadership and support for virtual care programs, innovation and change management, infrastructure support and maintenance of provincial virtual care-related assets.

Recommendation 4

To provide Ontarians with more options to access care virtually in a convenient way, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network within Ontario Health:

- *engage virtual-care providers in other jurisdictions and in the private sector to learn about and apply best practices in the delivery of expanded virtual care in Ontario;*

Status: In the process of being implemented by March 31, 2023.

Details

In our 2020 audit, we found that Kaiser Permanente, one of the leading health-care providers in the United States, offered all common forms of virtual technology (such as video, telephone, email, text messages) to deliver physician care and that, prior to COVID-19, video and telephone accounted for approximately 15% of all scheduled visits between its physicians and patients.

In our follow-up, we found that the Ministry has established relationships with digital health and virtual-care providers in other jurisdictions to learn from their experiences in collaborating with the private sector. The Ministry plans to use the lessons learned and best practices from other provinces with similar health-care systems to inform its approach to virtual care on an ongoing basis. For example:

- Person-Centred Virtual Cancer Care Clinical Guidance Version 2 was released in January 2022.
- Phase 1 of Primary Care Clinical Appropriateness Guidance will be implemented in the third quarter of 2022/23, and Phase 2 Guidance will be implemented in the fourth quarter of 2022/23.
- As mentioned in **Recommendation 1**, the Ministry plans to include payment parameters

related to physician phone and video visits in the updated OHIP Schedule of Benefits once new virtual-care fee codes are implemented.

By participating in the Federal, Provincial, and Territory Virtual Care Table and through jurisdictional information sharing, the Ministry has learned about various virtual-care delivery frameworks and the role of the private sector, which it will consider incorporating into future virtual-care policies in Ontario. The Ministry has continued to work closely with Canada Health Infoway, the federal government's lead agency for advancing national digital health priorities, to further Ontario's virtual-care modernization effort and align it with other jurisdictions, and to share lessons learned.

As mentioned in **Recommendation 3**, the Ministry has reached out to all other provinces and territories about their experiences with compensating physicians for virtual care. The Ministry has also commissioned a jurisdictional scan through its Research, Analysis and Evaluation Branch to collect information that supports policy and program development in Ontario. Additionally, the Ministry contributed to two major cross-jurisdictional virtual-care reports, which focused on the state of virtual care in Canada during the third wave of COVID-19, as well as the federal, provincial and territorial virtual-care strategy. These two reports have provided further insight into other jurisdictional virtual-care initiatives and priorities, which the Ministry has used, as appropriate, to inform its strategic thinking on the future of virtual care in Ontario.

Apart from the Ministry, engaging with other jurisdictions to learn about their practices has also been an ongoing activity for Ontario Health. For example:

- As mentioned in **Recommendation 3**, Ontario Health has been an active member on Health Canada's federal, provincial and territorial work in virtual care. For example, Ontario Health has collaborated with the state of New South Wales, Australia, to compare the two jurisdictions' approaches to virtual care. Ontario Health will continuously monitor and learn about best practices in virtual-care delivery, and leverage a

broad network of experts in other jurisdictions with experience in virtual care.

- Ontario Health has demonstrated a commitment to work with and learn from the private sector through multiple initiatives. For example, it established the Virtual Visits Verification Program (Program), as discussed in **Recommendation 2**, to assess third-party vendors against a provincial standard in order to verify they can be used by the broader health sector. Through its implementation of the Program, Ontario Health will continue to gain insights into private sector best practices.
- In February 2021, Ontario Health conducted a jurisdictional scan regarding secure messaging and submitted recommendations to the Ministry for consideration.
- *evaluate the feasibility of allowing physicians to bill for virtual-care services provided through multiple technologies outside of the Telemedicine Network (for example, secure messaging, or phone calls) and implement changes that protect data security and privacy, and enable the Ministry to monitor the reasonableness of billings.*

Status: In the process of being implemented by January 1, 2023.

Details

In our 2020 audit, we found that gaps between virtual-care availability and demand provided an opportunity for private companies to offer virtual-care services to patients outside of the public health-care system. While private companies offered patients timely and convenient access to virtual care, their existence also created other risks—for example, by interrupting patients' continuity of care with their regular primary-care physicians. Also, because these companies operate outside the purview of the Ministry, this also raised concerns about the Ministry's lack of knowledge and oversight of their practices.

In our follow-up, we found that the Ministry, in collaboration with Ontario Health, has taken the following actions to address this recommendation:

- The Ministry launched the Virtual Visits Verification Program (Program) as mentioned in **Recommendation 2**. The Program assesses virtual-care delivery solutions to ensure they meet provincial standards, such as for data security, privacy, and interoperability, and maintains a list of verified solutions that care providers can choose from. The Program has identified over 35 verified virtual-visit solutions; they include solutions from many of the larger vendors that account for a significant market share in the Ontario virtual-care solution marketplace. By presenting alternatives to physicians who want to offer virtual services through solutions other than the Telemedicine Network, the Program provides a competitive landscape that is both responsive to market needs and ultimately improves the patient and provider experience.
- As mentioned in **Recommendation 3**, the Ministry has conducted multiple jurisdictional scans to understand how different virtual-care delivery models are remunerated and structured to inform its strategy for introducing different methods of delivering virtual care.
- As mentioned in **Recommendation 1**, the new Physician Services Agreement includes virtual-care fee codes for phone and video visits. Physicians may be required to use a verified solution from the Virtual Visits Verification Program to be eligible for payment by OHIP for insured video visits. The new Agreement also allows physicians to conduct virtual visits through a proof-of-concept pilot on secure messaging, as long as they use a verified solution from the Program. Changes to the OHIP claims system are under way to reimburse physicians for virtual care according to the terms in the new Physicians Services Agreement. Implementation of the new OHIP funding model for insured phone and video visits will be implemented on December 1, 2022, and the secure messaging services under the Ontario Virtual Care Program is tentatively planned for January 1, 2023.

- To monitor the reasonableness of billings for virtual care, as discussed in **Recommendation 5**, the Ministry has implemented a Post Payment Review Framework to identify unusual billing volumes and evaluate for compliance with the requirements of the Ontario Virtual Care Program (OVCP), which administers virtual-care programs in the province. Virtual-care billing for the three physicians identified in the 2020 audit report have been assessed, and these physicians have been removed from the OVCP.

Limited Provincial Oversight on Virtual-Care Visits, Billings and Availability

Recommendation 5

To detect, deter, and reduce inappropriate billings for virtual-care services, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network within Ontario Health:

- develop a framework for monitoring virtual-care visit and billing data continuously as well as identifying red flags and risks that warrant further reviews;

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry conducted post-payment reviews on physicians to see whether they complied with billing policies. However, it did not sufficiently review questionable and unreasonable patterns of virtual-care usage and billings by physicians using the Telemedicine Network platform.

In our follow-up, we found that the Ministry has developed a Post Payment Review Framework to detect, deter and reduce inappropriate billings for virtual-care services. This framework has been implemented within the Ontario Virtual Care Program (OVCP) to identify unusual billing volumes and evaluate for compliance with program requirements. The Ministry has also set up a process, in collaboration with Ontario Health, to identify discrepancies between the

billings submitted and the usage data from the Telemedicine Network.

Apart from developing the Post Payment Review Framework, the Ministry has taken the following actions to address this recommendation:

- consulted with the Ministry's OHIP Division and Legal Services Branch on existing and plausible post-billing review options and on the legal authority to conduct reviews;
 - developed a draft educational letter to remind physicians of their OVCP billing obligations and requirements;
 - worked with the Ontario Medical Association (OMA) to review its draft educational letter and to develop the next steps for addressing reoccurring inconsistent billing practices; and
 - reviewed the top billing physicians identified by the 2020 audit, and analyzed virtual-care billing claims against usage data from the Ontario Telemedicine Network platform.
- conduct reviews when unreasonable or unusual trends are noted;

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry had no review process specifically for virtual-care billings. The Ministry selected physicians for review based on their overall billings, but did not take virtual-care billings into consideration when determining which physicians to review. Instead, the Ministry informed us that it may review virtual-care billing data after a physician had already been selected for a review. Of the 250 highest-billing virtual-care physicians over the last two years, we noted that about 15% had been selected for review in the last five years based on their overall billings. However, these reviews examined only their insured (in-person) services and none examined the approximately \$90 million physician billings for virtual care in 2019/20.

In our follow-up, we found that the Ministry has developed a Post Payment Review Framework to detect, deter and reduce inappropriate billings for virtual-care services (as detailed in the first action item

in **Recommendation 5**). The Ministry has also set up a process, in collaboration with Ontario Health, to identify discrepancies between the billings submitted and usage data from the Ontario Telemedicine Network.

As part of the Post Payment Review Framework, the Ministry has reviewed and assessed the OVCP billing of three physicians identified in the 2020 audit report. The Ministry has also taken actions against these physicians, including the termination of claim submissions.

The Ministry has also completed further reviews of the top-billing physicians for virtual care (that is, for those physicians who saw over 100 patients virtually in a single day) in 2019/20. In their reviews, the Ministry compared billing data to time spent conducting the virtual visits; reviewed the type of fees submitted, services provided and the specialty of the physician; and reviewed the location of the patients.

Additionally, the Ministry has started reviewing Ontario Virtual Care Program's (OVCP's) virtual-care billing claims data for 2020/21; it will continue to monitor this data to identify ongoing occurrences of unusual claims.

- *collaborate with the College of Physicians and Surgeons of Ontario to evaluate the quality of virtual care being provided by physicians with an unreasonable number of virtual-care visits;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry did not share virtual-care visit data with the College. As a result, the College was not able to identify physicians with unusually high virtual-care visits that warranted reviews on their own. The College was typically only made aware of a physician's virtual-care activity after the physician had already been selected by the College for review.

In our follow-up, we found that the Ministry has collaborated with the College to evaluate the quality of virtual care being provided by physicians with an unusual number of virtual-care visits in the Ontario Virtual Care Program (OVCP).

The Ministry received information from the College, including the status and history of investigations into

physicians' virtual-care billing in the OVCP, which it also took into account when considering what action to take as part of the Ministry's Post Payment Review Framework. For example, as mentioned in the second action item in **Recommendation 5**, the Ministry took actions against the three physicians identified in the 2020 audit report, including terminating their claim submissions for virtual care, in order to reduce and deter inappropriate billing practices.

- *develop criteria for following up on cases of inappropriate billing and taking disciplinary actions to deter and prevent recurrences;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry selected physicians for review based on their overall billings, but did not take virtual-care billings into consideration when determining which physicians to review. Most of those reviews resulted in educational letters being sent to the physicians because their billings were not following Ministry policy. Yet, these physician's virtual-care billings were not reviewed to see if they were also not following Ministry policy.

In our follow-up, we found that the Ministry has developed a Post Payment Review Framework to detect, deter and reduce inappropriate billings for virtual-care services (as detailed in the third action item in **Recommendation 5**). The Ministry has also set up a process, in collaboration with Ontario Health, to identify discrepancies between the billings submitted and the usage data for the Telemedicine Network.

As part of its Post Payment Review Framework, the Ministry has developed criteria to screen for evidence of a physician's inappropriate billing within the Ontario Virtual Care Program (OVCP), including:

- number of unique patients in a day over a fiscal year; and
- number of billings submitted compared to usage data from the Ontario Telemedicine Network platform to verify the accuracy of billings.

If evidence of inappropriate billing is found, the Ministry looks at whether disciplinary actions (for example, education or termination from the program)

are needed to deter or prevent reoccurrences, and also considers the following criteria:

- a history of inquiries and complaints received from the public (for example, through the ServiceOntario fraud hotline); and
 - the status and history of any investigations or referrals from the College of Physicians and Surgeons of Ontario.
- *evaluate the effectiveness of the above actions taken in preventing, detecting, and reducing inappropriate virtual-care billings.*

Status: In the process of being implemented by May 31, 2023.

Details

In our 2020 audit, we found that the Ministry did not make adequate efforts to monitor and review questionable patterns of virtual-care usage through the Telemedicine Network and related billings by physicians. We identified numerous cases where physicians had significantly high virtual-care billings and reported seeing an unusually high number of patients in a single day. We also found examples where physicians billed the Ministry for virtual-care visits through the Telemedicine Network, but their billings and visit counts did not match or exist in the Telemedicine Network's records.

In our follow-up, we found that the Ministry's Post Payment Review Framework includes steps to ensure that the framework is effective in reducing inappropriate virtual-care billings within the Ontario Virtual Care Program (OVCP). For example:

- The Post Payment Review Framework itself includes a "Re-evaluate and Review Framework" stage that revisits the billings of physicians who were subject to disciplinary actions for non-compliance. The Ministry informed us, however, that re-evaluation has not yet occurred because the only disciplinary actions issued to date were termination letters to three physicians identified in the 2020 audit report, and these physicians' billing privileges have been removed from the OVCP.

- Six months following the issuing of educational letters to physicians found to have inappropriate billing practices, the Ministry will review these same physicians' billings to assess whether their billing practices have improved. Educational letters for eight physicians were issued in May 2022. However, since video visit billings within the OVCP will be replaced by new codes within OHIP on December 1, 2022, these physicians' billings will not be re-evaluated until four months after this transition in order to capture the majority of their final billings for analysis. The review is expected to be completed in May 2023.

Recommendation 6

To make informed decisions on virtual care, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network within Ontario Health, work with stakeholders (such as the College of Physicians and Surgeons of Ontario and the Ontario Medical Association) to collect information on the availability of virtual care provided outside of the Ontario Telemedicine Network and the usage of such services across the province.

Status: Fully implemented.

Details

In our 2020 audit, we found that since the Ministry had not done any work to determine what forms of virtual care are being used outside of the Telemedicine Network, there was no way to know the full availability and use of virtual care across the province. There was also limited information on what percentage of virtual care in Ontario was provided through the Telemedicine Network and why physicians may be using other platforms and technology. As a result, the Ministry was unable to exercise adequate oversight of all virtual care in Ontario and was using incomplete information when making decisions related to virtual care.

In our follow-up, we found that Ontario Health has conducted the provincial Health Care Experience Survey regularly, and has shared the data with the

Ministry quarterly. The most recent Health Care Experience Survey includes cumulative results from June 2021 to February 2022. New data collection is currently under way through this survey, which includes additional questions about Ontarians' experience with the use of virtual care. Examples of these questions include:

- For your last appointment, why did you not use any of these virtual methods such as video call, email or text message to communicate with your specialist?
- If you had not been able to communicate with the specialist virtually, would you have needed an appointment with a different specialist, visited a walk-in clinic, or visited an emergency department?
- During the past 12 months, were your home care services provided virtually or in person?
- Overall, would you say the medical care that you received from this virtual health care provider was excellent, very good, good, fair, or poor?
- Would you say the length of time from when you first made the appointment for this virtual visit until you had the appointment was about right, somewhat too long, or much too long?

Following receipt of the survey results, both the Ministry and Ontario Health will be able to gauge how much virtual care is being used across the province.

Additionally, the Ministry has made changes to enhance its data collection related to the temporary virtual-care fee codes under OHIP. For example, it now requires that physicians submit claims with a modality tracking code to differentiate between video and phone visits.

Virtual Care is Fragmented with Limited Integration with the Health-care System

Recommendation 7

To offer convenient virtual care access to Ontarians with a more integrated virtual health-care system, we recommend the Ministry of Health collaborate with the Ontario Telemedicine Network within Ontario Health and

Telehealth Ontario to assess the feasibility of integrating services.

Status: Fully implemented.

Details

In our 2020 audit, we found that while the services offered by both the Telemedicine Network and Telehealth Ontario constituted virtual care, they operated in silos with limited co-ordination and no integration of their services. There had been discussions between the Ministry, Telemedicine Network and Telehealth Ontario since 2017 on how their services could be integrated to support modernization. We also noted an opportunity to have Telehealth Ontario assist in connecting callers virtually with physicians when necessary, a practice that was available at the time in other jurisdictions such as Australia.

In our follow-up, we found that the Ministry has led the procurement for a Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), aimed at modernizing and enhancing Telehealth Ontario, which is currently an exclusively telephone-based service. The HCO will introduce new, digitally based access channels and will ultimately provide users with connections to virtual-care services as part of the overall strategy. Ontario Health has supported the Ministry throughout the procurement process.

The HCO Request for Bids was issued February 8, 2021, and closed on March 29, 2021. The Ministry and Ontario Health jointly evaluated the bids and selected a top bidder, and then conducted contract negotiations over the course of August 2021. The Ministry entered into a contract with the top bidder, which was executed as of October 1, 2021. The contract has been assigned to Ontario Health to ensure appropriate clinical and technical oversight of the implementation of the HCO.

Ontario Health has worked closely with the successful proponent. The launch of the initial HCO platform took place on April 1, 2022. The platform will gradually integrate an online symptom checker, chat, voice, and video to better meet the needs of Ontarians.

Ontario Health has also established the Patient Access and Navigation Program to focus on integrating and aligning virtual-care programs such as

internet-based cognitive behavioural therapy (iCBT), Breaking Free (an evidence-based wellbeing and recovery program for alcohol and drugs), and AccessMHA (a web-based service that provides a point of entry for Ontarians to access mental health and addictions services).

Recommendation 8

To improve patient access to virtual primary-care services, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network within Ontario Health, work with primary-care physicians and stakeholders to identify and implement solutions that enable all Ontarians to receive virtual primary-care services when requested by patients and deemed clinically appropriate by primary-care physicians.

Status: In the process of being implemented by January 1, 2023.

Details

In our 2020 audit, we found that while primary care accounts for most of the patient care in Ontario, the Ministry and the Telemedicine Network had made limited progress in incorporating virtual care into primary-care services even though the Telemedicine Network had been operating for almost 15 years. The Telemedicine Network noted a gap in access to primary-care services and began a pilot project in 2017 to enhance access to virtual primary care by allowing multiple technologies (video, phone call and secure messaging) to be used in the delivery of care.

In our follow-up, we found that the Ministry has committed funding to Ontario Health to support virtual primary-care initiatives led by Ontario Health Teams in 2020/21 and 2021/22. Funding has been provided for responding to the COVID-19 pandemic and for developing and implementing new digital health and virtual-care programs.

Ontario Health Teams are the province's new way of organizing and delivering care that is more connected to patients in their local communities and focuses on access to primary care. The Ministry has funded new programs that, for example, support Ontario

Health Teams in establishing the technology, licences, infrastructure, and training needed to implement and enhance their virtual-care offerings. Other new programs are helping Ontario Health Teams develop local virtual-care pathways and pilot their integration with the Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), as mentioned in **Recommendation 7**. The Ministry is currently evaluating the newly funded programs to determine their effectiveness. These evaluations will inform the future of virtual primary-care models led by Ontario Health Teams.

As mentioned in **Recommendations 1, 2 and 4**, the new Physician Services Agreement that was ratified as of March 27, 2022, includes virtual-care fee codes for phone and video visits. The new Physician Services Agreement also covers virtual visits using secure messaging through a proof-of-concept pilot that will be launched in the Ontario Virtual Care Program (OVCP). These virtual-care fee codes are accessible by all physicians, including those in primary care. Changes to the OHIP claims system are also under way to allow physicians to be compensated for virtual care according to the terms in the new agreement. The Ministry plans to implement the new OHIP funding model for insured phone and video visits on December 1, 2022, and the secure messaging services under the OVCP is tentatively planned for January 1, 2023.

Apart from the Ministry, Ontario Health has been working closely with primary-care physicians and stakeholders to improve access to virtual care in primary-care services when requested by patients and clinically appropriate. To this end, Ontario Health, with the support of the Ministry, has launched the following initiatives:

- Virtual Visits Verification Program—As noted in **Recommendation 2**, Ontario Health assesses and verifies third-party solutions for use by physicians when providing virtual care.
- Ontario Virtual Care Clinic—A new 24/7 service offered during the COVID-19 pandemic, the Clinic can direct patients who call Telehealth Ontario to physicians for virtual primary-care services.

- **Enhanced Access to Primary Care/eVisit Primary Care**— Allows patients to request care from their primary-care physicians using virtual means.

Ontario Health will continue to work closely with primary-care providers and stakeholders and, in collaboration with the Ministry, to assess the degree to which these initiatives are meeting the needs of Ontarians and whether modifications to these services would better meet these needs.

Additionally, Ontario Health has been funded by the Ministry to lead the development of Guidance for Clinically Appropriate Use of Virtual Care. To achieve this, Ontario Health has established a Primary Care Expert Panel with primary-care physicians, nurse practitioners and patient partners to provide advice on when virtual care can be used appropriately. It is also consulting more broadly with patient advisors and provincial primary-care-related stakeholders to better understand their needs. Also, it has contracted with a third party to extract and analyze data related to the use of virtual care in primary care through the pandemic period.

Evaluation of Financial Benefits and Tradeoffs Needed

Recommendation 9

To effectively estimate the financial savings resulting from virtual care, we recommend that the Ontario Telemedicine Network within Ontario Health, in collaboration with the Ministry of Health:

- *revisit its cost-saving metrics to ensure realistic assumptions are used in calculating the savings (such as savings from patient travel costs);*

Status: Fully implemented.

Details

In our 2020 audit, we found that realistic assumptions were not used to generate reliable results that could be used to inform decision-making. For example, in calculating the distance a patient could avoid travelling (that is, between the site where a patient accessed virtual care and the physician's clinic), the Telemedicine Network assumed that the patient would have had to travel to that specific physician to access in-person

care. However, in reality, the patient could have had access to in-person care with another physician that was closer to the patient (for example, at a walk-in clinic) if required.

In our follow-up, we found that Ontario Health convened an expert panel to review the recommendation and current methodologies for calculating cost-saving metrics. The expert panel consisted of representatives from Ontario Health and representatives from the Ministry's Digital Health Division, Primary Health Care Branch and Northern Health Travel Grants, as well as an external expert in the area of telehealth evaluation.

Ontario Health and the expert panel have explored various options for analyzing the data to address this recommendation. The expert panel concluded to retain the current methodology because alternative assumptions and methodologies would introduce further inaccuracies in calculating the estimated financial savings resulting from virtual care.

- *incorporate patients' Northern Health Travel Grant applications after receiving virtual care into its calculation methodology for savings.*

Status: Fully implemented.

Details

In our 2020 audit, we found that if a patient who was eligible for the Northern Health Travel Grant had a virtual-care visit, the Telemedicine Network assumed that the patient avoided travelling to visit a specialist and did not apply for the grant. As such, the Telemedicine Network included the grant amount that would have been claimed as a saving. However, neither the Telemedicine Network nor the Ministry follows the patient's journey and outcome after the virtual-care visit to see whether the patient avoided having to travel for the same care that was attempted virtually. If the patient did apply for and receive the grant (meaning the virtual-care visit did not result in avoided travel), the Telemedicine Network would not be aware of this application and reduce the savings accordingly.

As mentioned in the first action item in **Recommendation 9**, Ontario Health convened an expert panel to review the recommendation and current methodologies for calculating cost-saving metrics.

The analysis performed by the panel indicated that patient-care pathways, specifically for specialists, generally require multiple visits. Some of these visits can be done virtually, while some are best performed in person. For example, an initial surgical consultation is often appropriately handled with a virtual visit, while the surgical procedure would of course need to be conducted in person. The analysis also showed that some patient-care pathways can be performed quite successfully using a combination of virtual and in-person care, which delivers a better patient experience when they do not need to travel for every visit.

Therefore, the panel determined that given the geography involved, it may be reasonable for a patient living in the north to have a virtual visit followed by an in-person visit to prevent unnecessary travel. Altering the current assumptions and methodology may result in further inaccuracies in calculating the estimated financial savings resulting from virtual care.

Regarding the possibility of linking Telemedicine Network data to the Northern Health Travel Grant database to identify cases of subsequent travel claims by individual patients, the panel found that data linkage is unfeasible due to the following factors:

- A health card number is not retained on most virtual visits, and no patient identifiers are available to enable a linkage between Telemedicine Network data and the Northern Health Travel Grant database.
- Privacy restrictions, and the legislative authority granted under the Health Information Network Provider status, prevent linkage of Telemedicine Network data with other datasets. The Ministry informed us that there is no planned action to address the legislative or regulatory framework that prevents the data linkage.

Therefore, according to Ontario Health's current authority related to personal health information, Ontario Health is not able to receive and link Northern Health Travel Grant and usage data on the Telemedicine Network.

Recommendation 10

To effectively evaluate the impact of Telehealth Ontario services on patients and the health-care system, we recommend that the Ministry of Health:

- *develop performance metrics to measure patient responses after receiving advice provided by Telehealth Ontario;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry had limited insight into the effectiveness of Telehealth Ontario services. While Telehealth Ontario offered health advice and suggestions on appropriate next steps to callers, the Ministry did not regularly review the service by following patients after their calls to see whether they followed the advice given and if it was effective in addressing callers' health concerns.

In our follow-up, we found that the Ministry led the procurement for a Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), to offer convenient virtual-care access by creating an integrated virtual health-care system experience for Ontarians (as detailed in **Recommendation 7**). HCO will modernize and enhance the former Telehealth Ontario service, which was an exclusively telephone-based service. Ontario Health has supported the Ministry throughout the procurement process.

A key goal of modernizing the existing Telehealth Ontario service is to effectively evaluate the impact of the HCO on patients. In accordance with this, the HCO Request for Bid outlined specific requirements for bidders to demonstrate the ability to collect performance metrics on patient responses after interacting with the HCO service and to evaluate the effectiveness of the service on an ongoing basis (more frequently than on an annual basis). The HCO contract includes terms such as service credits tied to key performance indicators (KPIs). Examples of KPIs include:

- application response time and usage monitoring;
- service request fulfilment (service desk);
- time to respond;
- time spent on calls;
- customer satisfaction;

- service request response time and resolution time; and
- narrative report on corrective and preventative actions in response to service level misses.

The HCO contract was awarded in October 2021 and the initial HCO service was launched on April 1, 2022. The platform will gradually integrate an online symptom checker, chat, voice, and video as virtual-care delivery models, among other resources, to better meet the needs of Ontarians. The HCO vendor will share data on performance metrics with the Ministry and Ontario Health to ensure that service standards will be met.

Going forward, the Ministry plans to identify and implement enhancement opportunities, such as improving the existing service based on user feedback and adding new functionality (for example, access to health records or service provider results by wait time).

- *continuously assess the effectiveness of Telehealth Ontario services on an annual basis using follow-up surveys of patients.*

Status: In the process of being implemented by December 31, 2022.

Details

In our 2020 audit, we found that limited work had been done to evaluate the impact of virtual care on patient outcomes and the health-care system in Ontario. While the Telemedicine Network had measured the financial impacts of virtual care on the health-care system, it had very limited access to data on patient interactions with the health-care system to determine whether patients had to seek additional care (such as visiting an emergency department) after a virtual-care visit.

In our follow-up, we found that the Ministry led the procurement for a Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), to create an integrated virtual health-care system experience for Ontarians (as detailed in **Recommendation 7**). The Ministry outlined specific requirements for the HCO vendor to collect performance metrics on patient responses after interacting with the HCO service and to evaluate the effectiveness of the service

on an ongoing basis (more frequently than on an annual basis).

The HCO contract was awarded in October 2021 and initial service was launched on April 1, 2022. The platform will gradually integrate an online symptom checker, chat, voice, and video as virtual-care delivery models, among other resources, to better meet the needs of Ontarians. The HCO vendor will share data on performance metrics with the Ministry and Ontario Health to ensure service standards are being met. It will also document patient survey results and provide evidence on how patient survey results are being used to improve the effectiveness of the HCO.

The Ministry and Ontario Health received the first monthly performance report from the HCO vendor at the end of May 2022; it contained reporting on the metrics outlined in the Service Reporting, Monitoring and Evaluation Plan, which includes the following components:

- reporting requirements and identification of the data source to produce the reports, with a view to assess and evaluate program and service performance;
- an overview of service information available to support decision-making on service improvement and service investment;
- a benefits-realization plan that identifies key performance indicators (KPIs);
- performance management plan; and
- a data dictionary.

By December 31, 2022, the HCO vendor will implement a quality-improvement framework and report back to the Ministry and Ontario Health on a monthly basis. At the end of the first year of implementation, the Ministry will implement a value-based incentive framework to provide the vendor with further incentive to improve performance and outcomes.

Recommendation 11

To adequately evaluate the effectiveness of virtual-care services, we recommend that the Ontario Telemedicine Network within Ontario Health, in collaboration with the Ministry of Health, work with experts in the area of patient health outcomes and virtual care to identify

and implement metrics that have proven successful in other jurisdictions and/or private virtual-care providers for measuring and evaluating patient and health-care system outcomes.

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

Details

In our 2020 audit, we found limited indicators that measured whether patients received appropriate virtual care or what impact virtual care had on patients and on the health-care system in Ontario. In contrast, we noted that Kaiser Permanente in the United States was ahead of Ontario in measuring the effectiveness of virtual-care services. For example, Kaiser measured the effectiveness of its Chat with a Doctor program (which allows patients to go online and begin a virtual chat with a physician) by following patients after their virtual visit to see if they had to seek additional in-person or virtual care.

In our follow-up, we found that Ontario Health has taken the following actions to identify and implement metrics that have proven successful in other jurisdictions and/or with private virtual-care providers for measuring and evaluating patient and health-care system outcomes:

- Met with other jurisdictions including Queensland and Western Country Health Services in Australia and with telehealth managers in New Zealand to determine whether they have implemented patient outcome measures related to virtual care. Findings from these meetings noted that linking patient outcomes to virtual-care encounters is still in the nascent stage.
- In response to the COVID-19 pandemic, Ontario Health designed and implemented a new virtual-care patient experience survey to allow patients and caregivers to share feedback about their last virtual visit. Responses will be used to inform providers and health system planners on opportunities to improve the patient experience.
- Using its proprietary data-collection tool, the Interactive System Assessment and Collection (ISAAC) system, Ontario Health has prioritized

its focus on enhancing patient reported measurements, which can be completed in-person and/or virtually through equipment such as mobile devices and desktops.

- Starting in 2021, Ontario Health has conducted focus groups with health system stakeholders to capture their requirements for enhancing the usefulness of the data. Beginning December 2022, Ontario Health will engage survey design experts and health system stakeholders to redesign in-person and virtual-care patient experience surveys and reporting to address both current shortcomings and future enhancements; this redesign is targeted for implementation by October 2023.
- Work is under way on a performance-evaluation framework for Ontario Health Teams, with a target implementation date of January 2023. Ontario Health is in the process of determining patient reported experience measures (PREMs) and outcome measures (PROMs) across the health system. Work has begun on hip and knee replacement PREMs and PROMs and for Chronic Heart Failure patients.

Apart from Ontario Health, the Ministry has been working with the Canadian Institute for Health Information (CIHI) to align virtual-care reporting across all Canadian jurisdictions. Through this work, the Ministry is able to learn about which metrics have been effective in measuring patient and health-care system outcomes in other jurisdictions, and has used it to improve the types of metrics it uses to track progress in virtual-care services. For example, as mentioned in **Recommendation 1**, the Ministry has been working with CIHI to report on virtual-care metrics as part of the federal government's support for the Pan-Canada Virtual Care Priorities in Response to COVID-19. The agreed-upon metrics reported publicly by CIHI include:

- the percentage of Ontarians with a virtual visit (delivered via any model, including phone, video, email, etc.) in the last 12 months (as measured through the Health Care Experience Survey); and

- the number of patients and volume of virtual-care services delivered through multiple projects in, for example, virtual urgent care, pre- and post-virtual surgical transition projects, and integrated virtual care.

These metrics, along with data from other jurisdictions, have been included in a number of virtual-care reports released in March and April 2022 by CIHI. The reports provide insight into the impact of virtual care on patients and providers in other jurisdictions, and allow the Ministry to revise its current metrics accordingly.

The Ministry has also collaborated with Ontario Health by providing funding for virtual-care initiatives led by Ontario Health Teams to collect patient experience and health outcomes. For example, funding for virtual urgent care requires Ontario Health to collect data such as percentage of patients satisfied (collected through patient surveys) and emergency department avoidance or diversion. In addition, evaluations for remote patient-monitoring initiatives and virtual urgent-care sites are under way and will identify high-impact projects by looking at patient outcomes.

COVID-19 Pandemic Accelerated the Expansion of Virtual Care, but Also Created Data Security, Patient Privacy and Physician Billing Risks

Recommendation 12

To evaluate the impacts of the COVID-19 pandemic on virtual care availability and usage in Ontario and apply lessons learned for decision-making going forward, we recommend that the Ministry of Health, in collaboration with the Ontario Telemedicine Network within Ontario Health:

- *conduct a comprehensive analysis of virtual-care usage and costs across the province during the pandemic and decide whether the temporary changes (such as new billing codes) should be made permanent;*

Status: Fully implemented.

Details

In our 2020 audit, we found that in response to the COVID-19 pandemic, the Ministry implemented temporary billing codes that allow physicians to bill for virtual-care services provided to their patients over the phone and through video visits also using non-Telemedicine Network platforms. These services were ineligible for billing prior to the COVID-19 pandemic. We found that physician billings for the temporary virtual-care billing codes were significant at approximately \$142 million per month between March 2020 (the first month they became available) and August 2020.

In our follow-up, we found that the Ministry commissioned the Centre for Digital Health Evaluation (CDHE) to complete a comprehensive evaluation of virtual care in March 2021 to assess the impact of the COVID-19 pandemic on virtual-care availability and usage in Ontario (as detailed in **Recommendation 1**). Ontario Health played a key role in shaping the evaluation and participated in multiple evaluation streams. As part of that evaluation, administrative data for two chronic disease patient populations (congestive heart failure and chronic psychotic illness) was segmented by high and low virtual-care use. Hospitalizations, emergency room visits, diagnostic tests, labs, and primary-care visits were then tracked to measure patient outcomes.

Reductions were observed across all categories, except for primary-care visits for individuals with chronic psychotic disorder, which increased for high virtual-care users. The increase in primary-care visits was paired with a significant decrease in emergency room utilization, suggesting that increased access to primary care (likely virtual) was offset by a decrease in care delivered in more costly settings (for example, emergency departments).

The Ministry has used the findings from this evaluation report to inform its approach to virtual health-care policy in a number of areas, which included advancing the use of various virtual-care delivery models across the health-care system and continuing to support virtual-care adoption in primary-care settings.

Following the comprehensive analysis of virtual-care usage and costs, the Ministry determined that access to medically necessary physician virtual-care services should be enabled. Therefore, as mentioned in **Recommendation 1**, the new Physician Services Agreement that was ratified as of March 27, 2022, includes fee codes for OHIP-insured physician phone and video visits. The virtual-care fee codes are accessible by all physicians, including those in primary care. Changes to the OHIP claims system are under way to reflect the new Physician Services Agreement.

- *engage health-care providers, both who had and had not previously used virtual care in their practice before the pandemic, to obtain feedback on their experience of offering virtual care during the pandemic;*

Status: Fully implemented.

Details

In our 2020 audit, we found that 86% of physicians we surveyed would likely offer more virtual care to their patients than they did prior to COVID-19 if the Ministry continued to allow billing for virtual care using telephone or any videoconferencing platform, even if the risks from COVID-19 lessened.

In our follow-up, we found that Ontario Health has partnered with physicians and other users to provide meaningful opportunities to share their concerns and issues with virtual-care solutions and associated processes to improve provider and patient experiences on an ongoing basis (as detailed in **Recommendation 3**).

Ontario Health has engaged with physicians and other users of virtual care to solicit feedback in multiple ways, including but not limited to the following:

- administering a Customer Satisfaction Survey twice annually, and conducting follow-up interviews;
- creating an on-line feedback form;
- directly engaging with individuals and groups of care providers who co-design or co-develop virtual-care solutions;
- engaging with organizations representing groups of care providers and other users to solicit their thoughts; and

- engaging with third-party vendors who work closely with care providers in developing their virtual-care solutions.

Ontario Health has also included a general “contact us” email form on its website, through which any physician or other health-care provider that uses virtual care, or those who choose not to, can provide feedback on their issues or concerns with the platform. Ontario Health has a process for responding to those who provide input, analyzing feedback, and using that feedback to identify areas for improvements.

Additionally, Ontario Health has routinely collected user experience data through the Voice of the Customer program. A general Customer Feedback Form is available at all times through Ontario Health’s website. Ontario Health has reviewed these forms and followed up directly with users to address the feedback.

In our follow-up, we found that Ontario Health has analyzed the feedback it received from the various forms and surveys, as well as from telephone inquiries, to identify specific concerns and issues with the Telemedicine Network, such as technical problems and service availability. It was also able to identify opportunities for improvement, and implement appropriate solutions, namely by introducing the Virtual Visits Verification Program (Program) as mentioned in **Recommendation 2**. Given the issues it identified with the Telemedicine Network and users’ desire for more delivery options, the Ministry established the Program to provide Ontarians with more opportunities to access care virtually through a reliable platform outside the Telemedicine Network platform. The Program gives care providers more choices to better meet their needs while also maintaining provincial standards, such as for privacy, security, and interoperability.

- *collect feedback from patients across the province on their experience of using virtual care during the pandemic to gather and incorporate patient views into future decisions related to providing and funding virtual care tools;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the number of video visits between a physician and a patient through the Telemedicine Network platform increased by over 80%, from an average of 104,000 per month in January and February 2020 to an average of about 190,000 per month between March and August 2020.

In our follow-up, we found that as part of its COVID-19 response planning, Ontario Health has collected feedback regarding the virtual-care approach from its Patient and Family Advisory Group (Group). For example:

- The Group has provided insights on its experiences during the pandemic and has been called upon to provide input to assist Ontario Health in developing an online appointment-booking standard.
- The Group has collected information about the experiences of those who used virtual care for school-based mental health consultations.
- Patient and family advisors actively participated in the ongoing development of virtual-care oncology guidelines.
- Patient and family advisors were recruited to participate as evaluators for the Health Care Navigation Service (HCNS) proposals, as mentioned in **Recommendation 7**.

Ontario Health has also consulted third-party researchers who have conducted a qualitative and quantitative study with over 550 primary-care patients from across the province, and is using these insights to help develop Guidance for Clinically Appropriate Use of Virtual Care for Primary Care, as mentioned in **Recommendation 8**.

- *develop performance metrics for measuring the experience of both health-care providers and patients with virtual care during the pandemic and identifying areas for improvements going forward under pandemic and non-pandemic circumstances.*

Status: Fully implemented.

Details

In our 2020 audit, we found that 86% of physicians we surveyed would likely offer more virtual care than they did prior to COVID-19 if the Ministry continued to allow billing for virtual care using telephone or any videoconferencing platform, even if the risks from COVID-19 lessened.

In our follow-up, we found that Ontario Health has monitored the virtual-care experience of patients by building in experience and satisfaction measurement into virtual-care offerings and programs. For example, a survey offered to oncology patients at the end of their virtual appointments includes questions meant to measure the patient's experience with virtual care during the pandemic.

Ontario Health has also continued to collect feedback from both care providers and patients about their experiences with virtual care through its Voice of the Customer program, as mentioned in **Recommendation 3**. Some of the indicators Ontario Health tracks through this program include:

- number of people accessing online virtual care supported by Ontario Health;
- percentage of Ontarians who had a virtual visit in the last 12 months;
- number of mental health enrolments for virtual care supported by Ontario Health;
- number of Indigenous Access Points, where indigenous people can connect with physicians and health-care providers virtually;
- number of primary-care providers providing virtual visits; and
- system cost savings related to virtual care.

In addition, Ontario Health indicated that measurement and reporting that captured experiences of patients with cancer or hip and knee replacements will be leveraged for other conditions such as congestive heart failure.

Apart from Ontario Health, the Ministry has developed performance metrics for measuring health-care providers' and patients' experiences. As mentioned in **Recommendation 3**, the Ministry funded the Centre for Digital Health Evaluation's (CDHE) report on the experiences of patients and providers with virtual-care

adoption during COVID-19, which identified areas of improvement. Specifically, the report:

- Evaluated the impact of virtual care on patient outcomes and health-care utilization during the pandemic within a select group of patient populations (congestive heart failure and chronic psychotic illness).
- Through its data analysis, CDHE found that patients who used virtual care more frequently (for example, chronic disease patients) required more in-person care, while less frequent virtual-care users were likely more stable and physicians were able to delay their in-person care until pandemic risks decreased. While patients' preferences for the method of virtual-care delivery varied, perceptions were more positive when a long-standing relationship with the health-care provider was established.
- Explored what helped virtual care grow rapidly during the COVID-19 pandemic, and what deterred it.
 - For example, with respect to clinical appropriateness, providers felt both phone and video visits were acceptable ways to deliver patient care under certain circumstances. Most providers agreed that virtual care allowed them to maintain strong patient relationships, provide patient-centred care, and engage patients similarly to in-person visits.

The Ministry was able to use these findings from the CDHE's report to incorporate performance metrics into the structure and funding for virtual-care initiatives. For example, virtual-care initiatives led by Ontario Health Teams are required to capture patient experience survey information and patient outcomes.

Recommendation 13

To evaluate the impacts of the COVID-19 pandemic on calls to Telehealth Ontario and apply lessons learned to decision-making going forward, we recommend that the Ministry of Health:

- *continue analyzing Telehealth Ontario call volumes and wait times to ensure that adequate capacity and resources will be available if Ontario faces subsequent waves of COVID-19;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Telehealth Ontario experienced long wait times despite expanded capacity and resources. Despite increasing staff by 214% (from about 200 staff pre-COVID-19 to about 600 staff) to assist with call volumes and increasing the number of phone lines by over seven times (adding 3,300 more phone lines to the existing 450 phone lines), callers continued to face long wait times to receive advice. While the average wait time decreased in April 2020, it was still significantly long, at about 8 hours for a COVID-19-related call and 17 hours for a non-COVID-related call.

In our follow-up, we found that Telehealth Ontario transitioned call centre operations to a new vendor on April 1, 2022, coinciding with the sixth wave of the COVID-19 pandemic. To ensure that adequate capacity and resources would be available if Ontario faces subsequent waves of COVID-19, the new vendor has developed a surge-mitigation strategy to address call volume surges related to COVID-19. As mentioned in **Recommendation 10**, the Ministry and Ontario Health received the first monthly performance report from the vendor at end of May 2022; the report included the metrics outlined in the Service Reporting, Monitoring and Evaluation Plan, such as volumes and wait times.

Apart from continuously analyzing Telehealth Ontario call volumes and wait times, the new vendor has also taken the following actions to ensure that adequate capacity and resources would be available if Ontario faces subsequent waves of COVID-19:

- Increased staffing by 33% from the incumbent baseline to meet the needs of the new service and the COVID-19 surge.
- Implemented a warm-transfer protocol for patients that may be eligible for Paxlovid, an oral antiviral drug that is the latest COVID-19 treatment to help keep high-risk patients from getting so sick that they need to be hospitalized. Warm

transfer occurs when one staff member answers a call and then transfers the call to another staff member, but passes on any relevant information so that the caller does not have to repeat themselves. Eligible patients are warm-transferred to a virtual urgent-care program for assessment and prescription of Paxlovid.

- Implemented a COVID-19 option in the interactive voice response for callers that require assistance with COVID-19 and tracked the volume of COVID-19-related callers.
- *explore options or solutions (such as creating a separate phone number for calls related to COVID-19) that help distinguish the nature of calls and reduce wait times for non-COVID-19 calls going forward in response to potential subsequent waves of COVID-19.*

Status: Fully implemented.

Details

In our 2020 audit, we found that increasing call volumes and wait times for Telehealth Ontario prompted the Ministry to introduce an online self-assessment tool on March 23, 2020. The Ministry's website instructed individuals who thought they may have COVID-19 to take the online self-assessment before calling Telehealth Ontario. However, despite additional resources provided by the Ministry, call volumes and related wait times for Telehealth Ontario were still significantly high in April 2020.

In our follow-up, we found that Telehealth Ontario transitioned call-centre operations to a new vendor on April 1, 2022, coinciding with the sixth wave of the COVID-19 pandemic (as detailed in the first action item in **Recommendation 13**). To ensure that adequate capacity and resources would be available if Ontario faces subsequent waves of COVID-19, the new vendor has developed a surge-mitigation strategy to address call volume surges related to COVID-19.

As part of the surge-mitigation strategy, the new vendor included a COVID-19 option in the interactive voice response for callers that require assistance with COVID-19, and tracks the volume of COVID-19-related callers, as noted in the first action item in **Recommendation 13**. This will help distinguish the nature of calls

and reduce wait times for non-COVID-19 calls going forward in response to potential subsequent waves of COVID-19.

Chapter 1

Section 1.09

Ministry of the Environment, Conservation and Parks
Ministry of Public and Business Service Delivery
Ministry of the Solicitor General and the Office of the Chief Coroner

Follow-Up on 2020 Value-for-Money Audit: Bereavement Authority of Ontario

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		4	1		
Recommendation 4	2	2				
Recommendation 5	1	1				
Recommendation 6	1	1				
Recommendation 7	5	4		1		
Recommendation 8	4	1	2		1	
Recommendation 9	6	6				
Recommendation 10	1		1			
Recommendation 11	4	3	1			
Recommendation 12	1	1				
Recommendation 13	1	1				
Recommendation 14	3	1	1		1	
Recommendation 15	3	1	2			
Recommendation 16	2	1	1			
Recommendation 17	2		2			
Recommendation 18	4	2				2
Recommendation 19	6	2	2	1		1
Recommendation 20	2	2				
Total	56	32	16	3	2	3
%	100	57	29	5	4	5

Overall Conclusion

The Bereavement Authority of Ontario (Bereavement Authority), Ministry of the Environment, Conservation and Parks, Ministry of Public and Business Service Delivery (formerly Ministry of Government and Consumer Services), Ministry of the Solicitor General and the Office of the Chief Coroner, as of August 31, 2022, have fully implemented 57% of actions we recommended in our 2020 Annual Report. The Bereavement Authority and the ministries have made progress in implementing an additional 29% of the recommendations. The remaining 14% had little or no progress, will not be implemented or are no longer applicable.

The Ministry of Public and Business Service Delivery and the Bereavement Authority have fully implemented recommendations such as standardizing the price lists among all licensed operators, including identifying what services are required by law and what is optional, conducting unannounced inspections and mystery shopper visits, conducting performance reviews, at least annually, for each inspector, cross-checking the listing of Environmental Compliance Approvals maintained by the Ministry of the Environment, Conservation and Parks to ensure that the listing is complete, and verifying that all Class 1 licensed funeral homes possess a current hazardous waste generator number.

However, the Bereavement Authority and the ministries continue to make progress in implementing 29% of the recommendations, including the Ministry of Public and Business Service Delivery working with the Bereavement Authority—to adopt best practices from other jurisdictions to expand enforcement tools such as the ability to levy an administrative penalty and conducting research on emerging technologies for disposing human remains. In addition, the Bereavement Authority has made progress in implementing recommendations including measuring and monitoring additional performance measures, such as the number of inspections by type, average time spent per inspection, time taken to correct non-compliance issues and percentage of compliance rate as a result of inspections, upgrading the functionality of its information

system so that summary reports on the number and nature of complaints can be produced electronically, and establishing additional performance measures and targets to evaluate its effectiveness in achieving its mandate. The Ministry of the Environment, Conservation and Parks is in the process of establishing a plan to proactively and comprehensively monitor the air emissions of crematoriums at regular intervals.

The Bereavement Authority has made little progress on three (5%) of the recommendations, including publicly reporting on the outcome of inspections and electing or appointing Board member(s) who advocate for consumers.

The Bereavement Authority, the Ministry of the Solicitor General and the Office of the Chief Coroner will not implement 5% of the recommendations, including the Bereavement Authority providing the public with more details on licensing and enforcement decisions and actions taken against licensed and non-licensed operators, with the privacy of affected families being protected and to eliminate the \$75 dollar fee for coroner cremation certificates to align Ontario with other jurisdictions that do not charge for them. We continue to believe that these recommendations should be implemented.

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

Background

The Bereavement Authority of Ontario (Bereavement Authority) was established in 2016 to promote the rights and safety of consumers purchasing funeral and burial or cremation services. Besides consumer protection and education, the Bereavement Authority's key operations include licensing and inspections of funeral homes, transfer services (transferring the deceased as needed—for example, to the place of interment), cemeteries and crematoriums.

Our audit found that the Bereavement Authority spent its early years establishing itself as a new regulator by building and maintaining good working relationships with the operators of funeral homes,

transfer services, cemeteries and crematoriums with an aim to promote greater compliance. Its enforcement approach was to educate licensees and other operators by issuing letters requesting compliance, issuing guidelines and providing long periods of time to address licensing issues. However, we found that a stronger regulatory approach was needed to protect and educate consumers who purchase bereavement services and products.

Some of our significant findings were as follows:

- Most funeral homes and other operators did not readily disclose prices to consumers. We found that prices for essential bereavement-related products and services were not transparent and often difficult to obtain. We found that only 26 out of a sample of 100 licensed operators of funeral homes, transfer services, cemeteries and crematoriums posted their price list on their websites.
- Funeral selling practices could still include pressure tactics and providing misleading information. During our audit, we engaged a firm to conduct mystery shopping at a total of 100 licensed operators of funeral homes, transfer services, cemeteries and crematoriums of various sizes across Ontario. The mystery shoppers acted as consumers shopping for funeral services and products at each of these licensed operators via telephone calls and/or in-person visits. For half of the sampled operators, the mystery shoppers experienced sales pressure and/or were given misleading information.
- Prices for the same or similar services varied significantly. When the mystery shoppers inquired about the cost of a basic cremation at the 70 operators sampled where direct cremation service was offered, the quotes varied significantly, from a low of \$512 in Windsor to a high of \$8,000 in Toronto.
- All cemetery operators are required by regulation to renew their licences annually with the Bereavement Authority, but not all did. We found that, as of August 2022, out of a total of 2,287 cemetery operators in Ontario (2,368 as of August 2020) who must file an annual licence

return, 220 (277 in 2020), or 10% (12% in June 2020), were operating without their licences renewed, and 88 (207 as of August 2020) of these operators had not renewed their licences nor filed any other reports with the Bereavement Authority since its inception in 2016.

- The Bereavement Authority's oversight of care and maintenance funds for 166 cemetery operators needed to be actioned. We found in August 2022, of the 1,947 (1,984 in June 2020) cemetery operators that reported having a care and maintenance fund, 42 (166 in June 2020) of them had not filed the required care and maintenance report. Based on the most recent information available as of August 2022, the 42 (166 in June 2020) cemetery operators collectively held a total of \$338,000 (\$2.1 million in 2020) in their care and maintenance funds.
- Between 2018/19 and 2021/22, the Bereavement Authority inspected only 7.5% of all licensed funeral homes and other operators (3.4% in the period between 2016/17 and 2019/20). Our 2020 audit found that inspections were not conducted on a proactive basis but instead were generally reactive in nature. The Bereavement Authority had yet to develop a risk-based framework to identify which licensed and unlicensed operators should be inspected or investigated based on their history of complaints, inspection results and other risk factors.

We made 20 recommendations, consisting of 56 action items, to address our audit findings.

We received commitments from the Bereavement Authority, Ministry of the Environment, Conservation and Parks, Ministry of Public and Business Service Delivery (formerly Ministry of Government and Consumer Services), Ministry of the Solicitor General and the Office of the Chief Coroner that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and August 2022. We obtained written representation from the Bereavement Authority of Ontario, Ministry of the Environment, Conservation and Parks, Ministry of Public and Business Service Delivery, Ministry of the Solicitor General and the Office of the Chief Coroner that effective November 24, 2022 they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Aggressive Pricing and Selling Practices in the Bereavement Sector

Recommendation 1

To protect consumers when making bereavement-related purchases, we recommend that the Ministry of Government and Consumer Services work with the Bereavement Authority of Ontario to develop effective strategies to increase the transparency of price information to consumers (such as requiring all licensed operators to provide their price lists online as well as an electronic copy or a link to the Bereavement Authority's consumer information guide), and determine where it will be necessary as a result to amend legislation and/or regulations.

Status: Fully implemented.

Details

In our 2020 audit, we found that only 26 of the 100 the sampled licensed funeral homes, transfer services, cemeteries and crematoriums of various sizes and locations across the province disclosed a price list on their websites. We also found that of the 22 licensed funeral homes, transfer services, cemeteries and crematoriums who responded to our email inquiry for price information, only nine or 41%, also provided the Bereavement Authority of Ontario's (Bereavement Authority) free consumer information guide, *A Guide to Death Care in Ontario (Guide)*. A regulation under the *Funeral, Burial and Cremation Services Act, 2002*, requires that

all licensed operators provide the Guide to potential consumers before they enter into a contract.

In our follow-up, we found that in April 2021, the Ministry of Public and Business Service Delivery, (formerly, the Ministry of Government and Consumer Services, Ministry) made a regulatory change under the *Funeral, Burial and Cremation Services Act, 2002*, that took effect on July 1, 2021. As a result, every bereavement service operator who maintains or makes use of a website to promote, or to enter contracts for, the sale or provision of a licensed supply or service is required to make available in a clearly visible place on that website:

- a free, printable electronic version of the operator's price list; and
- a link to the consumer information guide prepared by the Registrar of the Bereavement Authority.

Recommendation 2

To protect consumers when making bereavement-related purchases, we recommend that the Bereavement Authority of Ontario:

- *standardize the presentation of price lists among all licensed operators, such as for a basic cremation service, other services and products and clearly identify whether each of them is required by law and in what circumstances, or if they are optional;*

Status: Fully implemented.

Details

In our 2020 audit, we engaged a firm to conduct mystery shopping at licensed funeral homes, transfer services, cemeteries and crematoriums. The mystery shoppers identified that at times they were provided misleading information on whether certain services were mandatory or optional.

In our follow-up, we found that in October 2021, the Bereavement Authority sent a notice to all licensed funeral homes, transfer service, crematorium and cemetery operator recommending the voluntary use of price list templates. The Bereavement Authority developed separate price list templates for each type of licensed operator. The price list templates break down

the bereavement services required by law and which services are optional. As part of its inspection process, the Bereavement Authority reviews price lists to determine compliance with its price list templates.

- *conduct proactive and unannounced inspections of a sample of licensed operators to identify and deter upselling and/or other unethical practices or actions of non-compliance with legislation and regulations.*

Status: Fully implemented.

Details

In our 2020 audit, mystery shoppers identified that at times they felt pressured, were given misleading information and experienced upselling and aggressive sales practices.

In our follow-up, we found that in May 2021, the Bereavement Authority hired a company with expertise (the company) to conduct both telephone and in-person “mystery shops” of licensed cemeteries, operators and funeral homes. As a result of COVID-19 pandemic restrictions, telephone calls were made and recorded using a written script to determine whether the licensed operator such as a funeral home is participating in upselling or other unethical practices. Five hundred and twenty-six telephone interviews were completed between June 2021 and mid-April 2022 and 47 in-person visits were made between mid-February 2022 and mid-June 2022. The Bereavement Authority’s contract terms with the company requires an assessment of every licensed operator over a five-year contract period.

In November 2021, the Bereavement Authority provided the company with a listing of larger, corporately owned, funeral home operators to be scheduled for in-person shopping by the firm. In-person shopping commenced the week of February 14, 2022 with the easing of pandemic restrictions. As of April 2022, the company has completed 34 in-person visits. Any survey result provided by the company with a score of 50% or less will be assessed by the Bereavement Authority to see why the operator received that score and the operator may be inspected if necessary. As of April 2022, 16 mystery shopper interactions have resulted in a score of 50% or less. The Bereavement Authority

reviewed the full results of the mystery shopper script and has initiated earlier inspections of those locations deemed as higher risk of non-compliance with rules and regulations.

Weak Oversight of Cemetery Operators

Recommendation 3

So that all cemetery operators that conduct business in Ontario are licensed to do so, and cannot be licensed if they are not operating appropriately, we recommend that the Bereavement Authority of Ontario:

- *gather up-to-date contact information of all cemetery operators;*

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

Details

In our 2020 audit, we found that 277 cemetery operators at 366 sites in the province had not renewed their licences. In many cases, the Bereavement Authority did not have updated contact information for the cemetery operators.

In our follow-up, we found that the Bereavement Authority has been contacting cemetery operators to gather updated cemetery operators contact information. In January 2021, the Bereavement Authority sent a notice to the cemetery profession requesting cemetery operators provide updated contact information. For the cemetery operators that were still missing up-to-date contact information, the Bereavement Authority then undertook a campaign starting in April 2021 to attempt to contact all remaining cemetery operators. When the Bereavement Authority successfully reached a contact person for a cemetery operator, this information was updated in the cemetery information database. As of June 30, 2022, the Bereavement Authority collected licensing forms and confirmed contact information for 2,306 out of 2,354 operators, leaving 48 remaining cemetery operators for which the Bereavement Authority does not have up-to-date contact information. The Bereavement Authority expects to have up-to-date contact information for the remaining 48 cemetery operators by December 2023.

- *follow up with all cemetery operators who did not renew their licences in a timely manner and determine the reasons for non-compliance;*

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

Details

In our 2020 audit, we found that 277 cemetery operators at 366 sites in the province had not renewed their licences. The Bereavement Authority had not taken further action other than sending reminders to about 30 cemetery operators to renew their licences and file the required reports.

In our follow-up, we found that Bereavement Authority staff conducted follow-ups by phone and email on outstanding annual reporting and licensing information after the initial contact was made with cemetery operators. Cemetery operators who failed to come into compliance after unsuccessful follow-up were escalated to further action such as an inspection. The Bereavement Authority requested the Ministry's Registrar, under the *Funeral, Burial and Cremation Services Act, 2002*, make an application to the Superior Court of Justice to have two cemeteries declared abandoned because the known cemetery operator could not be found or was unable to maintain the cemetery, and/or there was no licensed operator for the cemetery. The Bereavement Authority subsequently withdrew these requests because the municipalities agreed to voluntarily assume responsibility for operating these cemeteries. The current number of cemeteries operators still not licensed as of June 30, 2022 was 81.

Per the Bereavement Authority, 39 of these unlicensed cemeteries are located on federal or provincial Crown land or in unorganized townships. The Bereavement Authority is holding ongoing discussions with the Ministry to determine next steps with respect to those cemeteries located on provincial Crown land. In addition, the Bereavement Authority is currently investigating five of these cemeteries that have been identified as duplicates in its cemetery database and four closed cemeteries that are still listed as active in its cemetery database.

As a result, after considering the total number of cemetery operators not licensed (with consideration

of cemeteries that may not need to be licensed, are duplicate entries or are actually closed and not in need of a licence) there are 33 cemetery operators have been identified that are not yet licensed. For these 33 unlicensed cemeteries, the Bereavement Authority has sent letters to 19 municipalities, six cemeteries are being assessed by its compliance unit for potential inspection or enforcement action, seven remain unlicensed and one cemetery file has been transferred to the Ministry to commence the abandonment process. The Bereavement Authority expects all these actions to be completed by December 2023.

- *require all cemetery operators that are able to be licensed to renew their expired licences or apply for a new one within a set timeframe, such as within 60 to 90 days after notification;*

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

Details

In our 2020 audit, we found that 277 cemetery operators at 366 sites in the province had not renewed their licences. The Bereavement Authority had not taken further action other than sending reminders to about 30 cemetery operators to renew their licences and file the required reports.

In our follow-up, we found that in 2022, the Bereavement Authority initiated a series of email blasts and follow-ups with cemetery operators to increase the number of on-time submissions of license renewals. This increased the percentage of on-time submissions to 67% in 2022 from 52% in 2021.

As noted in the second action item in **Recommendation 3**, we found that as of June 30, 2022, the Bereavement Authority has identified 33 cemetery operators that require a licence. As stated above, the Bereavement Authority is currently conducting outreach and research with municipalities and land-owners. Their responses will determine what course of action will be taken such as recommending a voluntary transfer to the applicable municipality or recommending that the Ministry's Registrar under the *Funeral, Burial and Cremation Services Act, 2002* apply to a judge of the Superior Court of Justice to have the cemetery declared abandoned. It is expected that this will be completed by December 2023.

- *make arrangement with local municipalities to take over those cemetery operators with expired licences that cannot be located or are unable to continue managing their cemeteries in perpetuity;*

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

Details

In our 2020 audit, we found that 277 cemetery operators at 366 sites in the province had not renewed their licences. The Bereavement Authority could not verify whether these operators are meeting the legislative requirements or whether the cemeteries were maintained properly.

In our follow-up, we found that as of June 30, 2022, the Bereavement Authority contacted 67 municipalities to notify them that there is an existing cemetery operator located within their municipality that currently is unlicensed and the cemetery is not being cared for at the present time. The municipalities were asked if they could contact the cemetery operator to discuss the ongoing condition and operations of the cemetery and the renewal of the cemetery operator annual licence.

If the current cemetery operator is deemed unable to continue operating the cemetery or could not be located, the municipality was requested to contact the Bereavement Authority to advise of the current circumstances and undertake discussions regarding the possible voluntary transfer of the cemetery ownership and associated responsibilities to the local municipality.

The Bereavement Authority informed us it prefers to work with municipalities to voluntarily transfer cemetery ownership rather than force its transfer. The Bereavement Authority also noted that there is no option to contact municipalities for sites located on Crown and unorganized lands.

As of November, 2022, the Bereavement Authority was still working on making arrangements with municipalities or taking enforcement action for 17 remaining sites (not including those on Crown and unorganized lands). It expects that the necessary arrangements will be made with local municipalities associated with these sites by January 2023.

- *work with the Ministry of Government and Consumer Services to manage the remaining cemeteries*

that are considered to be abandoned under the Funeral, Burial and Cremation Services Act, 2002.

Status: Little or no progress.

Details

In our 2020 audit, we found that as of August 2020, 277 cemetery operators at 366 sites in the province had not renewed their licences.

In our follow-up, we found that the Bereavement Authority has been working on contacting those cemetery operators who are not currently licensed. As of June 30, 2022, the Bereavement Authority identified 33 cemetery operators as being unlicensed.

For the 33 unlicensed cemeteries, if a known cemetery operator cannot be found or is unable to maintain the cemetery, or if there is no licensed operator for the cemetery (for example, because the local municipality is not willing to accept transfer of ownership and operation of the cemetery on a voluntary basis), certain persons can apply to a judge of the Superior Court of Justice to have a cemetery declared abandoned. Therefore, potentially up to 33 cemetery operators may be subject to applications to the Superior Court of Justice to have the cemeteries declared abandoned. The Registrar at the Ministry, under the Act, is one of the persons who may, in certain circumstances, apply to court for a declaration that a cemetery is abandoned. As of June 30, 2022, the Bereavement Authority has referred two cemetery files to the Ministry's Registrar to commence an application to the Superior Court of Justice to have them declared abandoned but these requests were subsequently withdrawn because the municipalities agreed to voluntarily assume responsibility for operating these cemeteries.

Recommendation 4

To protect consumers' money deposited in care and maintenance funds maintained by cemeteries for upkeep of the cemeteries, we recommend that the Bereavement Authority of Ontario:

- *make arrangements with all trustees of cemeteries to obtain access or disclosure of trustee statements directly from them;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority receives individual operators' annual trustee statements directly from five trust companies. However, a similar arrangement with at least 62 other trustees for direct disclosure and confirmation had not been established.

In our follow-up, we found that in June 2021, the Bereavement Authority had requested that cemetery operators make arrangements with their trust companies to submit the cemetery care and maintenance trust statements directly to the Bereavement Authority. The trust companies were requested to submit statements annually for all care and maintenance funds held within three months of the cemetery operator's fiscal year-end, starting with the current year. As of April 2022, nine of the 27 trustees are now submitting their statements directly to the Bereavement Authority, which accounts for 91% of all care and maintenance funds. The Bereavement Authority sent letters directly to the remaining 18 trustees in summer 2022 requesting that they submit their care and maintenance statements directly to the Bereavement Authority. All 18 remaining trustees have committed to providing financial statements directly to the Bereavement Authority by December 2022.

- *perform inspections of cemeteries that did not submit their annual reports and other information on time, and order them to comply with the legislation.*

Status: Fully implemented.

Details

In our 2020 audit, we found that 166 of the 1,984 cemetery operators reported having a care and maintenance fund but had not filed a care and maintenance statement within the past year, or in some cases, over 25 years.

In our follow-up, we found that in August 2022, the Bereavement Authority identified 220 of the 1,947 cemetery operators that did not submit their required annual report and licensing renewal information. As of August 2022, the Bereavement Authority completed fourteen inspections of cemetery operators that had

failed to submit the required annual licensing information and reports.

For the remaining non-compliant cemetery operators, the Bereavement Authority stated its inspections of cemeteries that did not submit the required annual licensing information and reports on time are to be completed as expediently as possible within the available resources of the Bereavement Authority.

The Bereavement Authority informed us that an inspection is not an effective first response tool to ensure compliance with reporting requirements by cemetery operators. Cemetery reports, financial books and records are generally held by a volunteer in their home, which restricts an inspector's ability to effectively inspect on site. We are satisfied this meets the intent of the recommendation.

The Bereavement Authority indicated it has significantly reduced the number of non-renewed licensees through persistent follow-ups by its staff. For cemeteries operators still not compliant, the Bereavement Authority can demand required information using its legislative authority, or issue a cease operations order or assign an inspector. If these actions are exhausted or not practical, the Bereavement Authority will consider recommending the voluntary transfer of responsibility for the operation of the cemetery to a municipality or by requesting the Ministry's Registrar under the *Funeral, Burial and Cremation Services Act, 2002* to apply to a judge of the Superior Court of Justice to have the cemetery declared abandoned.

Few Consequences for Funeral Home Operators for Late, Incomplete Filings

Recommendation 5

To protect consumer funds held in trust by funeral homes and transfer services, we recommend that the Bereavement Authority of Ontario perform inspections or impose conditions or other appropriate consequences, if funeral homes or transfer services do not file reports on prepaid funds within 90 days after their fiscal year end, or fail to take timely action to correct any deficiencies identified.

Status: Fully implemented.

Details

In our 2020 audit, we found that only 323 or 55% of 590 funeral homes filed their 2018 prepaid funds reports on time. Of the 2019 reports, only 347 or 59% of 591 funeral homes filed on time.

In our follow-up, we noted for the 2021 prepaid fund reports that the Bereavement Authority identified 222, or 40%, of funeral home operators who missed the deadline to file the required prepaid fund reports. However only nine funeral homes were late by more than 60 days. As a result, these operators were added to a watchlist which is an internal process to track operators with potential non-compliance issues such as those that had missed filing deadlines.

The Bereavement Authority indicated that late filers of prepaid fund reports were to be scheduled for priority inspection, as expediently as possible within available resources. As a result, nine funeral homes were identified for inspection. Three had operational circumstances such as ongoing litigation with the Bereavement Authority that did not lend itself to an inspection. The remaining six operators were inspected.

Poor Recordkeeping and Weak Practices for Inspection and Enforcement Actions

Recommendation 6

To protect consumers through its inspection efforts, we recommend that the Bereavement Authority of Ontario use the analyses from its inspection results to establish an annual inspection plan that targets high-risk areas for inspection, and specifies the percentage of inspections to be reactive versus proactive, and how inspections are prioritized based on risk, urgency and severity of potential non-compliance.

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority does not proactively identify which licensed or unlicensed funeral home, transfer service, cemetery and crematorium operators should be selected for

inspection based on complaints, inspection results and level of risk.

In our follow-up, we found that in mid-2021, the Bereavement Authority developed an annual inspection plan that targets high-risk areas for inspection. This plan was developed partially as a result of analyses of past inspection results. In the plan, the Bereavement Authority defined “reactive” and “proactive” and specified the percentage of inspections to be reactive versus proactive. The Bereavement Authority also defined different priority levels for inspections based on risk, urgency and severity of the operators’ potential non-compliance.

The Bereavement Authority defined the depth and ranges of types of inspections that it performs and will use these definitions in all of its future annual reports. The Inspection Plan will focus on funeral homes and transfer service operators for 2021/22 and 2022/23, and, based on this experience, will be broadened in 2023/24 to include cemeteries and crematoriums.

Recommendation 7

To improve the accuracy and reporting of inspection statistics, we recommend that the Bereavement Authority of Ontario:

- *restate and provide the correct number of inspections in its Annual Report for all previous years;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority publicly reported that it conducted a total of 411 inspections; however, this was an overstatement as only 267 inspections had been performed.

Our follow-up found that in its 2020/21 annual report, the Bereavement Authority restated its inspection statistics to identify the correct number of inspections performed for the previous five fiscal years.

- *conduct periodic verification of inspection counts;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority publicly reported that it conducted a total of 411 inspections, however this was an overstatement as only 267 inspections had been performed.

Our follow-up found that as of October 2021, the Bereavement Authority now verifies inspection counts by performing a monthly review of the inspection count using an inspection tracking spreadsheet.

- *track all trigger events for inspections in one place;*
Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority does not proactively identify which licensed or unlicensed funeral home, transfer service, cemetery and crematorium operators should be selected for inspection based on complaints, inspection results and level of risk.

Our follow-up found that as of January 2021, the Bereavement Authority maintains a watchlist as a central repository for all escalated matters related to licensees, that might require inspection or other action. This enables the Bereavement Authority to track all potential trigger events for inspections in one place as well as the necessary next steps depending on the severity of the complaint.

- *track, monitor, analyze inspections by types and non-compliance;*
Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority does not track the results of inspections by type or the severity and frequency of non-compliances from inspections.

In our follow-up, we found that as of April 2021, the Bereavement Authority is now tracking, monitoring, and analyzing inspection counts by type and areas of non-compliance. An inspection tracking spreadsheet was created that now records all inspections scheduled and completed by fiscal year. At the commencement of a new inspection, the spreadsheet is updated with

information such as the licensee name, inspector and date the inspection is opened. A risk rating is recorded on the spreadsheet after it has been determined once the inspection was completed and a deficiency letter is sent to the operator such as a funeral home.

- *publicly report on outcomes of inspections.*
Status: Little or no progress.

Details

In our 2020 audit, we found that the Bereavement Authority did not track or publicly report on results of inspections such as the amount that was owed to consumers due to an identified overpayment or the number of non-compliant practices found per inspection.

In our follow-up, we found that the Bereavement Authority is awaiting implementation of its new information technology system in order to establish a search engine that will allow the public to search the Bereavement Authority database for the licensee of their choice. With scheduled completion of the new information system by the fall of 2023, the Bereavement Authority will be posting inspection results on its public registry.

Recommendation 8

To help protect consumers against financial harm and increase deterrence, we recommend that the Bereavement Authority of Ontario:

- *review and shorten its existing one-year internal policy to follow up on significant non-compliance issues;*
Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority's internal policies require follow-up inspections on identified significant issues to be performed within one year after the inspection was completed. We viewed the one-year internal policy as too long because the sooner the issues are fixed, the more likely consumers are protected.

In our follow-up, we found that in October 2021, the Bereavement Authority reduced the turnaround time to

follow up on significant non-compliance issues. Any follow-up action undertaken is now based on a risk score severity of the identified deficiencies which will prioritize the Bereavement Authority's follow-up actions. Significant non-compliance issues that are deemed a six or seven out of 10 on the Infraction Scorecard have resulted in a follow-up inspection with a turnaround time of six to nine months.

- *place appropriate conditions on operators based on the type and severity of their violations if deficiencies are not corrected in accordance with its internal policies;*

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

Details

In our 2020 audit, we found that when cases of non-compliance are identified, the Bereavement Authority's Registrar can take enforcement action by placing conditions on a licensee. We noted that the Registrar had placed conditions on eight individual licensees in 2019 but as of June 2020, these individuals with conditions had not been inspected again to ensure they were complying with the conditions of their licences.

In our follow-up, we found that in October 2021 the Bereavement Authority implemented a new policy to reduce the turnaround inspection time to follow up on significant non-compliance. As a result, the Bereavement Authority, effective April 2022, is to undertake follow-up inspections under these new time frames if cases of significant non-compliance were identified. Therefore, the requirement to place appropriate licensing conditions on operators if previously identified deficiencies were found not to be corrected in follow-up inspections has yet to occur. As the Bereavement Authority undertakes more timely follow-up inspections, the Authority could place appropriate licensing conditions against those operators if deficiencies are found to not be corrected on a timely basis. This is expected to occur by December 2022.

- *work with the Ministry of Government and Consumer Services to adopt best practices from other*

jurisdictions to expand enforcement tools such as the ability to levy an administrative penalty;

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

Details

In our 2020 audit, we found that the existing legislative enforcement tools available to the Bereavement Authority are very limited and inflexible. As a result, it is very difficult for the Bereavement Authority to enforce compliance for matters that are not serious enough for revocation of licences.

In our follow-up, we found that the Ministry of Public and Business Service Delivery (Ministry) posted a consultation paper in June 2021, which included a potential policy proposal to expand the Bereavement Authority's compliance and enforcement tools. The proposal was to:

- provide the Bereavement Authority's Registrar with the ability to issue administrative penalties (up to a maximum of \$10,000) and compliance orders under certain circumstances, to be determined;
- create an appeal mechanism, for example to the Licence Appeal Tribunal, to give subjects of an administrative penalty or compliance order a way to challenge a penalty or order; and
- provide authority for the Ministry to direct that the funds from administrative penalties go into a fund administered for the purposes of supporting consumer education.

At the time of our follow-up, the planned implementation date for these additional powers is an anticipated deadline of January 2023 subject to government decision-making and legislative priorities.

- *provide the public with more details on licensing and enforcement decisions and actions taken against licensed and non-licensed operators, with the privacy of affected families being protected.*

Status: Will not be implemented. While the Bereavement Authority does not plan to provide more details to the public on licensing and enforcement decisions and actions taken against licensed and non-licensed operators, the Office of the Auditor General of Ontario continues to believe that this transparency would still be beneficial to do going forward. The practice recommended is performed by Consumer Protection BC.

Details

In our 2020 audit, we found that although the Bereavement Authority publishes, on its website, the suspensions, revocations, conditions or discipline actions taken against the inspected operators, we found that the published information was very limited. For each enforcement action it took, the public disclosure made by the Bereavement Authority was very generic.

In our follow-up, we found that the Bereavement Authority standardized the presentation, timing and content of licensing decisions involving suspensions, revocations, refusals, and discipline. However, the Bereavement Authority stated it deals with conduct issues that have sensitivities beyond what a consumer would normally encounter in a regulated sector. Therefore, the Bereavement Authority will only release brief, general details regarding allegations to protect the privacy of the consumers involved, and to prevent emotionally victimizing other uninvolved families that may have used the same provider in the past.

The Bereavement Authority stated that by publishing the licensee's name and the type of general licensing action taken, a consumer is informed and can make their decision whether to use the provider or not. Therefore, there is no additional benefit in publishing more details about an incident beyond current practice

Recommendation 9

To assess the sufficiency of caseloads and to improve the quality of work done by inspectors, we recommend that the Bereavement Authority of Ontario:

- *establish a system to track and measure inspector time and workload;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority's inspectors are not required to set time frames before they start each inspection. The Bereavement Authority also did not require its inspectors to record the time they spent completing an inspection, by types of inspection performed, or to submit any timesheets for management review. Therefore, the Bereavement Authority could not assess whether its inspectors' time was used efficiently and effectively.

In our follow-up, we found that the Bereavement Authority implemented the use of a time tracking system for all inspectors to document their inspection time starting in July 2021. The Bereavement Authority requires all inspectors to record their time by the type of activity such as inspection travel time, on-site inspection, home office administration work and team meetings.

- *compare the actual time against budgeted time spent per inspection and identify reasons for significant discrepancies;*

Status: Fully implemented.

Details

In our 2020 audit, we found the Bereavement Authority could not assess whether its inspectors' time was used efficiently and effectively. Without inspectors' time being tracked and analyzed on a regular basis, it is difficult to assess whether inspector resources were used efficiently and effectively in the areas most needed.

In our follow-up, we found at the beginning of each inspection, the Inspection Manager establishes a budgeted time estimate for the inspection, using known information of the upcoming inspection such as the location and anticipated complexity and historical inspection results for the selected operator and type of inspection. The Inspection Manager records this estimated budgeted time for each inspection along with the date assigned, the inspector's name and the licensee name, on each inspection budgeting spreadsheet.

At the conclusion of each inspection, the Inspection Manager downloads the inspection time booked and then compares the actual time against budgeted

time spent. For all significant time discrepancies that are over 25% of the budgeted time, the Inspection Manager is required to hold discussions with the inspector to identify the reasons for the excessive time spent on the examination and to identify improvements for future examinations.

- *regularly review inspectors' caseloads and quality of work to identify areas for improvement in resource allocation and for training purposes;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority's management review of inspection files was not sufficient. Many of the files, although being signed off by the Inspection Manager of the Compliance Unit, were still incomplete and there was no documentation of any areas needed for correction or improvement to assist the inspectors in completing future inspections.

In our follow-up, we found that since July 2021, the Bereavement Authority Inspection Manager now regularly reviews each inspectors' workload. After each inspection is completed, the Inspection Manager reviews the details and quality of the inspection report and other inspection-related documents and provides direct feedback to the inspector. Where necessary, the Inspection Manager will recommend improvements on inspection files if any improvements are needed (including if there are concerns over missing supporting documentation or the completeness of all files) and the Inspection Manager will send back the inspection report and file to the inspector to make these improvements before the inspection file is signed off by the Inspection Manager.

- *require inspectors to complete their files and save all the supporting documents on a timely basis;*
- *document managerial reviews on each inspection file and where improvements are needed, make improvements;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority's inspectors' work files were incomplete. Our audit reviewed a random sample of 150 inspection files prepared from 2017 to 2019 and found that 30, or 20%, of them were still open because they were either incomplete or missing required information.

In our follow-up, we found that starting in July 2021, the Bereavement Authority established a policy requiring the inspectors to complete and store supporting documentation within 30 days after the inspection date. As part of the managerial review of files, the Inspection Manager verifies all inspection files are completed and all required supporting documents are uploaded.

We also found that starting in July 2021, the Inspection Manager reviews each inspection file and provides direct feedback to the inspector. Where necessary, the Inspection Manager will recommend improvements on inspection files if any improvements are needed (including if there are concerns over missing supporting documentation or the completeness of all files) and the Inspection Manager will send back the inspection report to the inspector to make these improvements before the inspection file is signed off by the Inspection Manager.

- *conduct a performance review, at least on an annual basis, for each inspector.*

Status: Fully implemented.

During our 2020 audit, we found that performance appraisals were not done for any of the inspectors because a formal policy was not in place.

In our follow-up, we found that starting in July 2021, a performance review program started for all inspection staff. The program includes feedback, performance evaluation, as well as self-appraisal with each inspector answering several self-assessment questions during their performance review process. The Inspection Manager provides feedback on things the appraisee does well, improvements to be made and any professional development courses or training that would benefit the inspector. This is to occur every six months going forward.

Recommendation 10

To better measure the effectiveness of its inspection role and make improvements where and when needed, we recommend that the Bereavement Authority of Ontario measure and monitor additional performance measures, such as the number of inspections by type, average time spent per inspection, time taken to correct non-compliance issues and percentage of compliance rate as a result of inspections.

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

Details

In our 2020 audit, we found that the Bereavement Authority has set only one service standard for its inspections—inspection results need to be delivered to licensees within 14 business days. It reported to the public that the service standard exists, but it did not track or assess whether this standard was being met. In contrast, the Board of Funeral Services (the Bereavement Authority's predecessor) publicly reported more performance measures and related data of its inspections.

In our follow-up, we found that in September 2021, the Bereavement Authority proposed six draft performance measures relating to inspections to the Ministry, such as number of inspections by type (for example, proactive versus reactive) and the average time taken per inspection. In October 2021, the Ministry provided initial feedback on the draft performance measures. In July 2022, the Bereavement Authority submitted revised performance measures to the Ministry for further staff review. Ministry staff comments were received in August 2022. The measures were presented to the Bereavement Authority Board at its September 2022 meeting and approved. The measures are to be submitted to the Minister for approval. Once approved by the Minister, the Bereavement Authority is planning to post revised performance measures online and include them in its annual report. This is expected to occur by December 2022.

Consumer Complaints and Inquiries Poorly Tracked and Monitored

Recommendation 11

To better track and monitor all consumer complaints and inquiries so that they are addressed on a timely basis, we recommend that the Bereavement Authority of Ontario:

- *establish a formal policy to define which kind of inquiry should become a complaint, and what kind of complaint should be forwarded for an inspection;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority had no formal policy and procedure in place to determine when an inquiry should become a complaint, or whether a complaint should be forwarded to the Compliance Unit for inspection.

In our follow-up, we found that in March 2021, the Bereavement Authority created and implemented a written policy to define the process of handling inquiries and complaints. The policy defines when an inquiry becomes a complaint and sets out the process of escalation of complaints to intake for a determination as to whether an inspection or other enforcement action is warranted.

Based on the policy, staff review and discuss complaints at a weekly complaint meeting and a determination will be made if further action is warranted for the complaint, such as if an inspection is warranted, or whether there may be potential for legal or disciplinary action. The policy provides examples of factors when a complaint should be escalated for further action such as:

- the complaint reveals deficiencies of a regulatory nature, such as contract-related issues, overcharging, etc.; and/or
- the complaint reveals a violation of conditions of licence, failure to comply with a Registrar's Directive, failure to respond to an inquiry for information, etc.

- *upgrade the functionality of its information system so that summary reports on the number and nature of complaints can be produced electronically;*

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

Details

In our 2020 audit, we found that the information system used by the Bereavement Authority to track complaints and inquiries had significant limitations. It was unable to generate basic statistical reports separately for complaints and inquiries, such as the numbers received by fiscal year and their nature.

In our follow-up, we found that in May 2022 the Bereavement Authority awarded a contract to an information technology company to implement a new customer relationship management system. This new core business application will replace the existing system to significantly improve the efficiency, accuracy, and productivity of the Bereavement Authority's business operations, including management of complaints and ability to generate reports on the number and nature of complaints received. The new customer relationship management system is expected to be implemented by October 2023.

- *instruct staff to record and update the status of complaints and inquiries consistently, accurately, and in a timely way;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority staff did not enter data on complaints and inquiries into the information system consistently. In some cases, information in the system was missing or inaccurate.

In our follow-up, we found that in May 2021, training was provided to the Bereavement Authority staff who handle complaints on how to properly record and update the status of complaints and inquiries consistently, accurately, and in a timely way. The training was related to three new policies and procedures that were implemented in March 2021 related to entering an inquiry or complaint into the system, entering license

inquiries into the system and entering information into cases as well as closing cases in the system.

- *review the actual time taken to process complaints and establish a more reasonable turnaround time target.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority had set a 60-business day target turnaround time for processing a complaint—meaning that a complaint should be resolved within 60 business days of the date it is acknowledged by the staff. However, the Bereavement Authority did not track and monitor whether the target was met, or assess whether the target was reasonable. The average turnaround time for a sample of files averaged 20 business days, suggesting a target of 60 business days is too long.

In our follow-up, we found that effective April 2022, the Bereavement Authority adopted a new 30-business day timeline for closing complaints and a new response timeline for licensees to respond to complaints from 10 business days to five business days. This was developed based on a review of previous complaints and the time it took to close those. In addition, to meet the new target response timelines, the Bereavement Authority hired a third complaints officer to deal with complaints.

Review of Large-Scale Death Plan Requires Better Co-ordination

Recommendation 12

To effectively address any large-scale death event such as a natural disaster or non-natural event, we recommend that the Office of the Chief Coroner, working with the Bereavement Authority of Ontario (Bereavement Authority), revisit the Provincial Mass Fatality Plan and incorporate any key information, inputs and lessons learned from the provincial response to the COVID-19 pandemic by the Bereavement Authority.

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Provincial Mass Fatality Plan (Plan), dated March 2020, had yet to be finalized at the time of our audit. However, the Office of the Chief Coroner had not shared the initial version or the revised draft with the Bereavement Authority until we brought this to their attention in September 2020.

In our follow-up, we found that in July 2021, the Office of the Chief Coroner worked with the Bereavement Authority to update the Plan. The Plan includes information on human remains collection, body storage sites and the requirements for a temporary mortuary. In the Plan, the Bereavement Authority is listed as a resource for first responders. When necessary, the Bereavement Authority can communicate immediately with Ontario funeral homes and transfer service operators to obtain information on bereavement sector inventories and capacities by region.

Authority Has Not Followed Up to Licence Transfer Services in Faith-Based Community

Recommendation 13

To carry out its licensing regulatory role, we recommend that the Bereavement Authority of Ontario take the necessary action to require all transfer service providers to be licensed across the province.

Status: Fully implemented.

Details

In our 2020 audit, we found that the Bereavement Authority and its predecessor, the Board of Funeral Services, had been aware of a faith-based community in Ontario providing unlicensed transfer services for the past two decades. The Bereavement Authority had, through discussions with representatives from the faith-based community, determined that some were not opposed to transfer service providers within their community being licensed. However, as of August 2020, no licence application had been filed and therefore no licences had been issued to them.

In our follow-up, we found that in January 2021, the Bereavement Authority created standard conditions for transfer service operator licences for faith-based operators who provide transfer services in Ontario. Licensing conditions restrict operations to allow a faith-based organization to only service members of its own faith-based community and not the public at large. The licence allows the faith-based organizations to legally provide transportation services to their members.

The Bereavement Authority announced these licensing changes in January 2021 and invitations to complete applications for licensure were sent to the faith-based operators. The Bereavement Authority is working with faith-based operators to successfully meet the requirements to obtain the new restricted transfer service licence. Twenty-one faith-based organizations that conduct transfer services for their members have been licensed by the Bereavement Authority. The Bereavement Authority is not aware of any additional (unlicensed) organizations providing transfer services in Ontario.

Ontario Consumers Paid Coroners \$5.9 Million in 2019/20 for Coroner Cremation Certificates; Some Provinces Do Not Require Them

Recommendation 14

To provide better value to family members when their loved one has passed, we recommend that the Ministry of the Solicitor General, together with the Office of the Chief Coroner:

- *analyze the information captured by the Office of the Chief Coroner about coroner cremation certificates, such as the number of requests made, work performed by coroners and the result of the work completed;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Office of the Chief Coroner does not track the information needed to assess whether the process of issuing coroner cremation certificates actually does ensure the preservation

of the body for investigation. The Office of the Chief Coroner was unable to provide us with any other statistics or information to validate the necessity of the certificate process.

In our follow-up, we found that in May 2022, the Office of the Chief Coroner created a series of questions that must be answered to allow a coroner to review the circumstances surrounding a death before a cremation certificate is approved and cremation takes place. The Coroner is now required to document that each request has been carefully considered, and that their approval aligns with the existing cremation certificate procedure which was effective October 2021. When funeral home operators are making a cremation certificate request, they are also asked if there are any concerns related to the deceased which may warrant a death investigation. This information will be flagged for the investigating coroner responsible for the cremation certificate approval. As of May 2022, this information is now captured in the Office of the Chief Coroner's database.

To further increase the Office of the Chief Coroner's ability to collect and analyze data, in January 2022, the Death Analytics for Safety and Health Unit became operational. The unit applies public health sciences to analyze and disseminate death data, with a goal to advance community safety programs and services as well as prevention and intervention programs. This also includes the analysis and review of cremation certificate data to inform policy making decisions.

Since October 2021, Regional Supervising Coroners are also required to complete a standardized annual performance review for all coroners under their jurisdiction. The review will include an audit of cases investigated and several metrics including the number of cremation certificates issued. The documented performance review is to ensure a consistent approach to managing the performance of coroners, including oversight of the cremation certificate process by linking it to the coroner performance review.

- *develop a process whereby coroner certificates for cremation are issued more equally and proportionately by Ontario's coroners;*

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

Details

In our 2020 audit, we found that the Office of the Chief Coroner's 355 coroners approved a total of approximately 78,250 coroner certificates authorizing cremation of a dead body which is a legal requirement in Ontario. We also found that two coroners each approved about 2,200 coroner certificates for cremation in 2019/20; thereby, they each earned approximately \$165,000 in the year from coroner cremation certificates, which was the highest amount earned in the province for issuing coroner certificates for cremation.

In our follow-up, we found that starting in October 2021, if the signing coroner works in a region where there is an on-call schedule for cremation certification approval, they must be on call to be eligible to complete the certificate. If for any reason, the on-call coroner is not available, the Regional Supervising Coroner should be contacted before the request is approved. These changes are to ensure the equal distribution of cremation certificate approval among the coroners.

The Regional Supervising Coroner is responsible for the oversight of cremation certificate distribution, which includes equitable distribution throughout the region and that cremation certificates are proportional to a coroner's relative investigation caseload. The Office of the Chief Coroner is developing a new service delivery model for death investigations which will include the development of a stand-alone policy on scheduling and caseloads. Additional staffing resources will also be considered to provide more oversight to ensure cremation certificates are linked to a coroner being on call. This model is expected to be implemented by April 2023.

- *eliminate the \$75 fee for coroner cremation certificates to align Ontario with the other jurisdictions that do not charge for them.*

Status: Will not be implemented. The Ministry of the Solicitor General and the Office of the Chief Coroner have no plan to eliminate the \$75 fee for coroner cremation certificates in Ontario. The Office of the Auditor General of Ontario continues to believe that this fee should be eliminated.

Details

Our 2020 audit found that each coroner certificate for cremation cost family members of the deceased \$75, which was paid entirely to individual coroners. We found that British Columbia and Manitoba, for example, do not require a certificate to be authorized and issued by a coroner, or equivalent, prior to cremation if the person dies of natural causes. Alberta, Nova Scotia and New Brunswick require authorization by a coroner, or equivalent, prior to cremation, but none of them charge a fee for issuing the certificate.

In our follow-up, we found that the Office of the Chief Coroner does not accept this recommendation due to the legislative requirement for a cremation certificate and the public safety benefits of the cremation certificate approval process, such as the review of the medical certificate of death before the body is cremated, to identify deaths that might require investigation. This approval process also provides the last opportunity for families and others to express concerns about the death before the body is cremated and valuable evidence is lost.

Weak Environmental Oversight by Environment Ministry

Recommendation 15

To help protect the environment and comply with the Environmental Protection Act, we recommend that the Ministry of Environment, Conservation and Parks (Environment Ministry):

- *cross-check its list for Environmental Compliance Approvals with the list of crematoriums maintained by the Bereavement Authority of Ontario to ensure that the lists are complete;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Environment Ministry never compared its list of Environmental Compliance Approvals of crematoriums with the Bereavement Authority's list of licensed crematoriums to ensure that both lists were up-to-date and complete.

In our follow-up, we found that in November 2021, the Environment Ministry cross-checked its listing of crematoriums with Environmental Compliance Approvals to the listings of licensed crematoriums provided by the Bereavement Authority. The lists were found to be complete.

- *establish a plan so that the Environment Ministry replaces the outdated Environmental Compliance Approvals issued to crematoriums with those that have terms and conditions that are consistent with current environmental standards;*

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

Details

In our 2020 audit, we found that of the 81 total Environmental Compliance Approvals issued to 70 crematoriums, 35 (or 43%) were more than 20 years of age, with 25 crematoriums only having these older approvals. Older Environmental Compliance Approvals have less stringent terms and conditions than more recent ones.

In our follow-up, we found that in 2021 and early 2022, the Environment Ministry had assessed the conditions attached to each of the 76 crematoriums' Environmental Compliance Approvals as the first step to help develop a plan to update these Approvals. As part of this assessment, the Ministry found that:

- seven facilities had environmental compliance approvals with no cremator specific conditions;
- 14 facilities had Environmental Compliance Approvals that contain some conditions such as continuous monitoring conditions for temperature and oxygen; and
- 55 facilities have Environmental Compliance Approvals with conditions that were in line with the Ministry's current requirements for crematoriums.

Therefore, the Environment Ministry has identified 21 crematoriums that need to have updated environmental approvals. As the next step, the Ministry has held internal discussions on developing a project plan including establishing the scope and criteria to review and address each outdated crematoria Environmental

Compliance Approval. Three crematorium environmental approvals were updated due to the recent approval of incoming Environmental Compliance Approvals applications from these three crematorium operators. A plan is expected to be developed for the other 18 crematoriums by December 2022.

- *establish a plan to proactively and comprehensively monitor the air emissions of crematoriums at regular intervals.*

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

Details

In our 2020 audit, we found that only 44 (63% of the 70) crematoriums had the requirement to undertake an emission source test and submit the results to the Environment Ministry within a specified time period. Of these 44 crematoriums, six did not submit these reports.

In our follow-up, we found that starting in November 2021, the Environment Ministry undertook air inspection audits at all crematoriums, which were completed in July 2022. The audits evaluated compliance with the existing environment compliance approvals at each crematorium. The Ministry has issued all inspection reports and is continuing to work on individual compliance plans.

The Ministry is reviewing the compliance status of each crematorium facility along with additional risk criteria, such as:

- proximity of the crematorium to residential areas, schools, hospitals, etc;
- history of complaints related to crematorium operation; and
- how current the crematorium's air emission modelling is based on the age of Environmental Compliance Approval to determine compliance with air standards.

Using the above risk analysis, the Ministry will rank all crematorium facilities and develop a plan by December 2022 to determine potential requirements for monitoring air emissions of crematoriums at regular intervals. Under the plan, those crematoriums

identified as the highest risk are to be prioritized for action, which may include:

- the requirement to update air Environmental Compliance Approval;
- the requirement to undertake air emissions monitoring that may include source testing and/or continuous emissions monitoring in stack; and/or
- placement of the facility on a list for enhanced compliance oversight.

Recommendation 16

To help protect the environment and comply with the Environmental Protection Act, we recommend that the Bereavement Authority of Ontario work with the Ministry of Environment, Conservation and Parks to verify that:

- *all licensed funeral homes (Class 1) possess a current hazardous waste generator number;*

Status: Fully implemented.

Details

Our 2020 audit found that the Environmental Protection Act gives the Ministry of the Environment, Conservation and Parks (Environment Ministry) the authority and responsibility to regulate the management of hazardous waste, including biomedical waste. To become licensed by the Bereavement Authority, all new funeral homes where the preparation of bodies will take place (Class 1) are required to apply online for a hazardous waste generator number from the Environment Ministry. We found that the Bereavement Authority's list of Class 1 funeral homes included 580 funeral homes as of July 31, 2020, whereas the Environment Ministry's list of funeral homes registered with a hazardous waste generator number is only 390. The difference of 190 represents the number of funeral homes that lack a hazardous waste generator number from the Environment Ministry.

In our follow-up, we found that in September 2021, the Bereavement Authority surveyed all licensed funeral homes to determine if the entities had a current hazardous waste generator number. These results were shared with the Environment Ministry. The Bereavement Authority found all licensed funeral homes except

one funeral home had the required hazardous waste generator number. This funeral home obtained the hazardous waste generator number in October 2021.

- *all licensed funeral homes (Class 1) with a hazardous waste generator number, but without any declared hazardous waste generation, dispose of hazardous waste properly.*

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

Details

Our 2020 audit found that of the 390 funeral homes registered with a hazardous waste generator number, 178 (46%) paid no manifest fees (associated with hazardous waste shipments) between 2015 and June 1, 2020.

In our follow-up, we found that the Environment Ministry cross referenced information from the September 2021 survey conducted by the Bereavement Authority with data in the Ministry's Hazardous Waste Information Network to determine if funeral homes requiring registration were properly registered and/or shipping hazardous waste. Using this information to target non-compliant funeral homes with the highest risk that could be generating hazardous waste, the Environment Ministry is planning to conduct inspections of 336 licensed funeral home establishments in the 2022/23 fiscal year to confirm that any hazardous waste generated is being disposed of properly. For the period April 1, 2022–June 30, 2022, the Ministry completed 137 of the 336 inspections. Initial analysis from the inspections completed indicates that the majority of non-compliances were administrative in nature.

Bereavement Authority Spent Over \$380,000 Attempting to Revoke Licence of Low-Temperature Alkaline Hydrolysis Operator

Recommendation 17

To protect the public and the environment, we recommend that the Ministry of Government and Consumer Services work with the Bereavement Authority of Ontario to:

- *conduct research on emerging technologies for disposing human remains;*

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

Details

During our 2020 audit, we found that the Bereavement Authority could be more proactive to stay on top of emerging technology such as alkaline hydrolysis.

In our follow-up, we found that in early 2021, the Ministry of Public and Business Service Delivery met with the Ministry of Labour, Immigration, Training and Skills Development, (formerly the Ministry of Labour and Training, Skills Development); Ministry of the Environment, Conservation and Parks; and Ministry of Health to determine if these ministries had capacity or expertise in conducting research on the health and safety of emerging technologies for disposing human remains. However, these ministries indicated that they do not have the expertise or capacity to conduct the required research and that such research is out of their scope. The Ministry performed a jurisdictional scan of United States, United Kingdom, and Australian jurisdictions for existing and proposed legislation regarding the legalization and regulation of human composting as a means of disposing of human remains.

In April 2021, the Ministry corresponded with a stakeholder group that advocates for the licensing of natural organic reduction operators in Ontario. This group provided contact information for a number of researchers in various jurisdictions that could assist the Ministry. Between September 2021 and July 2022, the Ministry contacted select experts, jurisdictions, and government entities in an attempt to gather research literature, such as peer reviewed studies, to help evaluate the safety of this technology.

The Ministry also posted a consultation paper in June 2021, which stated that the Ministry was proposing to work with public health experts to establish a research process to confirm the safety of new alternative disposition technologies, and sought feedback from the public about who would be most appropriate to conduct such research.

The Ministry has to determine the next steps to take regarding establishing a standardized research process

to confirm the safety of new alternative disposition technologies. It is planning to engage the Bereavement Authority and other relevant partner ministries and Public Health Ontario in discussions as necessary. This is expected to be completed by January 2023.

- *allow for licensing to be delayed until the safety of the new technology is determined and decide on amendments to the legislation and/or regulations, where needed.*

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

Details

In our 2020 audit, we found that between April 2018 and May 2020, the Bereavement Authority spent about \$388,700 in legal costs on matters related to alkaline hydrolysis, including legal fees spent to try to revoke a licence it issued in 2017.

In our follow-up, we found that in early 2021, the Ministry communicated with bereavement sector regulators and government staff in Saskatchewan, Alberta, Nova Scotia, Quebec and British Columbia to determine their rules with respect to the licensing of emerging technologies, among other topics.

The Ministry also received feedback from the Ministry of Labour, Immigration, Training and Skills Development about examples within the *Occupational Health and Safety Act* where a precautionary approach is used where something such as the use of new technology or the ability to operate specific equipment is permitted only once it has been determined to be safe.

The Ministry posted a consultation paper in June 2021, seeking public comments regarding potential legislative and/or regulatory changes to ensure that providers of any emerging alternative disposition technologies are not automatically eligible to apply for a licence under the *Funeral, Burial and Cremation Services Act, 2002* until the health and safety of the technology has been confirmed through research, without altering current licensing of alkaline hydrolysis operators.

The evaluation of options about how to proceed with this recommendation was deferred due to the provincial election in June 2022. The Ministry notes

that this allows for additional consideration, further analysis, and refinement of the options in order to determine the best path forward. The Bereavement Authority has not received any new applications to license operators using new disposition technologies during the time the government has been considering next steps regarding the safety of new technology. The Ministry plans to provide a proposal regarding new technology for consideration by the government by January 2023. If the government decides to proceed with proposing legislative changes, the Ministry would be directed to prepare a Bill for introduction into the Legislative Assembly.

Bereavement Authority Does Not Co-ordinate Inspection Efforts with Public Health and Ministry of Labour

Recommendation 18

To implement appropriate provincewide inspection processes and coverage of the bereavement sector, we recommend that the Bereavement Authority of Ontario (Bereavement Authority):

- *consult and collaborate with local public health units and the Ministry of Labour to re-examine the purposes and necessity of various inspections;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that aside from the inspections conducted by the Bereavement Authority at licensed funeral homes and other operators, public health units and the Ministry of Labour also carry out inspections at these operators. The Bereavement Authority has never examined the necessity of the various types of inspections nor collaborated with any Public Health Units or the Ministry of Labour to determine whether a more co-ordinated or comprehensive province-wide inspection approach is needed.

In our follow-up, we found that the Bereavement Authority met with the Ministry of Health in February 2021 to discuss what is involved in public health inspections as compared to the inspections conducted by the Bereavement Authority. The Ministry of Health

agreed to follow up on the feasibility of developing an inspection and disease control checklist for Bereavement Authority inspectors. However, this work was initially put on hold given that the focus of the Ministry of Health and Public Health Units was on the province's COVID-19 response. This work will not proceed due to work demands on the Public Health Units.

In lieu of a Public Health Unit inspection checklist, the Bereavement Authority drafted a detailed Letter of Attestation for all Class 1 funeral homes and transfer service operators in February 2022 that is going to be part of the annual licence renewal process. The Letter of Attestation requires all Class 1 funeral homes and transfer service operators to report on the physical condition of their embalming and holding rooms. The Bereavement Authority is planning to incorporate the Letter of Attestation as part of its funeral home and transfer service operator licence renewal process starting in November 2022.

The Bereavement Authority met with the Ministry of Labour, Immigration, Training and Skills Development (formerly the Ministry of Labour, Training and Skills Development) in September 2021. They decided upon an information-sharing approach and agreed to collaborate on developing an Information Sharing Agreement regarding inspections being completed by the two organizations. The Agreement was signed by both parties in July 2022.

- *estimate the costs of comprehensive inspection covering all key areas, if they were mainly carried out by the Bereavement Authority;*

Status: No longer applicable.

Details

During our 2020 audit, we noted aside from the inspections conducted by the Bereavement Authority at licensed funeral homes and other operators, Public Health Units and the Ministry of Labour also carry out inspections at these operators. The Bereavement Authority has never examined the necessity of the various types of inspections nor collaborated with any Public Health Units or the Ministry of Labour to determine whether a more co-ordinated or comprehensive province-wide inspection approach is needed.

In our follow-up, we found that the Bereavement Authority indicated that estimating the costs of a comprehensive inspection were based on the Bereavement Authority taking on the inspection activities of other regulators such as the Ministry of Labour, Immigration Training and Skills Development and the Public Health Units. Based on outreach to both parties in 2021, there was no interest on the part of these groups to combine inspections. The Bereavement Authority does not have any authority to require the Ministry of Labour, Immigration, Training and Skills Development and the Public Health Units to merge their inspection activities with their inspection function. Therefore, estimating the costs of a comprehensive inspection is not being considered further.

Partially as a result of the need to direct resources to other activities in response to the COVID-19 pandemic, Public Health Units have stopped performing certain inspections of licensed funeral homes and other operators, and the Letter of Attestation for all Class 1 funeral home and transfer service operators will allow the Bereavement Authority to collect information that the Public Health Unit's inspections used to collect. Additionally, the Information Sharing Agreement between the Bereavement Authority and the Ministry of Labour, Immigration, Training and Skills Development (as discussed in the first action item in **Recommendation 18**) will define the roles and responsibilities of both parties to ensure that both parties' inspections cover the different areas they are each responsible for related to licensed funeral homes and other operators.

- *review the licensing fees needed to cover the estimated cost of comprehensive inspection function;*

Status: No longer applicable.

Details

During our 2020 audit, we noted that aside from the inspections conducted by the Bereavement Authority at licensed funeral homes and other operators, Public Health Units and the Ministry of Labour also carry out inspections at these operators. The Bereavement Authority has never examined the necessity of the various types of inspections nor collaborated with any

public health units or the Ministry of Labour to determine whether a more co-ordinated or comprehensive province-wide inspection approach is needed.

In our follow-up, the Bereavement Authority indicated that estimating the costs of a comprehensive inspection were based on the Bereavement Authority taking on the inspection activities of other regulators such as the Ministry of Labour, Immigration, Training and Skills Development and the Public Health Units. Based on outreach to both parties in 2021, there was no interest on the part of these groups to combine inspections. The Bereavement Authority does not have any authority to require the Ministry and Public Health Units to merge their inspection activities with their inspection function. Therefore, estimating the costs of a comprehensive inspection is not being considered any further and therefore no requirement to review licensing fees. As noted in the first action item in **Recommendation 18** that Public Health Units have stopped performing certain inspections, the signed Information Sharing Agreement between the Bereavement Authority and the Ministry of Labour, Immigration, Training and Skills Development (as discussed in the first action item in **Recommendation 18**) defines the roles and responsibilities of both parties to ensure that both parties' inspections cover the different areas they are each responsible for, this appears to be appropriate.

- *establish a memorandum of understanding with public health units and the Ministry of Labour to specify their new roles and responsibilities over inspection.*

Status: Fully implemented.

Details

During our 2020 audit, we noted that there is no Memorandum of Understanding between the Bereavement Authority, Public Health Units and the Ministry of Labour to specify the roles and responsibilities in inspections and what information should be shared on a regular basis.

In our follow-up, we found that in February 2022, the Ministry of Labour, Immigration Training and Skills Development and the Bereavement Authority decided

on an information-sharing approach and drafted an Information Sharing Agreement, which included each parties' roles and responsibilities. The Bereavement Authority and the Ministry of Labour, Immigration, Training and Skills Development signed an Information Sharing Agreement in July 2022.

Due to work demands on Public Health units, in February 2022, the Bereavement Authority proceeded to create a detailed Letter of Attestation that all Class 1 funeral home and transfer service operators must complete and submit annually to the Bereavement Authority at the time of licence renewal starting in November 2022.

Ministry Not Assessing to Confirm Authority Meeting Its Mandate to Protect Consumers

Recommendation 19

To improve the oversight of the Bereavement Authority of Ontario (Bereavement Authority) and increase consumer representation, we recommend that the Ministry of Government and Consumer Services work with the Bereavement Authority to:

- *increase public awareness of the Bereavement Authority;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the results of a Bereavement Authority survey sent randomly to about 47,030 Ontarians was that close to half of respondents were not aware of the existence of the Bereavement Authority and close to three-quarters of respondents had no opinion as to how well the Bereavement Authority administered the provisions of the *Funeral, Burial and Cremation Services Act, 2002*.

In our follow-up, we found that starting in 2021, the Bereavement Authority developed an annual communications plan for the year, focusing on sharing family and consumer protection information with all Ontarians. This has resulted in the Bereavement Authority taking a number of actions to increase public awareness of it. This includes advertising in a number

of different mediums, including through Facebook targeted promoted posts, in a quarterly consumer protection magazine and making social media posts on LinkedIn and Twitter.

- *establish additional performance measures and targets to evaluate its effectiveness in achieving its mandate;*

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

Details

In our 2020 audit, we found numerous performance measures that were reported in other jurisdictions but were not being used by the Bereavement Authority at the time of our audit.

In our follow-up, we found that in September 2021, the Bereavement Authority submitted revised performance measures to the Ministry of Public and Business Service Delivery, (formerly the Ministry of Government and Consumer Services), for review and feedback. These included measures that are in use by other jurisdictions and/or sectors, including the average amount of refund issued as a result of a complaint, percentage of complaints resulting in disciplinary action and customer satisfaction surveys that include questions on the courtesy and knowledge of staff, timeliness of service, handling and addressing of complaints and processing of licensing renewals. The Ministry provided initial feedback on the draft performance measures in October 2021. In July 2022, the Bereavement Authority submitted revised performance measures to the Ministry for further staff review. Ministry staff comments were received in August 2022. The measures were presented to the Bereavement Authority Board at its September 2022 meeting and approved. The measures are to be submitted to the Minister for approval. The Bereavement Authority is planning to publish these performance measures, if approved by the Minister, online and include them in its 2023/24 annual report. The Bereavement Authority is planning to release its 2023/24 annual report in the summer of 2024. Minister approval for the performance measures is expected to be sought by December 2022.

- *approve agreed-upon regulation changes in a timely manner;*

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

Details

In our 2020 audit, we found that the Ministry was slow to approve and implement proposed regulation changes.

During our follow-up, we noted that in April 2021, the Ministry made regulatory changes related to licence display and price transparency requirements which came into force on July 1, 2021 and to the cemetery care and maintenance fund/account framework which came into force on January 1, 2022.

The Ministry posted a consultation paper in June 2021, seeking public input on potential proposals, including potential changes to not permit licensing of new disposition technology providers until the safety of the new technology has been confirmed, to expand the compliance and enforcement tools available to the Bereavement Authority and to permit the Bereavement Authority's Registrar to order a municipality, in certain circumstances, to operate a cemetery that appears abandoned or neglected. The evaluation of options about how to proceed with **Recommendation 8** related to compliance and enforcement tools and **Recommendation 17** related to licensing of new disposition technology providers, and to address concerns raised by stakeholders, was deferred due to the provincial election in June 2022. The Ministry notes that this allows for additional consideration, further analysis, and refinement of the options in order to determine the best path forward.

This recommendation is in the process of being implemented, with an anticipated deadline of January 2023, subject to government decision-making and legislative priorities.

- *effectively communicate and consult with each other regularly on key areas;*

Status: Fully implemented.

Details

In our follow-up, we learned that the Ministry holds regular quarterly meetings with the Bereavement Authority's senior management team to discuss the oversight requirements set out in the Administrative Agreement between the Ministry and the Bereavement Authority, emerging issues, and to seek feedback on potential legislative and/or regulatory proposals. There is also now ongoing regular communication between the Ministry and the Bereavement Authority that includes:

- regular (quarterly) meetings between the Assistant Deputy Minister and the Bereavement Authority's CEO; and
- Deputy Minister meetings with the Bereavement Authority's CEO as needed.

There is also ongoing informal staff correspondence and discussions about ongoing or emerging issues. The Bereavement Authority also provides feedback to the Ministry in response to any email requests sent by the Ministry.

- *reduce the number of Board members to the appropriate staffing ratio;*

Status: No longer applicable.

Details

In our 2020 audit, we found that with a relatively small organization of 25 staff as of March 2020, the 10-member Board represents a ratio of 2.5 staff for every Board member, which is relatively high compared with other administrative authorities.

In our follow-up, we noted that there was an increase in the number of Bereavement Authority staff from 25 in 2020 to 37 in early 2022. Therefore, the Bereavement Authority Board concluded the ratio between the number of Board members and staff is now more appropriate. Furthermore, the Board decided that reducing the number of Board members would increase the remaining Board members' workload and ultimately result in less effective Board governance.

- *to elect or appoint Board member(s) who advocate for consumers.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the 10-member Board did not have representatives from consumer advocate groups who could provide input from the consumer perspective.

In our follow-up, we found that the Bereavement Authority Board of Directors is still considering whether to elect or appoint Board member(s) who would advocate for consumers. The recommendation is to be discussed at a November 2022 Board meeting to consider if further action will be taken on this matter.

Recommendation 20

To improve the Board oversight of the Bereavement Authority of Ontario with a mandate to protect consumers, we recommend the Board of directors:

- *regularly evaluate the effectiveness of the Bereavement Authority in achieving its mandate by obtaining and reviewing complete, accurate and up-to-date information to make informed decisions;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Board mostly focused on high-level and emerging issues in the sector, such as the financial health of the Bereavement Authority and the policy considerations related to cemetery care and maintenance funds and accounts. The Board put a lesser focus on the overall operations of the Bereavement Authority and did not receive complete, accurate and up-to-date information to enable it to question enough about the effectiveness of the Bereavement Authority in meeting its mandate.

In our follow-up, we found that in November 2021, the Bereavement Authority has established new and enhanced reporting to the Board through the use of expanded CEO and Registrar Reports to assess the operational effectiveness of the organization. The CEO

report presents updates relating to the organization. It includes evaluation of the following categories:

- **People and Culture:** includes any changes to the Bereavement Authority's organizational chart, the number of full-time hires and any vacancies, and updates on employee engagement or professional development.
- **Sector intelligence:** includes the evaluation of market conditions and other specific issues.
- **Business plan dashboard:** includes any improvement or changes in business processes and the status of the business plan.
- **Contracts and procurements:** includes any contracted items over \$50,000 and any items of note under \$50,000.
- **Information technology:** A full report has been included as a separate agenda item in the Board package, as the CRM updates are always discussed in detail during every Board meeting.
- **Litigation:** includes any non-regulatory litigation matters.
- **Finance:** A full report has been included as a separate agenda item on the Board package.

The Registrar's Report includes quantitative evaluations of specific data such as:

- **Service Standards and the current average number of days for turnaround time.**
- **Statistics for Operator Licensing:** includes the number of licensed locations/sites, processed applications, cemetery sites transferred etc.
- **Personal licensing statistics:** includes the number of individual licensees (active or licensed with conditions) for each type of licence class.
- **Complaints:** includes the number of year-to-date consumer inquiries, consumer complaints and licensee inquiries, as well as the percentage increase or decrease compared to last year.
- **Watchlist:** includes the number of licensees added, number of licensees removed and the total licensees on the watchlist.
- **Intake:** includes the total number of cases referred to Intake, the number of cases referred to Inspections / Complaints / Registrar / Legal and the number of cases with no further action.

- **Number of inspections:** includes the number of inspections for each licence class for 2021 and 2020.
- **Financial compliance:** includes how many licence renewals, care and maintenance and prepaid fund reports are processed by the Financial Compliance team
- **Registrar's actions:** includes the year-to-date number of licence refusals, revocations, suspensions, conditions and immediate suspensions.

As a result, the Board is provided more complete and up-to-date information from Bereavement Authority management through these reports.

- *re-evaluate the need and cost-effectiveness of establishing the Discipline Committee and the Appeal Committees.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Board has not conducted any cost/benefit analysis of whether the establishment of the Discipline Committee and the Appeal Committee is cost-effective as opposed to other enforcement measures such as administrative monetary penalties, with an appeal function.

In our follow-up, we found that in January 2021, the Bereavement Authority's Board of Directors agreed to move ahead to establish the Discipline Committee and the Appeal Committee after the need and cost-effectiveness of these two committees was considered.

The enforcement alternative that was considered (implementation of administrative monetary penalties) would have required changes to legislation and regulations to allow them to be used. The Bereavement Authority's Board of Directors concluded administrative monetary penalties were not an alternative to the Discipline Committee and Appeal Committee but could be used as an enforcement tool in addition to the Discipline Committee and the Appeal Committee.

Currently, the Registrar has very limited enforcement tools available (by being able only to issue proposals to either suspend, revoke or place conditions on a licence). These actions are subject to appeal before the Licence Appeal Tribunal. Therefore, Discipline and

Appeal Committees would provide another compliance mechanism and would be especially useful in cases that do not warrant a full licence revocation.

The Board of Directors approved membership of the Discipline and Appeal Committees in June 2021 after a six-month recruitment process. In January 2022, training was provided to the appointed Discipline Committee members.

Chapter 1

Section 1.10

Ministry of Public and Business Service Delivery

Follow-Up on 2020 Value-for-Money Audit: Condominium Oversight in Ontario

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	3			3		
Recommendation 4	1			1		
Recommendation 5	4	4				
Recommendation 6	2	2				
Recommendation 7	3		2	1		
Recommendation 8	2		2			
Recommendation 9	4	4				
Recommendation 10	4	2	2			
Recommendation 11	2		1	1		
Recommendation 12	1		1			
Recommendation 13	2	1		1		
Recommendation 14	1		1			
Recommendation 15	3	1	1	1		
Recommendation 16	1			1		
Recommendation 17	1		1			
Recommendation 18	1		0.5	0.5		
Recommendation 19	5	5				
Recommendation 20	1		1			
Total	46	19	12.5	14.5	0	0
%	100	41	27	32	0	0

Overall Conclusion

The Condominium Authority of Ontario (Condo Authority), the Condominium Management Regulatory Authority of Ontario (Management Regulatory Authority), and the Ministry of Public and Business

Service Delivery (formerly the Ministry of Government and Consumer Services), as of November 4, 2022, have fully implemented 100%, 79% and 4%, respectively, of the recommendations which were specifically directed toward each of them. Combined, the Condo Authority, the Management Regulatory Authority, and the

Ministry have fully implemented 41% of the actions we recommended in our *2020 Annual Report*.

The Management Regulatory Authority was in the process of implementing an additional 14% of the recommendations and made little progress on the remaining 7% of the recommendations which were directed toward it. The Ministry was in the process of implementing an additional 42% of the recommendations and made little progress on 54% of the recommendations which were directed toward it. Overall, the Management Regulatory Authority and the Ministry were in the process of implementing an additional 27% of the recommendations and made little progress on 32% of the actions we recommended.

The Condo Authority has fully implemented recommendations such as adding an emergency planning preparedness component to the training material and regularly reviewing and verifying the information self-reported by condo corporations when filing their annual returns. The Management Regulatory Authority has fully implemented recommendations such as sharing the data on property managers and management companies collected by both authorities regularly and identifying the names of property managers and management companies that are not licensed. The Ministry has fully implemented our recommendation on reviewing and formally clarifying the mandate of the Condo Authority.

The Ministry was in the process of implementing recommendations such as reaching an agreement with the Condo Authority and the Management Regulatory Authority on appropriate performance measures regarding fulfilment of their mandate. The Management Regulatory Authority was in the process of implementing recommendations such as developing and using an inspection checklist to carry out full inspections of property managers and companies rather than only addressing the issues within a complaint and developing a plan to carry out proactive inspections of selected property managers and companies based on a risk-based framework.

The Ministry made little or no progress on several key recommendations such as setting thresholds and defining adequacy of reserve funds and providing the

Condo Authority with inspection, investigation and enforcement powers.

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

Background

The Condominium Authority of Ontario's (Condo Authority) responsibilities include educating condo corporation directors, maintaining a public registry of condo corporations, and overseeing and managing the operations of the Condominium Authority Tribunal, which resolves certain condo disputes. The Condominium Management Regulatory Authority of Ontario's responsibilities include licensing, handling complaints, inspection, and investigation and enforcement of condo managers and management companies.

In Ontario, the *Condominium Act, 1998* (Act) and the *Condominium Management Services Act, 2015* are the key pieces of legislation that regulate the condo sector. The then Ministry of Government and Consumer Services (Ministry) initiated a review of the Act in 2012 and 2013 that resulted in reforms to the Act in 2015. Those reforms included the designation of two administrative authorities.

In 2020, we found that many of the reforms were still not implemented five years after they were passed. We found that the existing model for the condo sector did not provide effective consumer protection and did not address the risks that exist for condo owners and buyers.

Our audit also found that the mandate given to the Condo Authority under the Act was limited compared with the mandates of other administrative authorities in Ontario, such as the Bereavement Authority of Ontario, the Electrical Safety Authority and Tarion Warranty Corporation. The Condo Authority lacked the ability to inspect or investigate potential abuses or misconduct by condo boards, or to get involved in the challenges of effective board governance, such as ensuring sound elections to the board and effective financial management of the condo corporation. These limitations impacted the ability of condo owners and

purchasers to obtain assistance to best manage their ownership interests.

The Condominium Authority Tribunal (Tribunal) was created in November 2017 under the Condo Authority with an aim to provide a quick and inexpensive adjudication function to resolve disputes in condo communities. As of the end of September 2020, the Tribunal could hear disputes specifically related only to records maintained by condo corporations and condo owners' rights to access those records. We found that the only recourse open to condo owners for other issues—including condo board governance, condo fees for use of common areas and issues related to condo living such as infestation and noise—was to seek relief through private mediation and arbitration or through the courts, depending on the issue (or ultimately seek to change their condo board or stand for election themselves).

The following were some of our significant findings:

- Initial developer-set condo fees were typically understated. Our audit found that 47 condo boards, representing approximately 73% of the 64 boards that responded to the relevant question in our survey, experienced significant increases in condo fees, ranging from 10% to over 30%, in the first two years after the condo's registration. The impact of understated condo fees was also reflected in our survey of 518 condo owners, representing 75% of the ones we surveyed, who experienced increases in condo fees ranging from 10% to over 50% in the five years up to August 2020.
- The majority of condo boards surveyed were required to increase reserve fund contributions by an average of 50%. Condo fees paid by owners cover monthly operating expenses and also include an amount that the condo corporation sets aside to pay for future major repairs and replacement of the building's assets and other common areas. This amount goes into a reserve fund. We found that 69% of the 32 condo boards that responded to the relevant question in our survey did not have adequate amounts set aside in their reserve funds to plan for repairs and

replacements of common areas and assets in their older condo buildings—those registered in 1980 and 2000.

- Hundreds of unlicensed individuals and companies provide condo management services. We identified 316 individuals and 156 companies that did not hold licences but were listed in the Condo Authority's public registry as providing condo management services and were associated with a total of 713 condo boards with over 44,000 units, as of February 2020.

We made 20 recommendations, consisting of 46 action items, to address our audit findings.

We received commitment from the Ministry of Government and Consumer Services (now the Ministry of Public and Business Service Delivery), the Condominium Authority of Ontario and the Condominium Management Regulatory Authority of Ontario that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and October 2022. We obtained written representation from the Ministry of Public and Business Service Delivery, the Condominium Authority of Ontario and the Condominium Management Regulatory Authority of Ontario that effective November 4, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Purchase of Condominiums

Recommendation 1

To better protect buyers of new condominium units, we recommend that the Ministry of Government and Consumer Services look to implement the following:

- *set standard terms and forms for key documents relating to the purchase of new condo units, such*

as the agreement for purchase and sale (contract), declaration and disclosure statement;

Status: Little or no progress.

Details

In our 2020 audit, we found that the *Condominium Act, 1998* (Act) did not require developers to use standard agreements for purchase and sale or declarations. The Act was changed in 2015 require additional information in declarations and disclosure statements; however, these changes were not in force at the time of our audit.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in 2023 and expects that by December 2024 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2024. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *require developers to comply with these standard terms and forms when selling new condos to buyers and clearly identify where the documents used differ from the standard.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the *Condominium Act, 1998* did not require developers to use standard

documents when providing information to purchasers of new condo units, such as the disclosure statement.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in 2023, and expects that by December 2024 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2024. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Recommendation 2

To better protect buyers of new condos and minimize the risks of developers understating common area expenses, we recommend that the Ministry of Government and Consumer Services look to implement the following:

- *require additional disclosure by developers of expected increases to common area expenses;*

Status: Little or no progress.

Details

In our 2020 audit, we found that under the *Condominium Act, 1998*, a developer must provide new condo buyers with a budget that estimated how much the common expenses and condo fees would be for the first year after the condo was registered. However, some developers had omitted, understated or deferred maintenance costs to subsequent years, to understate condo fees in their budgets.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *give condo boards more time, such as 90 days, to claim increased amounts spent on common area expenses compared with the developer's budget statement;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the *Condominium Act, 1998* stated that if the costs incurred by the condo corporation for common area expenses in the first year after registration were more than what the developer had disclosed in the budget statement, the condo board could claim the difference from the developer. However, the board must make the claim within only 30 days of receiving audited financial statements for the year. Several changes to the Act were made following the 2012–13 review to address this, including giving condo corporations 90 days to make a claim against the developer. However, the changes to the Act were not yet proclaimed when we completed the audit.

In our follow-up, we found that the Ministry stated that implementing this recommendation may

require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *implement best practices from other jurisdictions, such as requiring developers to place money in trust to be available to the condo corporation if the developer understates common area expenses, or that developers have to pay a penalty if they were found to understate condo expenses by a set percentage compared with their budget statements.*

Status: Little or no progress.

Details

In our 2020 audit, we found that other provinces had put more provisions in place to protect condo owners and boards. For example, in Nova Scotia and Newfoundland and Labrador, the developer must put money in trust to be available to the condo corporation if the developer understated common area expenses; in British Columbia, developers that understated expenses had to pay a penalty.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration.

Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Recommendation 3

So that condominium corporations are required to set aside sufficient resources to safely and properly maintain condominiums, we recommend that the Ministry of Government and Consumer Services look to:

- *extend reserve fund studies of condo buildings to include the cost of repairs and replacements looking forward 45 to 60 years, instead of 30 years;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the regulations relating to reserve funds did not require condo corporations' reserve fund studies to budget for necessary major repairs and replacements for the building beyond a window of 30 years at any point in time. Our experts in reserve fund studies indicated that by increasing the budget window to 45 to 60 years, condo corporation budgets would include most of the expensive items.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by

December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *set thresholds and define adequacy of reserve funds;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the changes to the Act subsequent to the 2012–2013 review included a change that would allow the government to set regulations stating what amount of funding was adequate for a reserve fund. The Ministry sought further input on the area of reserve funds in 2020 but had not made any decisions regarding implementing the changes.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare

a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *work with the Condominium Authority of Ontario to raise awareness and communicate this issue in a clear and understandable manner.*

Status: Little or no progress.

Details

In our 2020 audit, we found that if reserve funds studies had used the 30-year time frame for assessing expected expenses, condo fees would go up more dramatically than if, from the start at registration, the condo owners had been paying for fees based on a 45-year or 60-year budget period for the reserve fund. We found that some condo boards and the owners might be unaware that they had been paying too little.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Should the first and/or second action recommended under **Recommendation 3** be implemented, the Ministry would work with the Condominium Authority to develop clear public educational materials to communicate the changes.

While awaiting regulatory changes, the Condo Authority had developed, published and promoted the "Guide to Ensuring Healthy Reserve Funds" in March of 2022 to assist directors to better understand how to set aside sufficient funds. This guide includes, for example, basic information about what reserve funds and reserve fund studies are; best practices for maintaining a healthy reserve fund; and the responsibilities of condominium boards during the reserve fund study process.

Recommendation 4

For there to be sufficient funding of the long-term reserve from the outset and for condominium fees to realistically accrue sufficient funds to handle the long-term repair and replacement needs of the building, thus protecting condominium owners from unexpected financial shocks, we recommend that the Ministry of Government and Consumer Services look into removing the option of developers basing reserve fund contributions on 10% of operating expenses and replacing this option with a requirement to have the contributions be supported by a third-party reserve fund study.

Status: Little or no progress.

Details

In our 2020 audit, we found that the *Condominium Act, 1998* provided that the original contributions to the reserve fund should be the greater of: (1) the amount reasonably expected to be enough, and (2) 10% of estimated common expenses. Most developers only used (2) to calculate reserve fund contributions, and this resulted in underfunding and made condo fees appear lower for potential buyers of condo units. Industry advocates had proposed to the government that the developer's original budget for the reserve fund should be supported by a preliminary reserve fund study. However, at the time of our audit, the Act did not impose this requirement to protect buyers of new condos.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry indicated that it will need to hold extensive consultation with the public and stakeholders to develop a proposal for the government's consideration. Subject to government direction, the Ministry intends to begin policy work in late 2022, and expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether

to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Condo Management

Recommendation 5

As required under the Condominium Management Services Act, 2015, to enforce that only valid licence holders perform condo management services, we recommend that the Condominium Management Regulatory Authority of Ontario work with the Condominium Authority of Ontario to:

- *share the data on property managers and management companies collected by both authorities regularly;*

Status: Fully implemented.

Details

In our 2020 audit, we found that both the *Condominium Act, 1998*, and the *Condominium Management Services Act, 2015*, allowed the Condominium Management Regulatory Authority of Ontario (Management Regulatory Authority) and the Condominium Authority of Ontario (Condo Authority) to share information between them to exercise their duties. In January 2019, the two authorities signed an agreement that specifies the needed information to be shared, and how and when they are to be shared. Notwithstanding the legislation and the datasharing agreement, the two authorities did not have a process to crosscheck the information collected by each of them at the time of our audit.

In our follow-up, we found that in January 2021, the Management Regulatory Authority and the Condo Authority signed a data-sharing implementation agreement. This agreement builds on the data-sharing agreement that was signed in 2019 between the two entities.

The implementation agreement establishes how information will be shared and updated and how the data on property managers and management companies will be used within their own systems. It also sets out the types of data that will be sent between the two organizations. The Management Regulatory Authority sends nightly updates of changes to licensed condominium managers and condominium management provider businesses that occurred that day. The Condo Authority sends nightly updates based on Annual Returns and Notices of Change when a new record is created, or an existing record is modified and filed with the Condo Authority.

- *reconcile and confirm the completeness and accuracy of the data;*

Status: Fully implemented.

Details

In our 2020 audit, we found despite the data-sharing agreement being in place, the two authorities, the Management Regulatory Authority and the Condo Authority, did not have a process to cross check the information collected by each of them and identify and investigate anomalies such as unlicensed condo managers and management companies.

In our follow-up, we found that the Management Regulatory Authority and the Condo Authority developed an automated daily reconciliation process to verify licensing information added to the Condo Authority database, at time of filing of return or notice of change, against the Management Regulatory Authority public registry data to confirm the completeness and accuracy of licensee data in each database. This process allows both entities to have access to data in real time and investigate cases of potentially unlicensed entities in a timely manner.

The Condo Authority uses the information it receives from the Management Regulatory Authority to flag any records as “unverified” and follows up with the filer to check if the information entered is correct. The Management Regulatory Authority is also notified via automatic email notifications from the Condo Authority regarding any unverified managers or businesses through condo returns and notices of change.

These automatic notifications include the name of the condominium, the name of the unlicensed individual or firm, and contact information for the condominium's president and secretary.

- *identify the names of property managers and management companies that are not licensed;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Condominium Management Regulatory Authority of Ontario did not proactively identify unlicensed individuals and companies that are listed on the Condo Authority's public registry as condo managers.

In our follow-up, we found that the Management Regulatory Authority and the Condo Authority databases are updated each night that ensures that the two authorities share data about active condo managers and condo management provider businesses. The Condo Authority and the Management Regulatory Authority now use this data to automatically identify whenever an unlicensed condo manager or management firm is listed at a condominium corporation based on the status in each database.

For example, for the period from August 2021 to March 2022, the Condo Authority identified information relating to 23 unverified management service providers that were flagged from the data exchange process.

- *follow up with the condo boards that employ the unlicensed managers and companies, find out whether they are providing unlicensed services and receiving compensation, and take appropriate enforcement actions under the Condominium Management Services Act, 2015.*

Status: Fully implemented.

Details

In our 2020 audit, we found that almost 40% of the 316 unlicensed individuals were also listed as active condo directors. However, the Management Regulatory Authority did not verify whether these individuals, who were also listed as active condo directors, were being

compensated for providing condo management services, which would require a licence.

In our follow-up, we found that the Management Regulatory Authority from April 2021 to June 2022 had identified 46 potential unlicensed managers or management companies based on filings submitted to the Condo Authority; the Management Regulatory Authority had resolved 45 of these cases.

As well, from April 2021 to June 2022, the Management Regulatory Authority had identified 31 cases of expired licences. In 24 cases, the person had left the industry; in four cases the person reinstated their licence with the Management Regulatory Authority and in three cases the person was on parental/maternity leave.

In total, during the period of our follow-up, the Management Regulatory Authority had resolved 76 out of 77 of the new cases identified since automated data sharing with the Condo Authority was implemented in early 2021.

Recommendation 6

To support the appropriate and timely resolution of issues brought forward by condominium owners, we recommend that the Condominium Management Regulatory Authority of Ontario:

- *track and summarize the types of actions taken and outcomes for all complaints, and produce periodic summaries for review by management;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Management Regulatory Authority did not systematically summarize the types of actions taken and their outcomes across all complaints. As a result, it was unable to confirm that appropriate and consistent action had been taken to resolve the complaints.

In our follow-up, we found that in February 2021, the Management Regulatory Authority made enhancements to its information technology system to track complaints based on standardized classifications and outcomes. The Management Regulatory Authority tracks all complaints received and records all

interactions with complainants, respective condominium managers, and management provider businesses. On a quarterly basis, the Management Regulatory Authority management team reviews a summary report titled Update on Complaints Resolutions and Type on the number and types of complaints received and resolution of complaints based on preset categories.

- *establish a formal policy that defines the type of actions that should be taken based on the nature of the complaints and the issues they raise.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Management Regulatory Authority did not have a formal policy in place specifying what types of action should be taken based on the nature and the issues of the complaints. We also found that while the Management Regulatory Authority addressed 103, or 51%, of the 200 complaints appropriately, it took no action or limited action on the remaining 97, or 49%, for a number of reasons such as not following up with complainants or closing the case too soon before ensuring the underlying issues had been resolved.

In our follow-up, we found that the Management Regulatory Authority in September 2021 developed new formal policies, in consultation with its Advisory Committee, that identify the types of actions that should be taken for specific types of complaints. All files now follow a standard complaint-handling process, which involves initially assessing the file including outreach to the complainant, gathering information from the licensee, and reviewing the file before issuing a decision. The Management Regulatory Authority also substantially revamped the complaints section of its website in alignment with its complaints-handling policies and procedures along with provided training to its staff.

Recommendation 7

To monitor and confirm that condominium property managers and companies are complying with the key requirements under the Condominium Management Services Act, 2015 and its regulations, we recommend that

the Condominium Management Regulatory Authority of Ontario:

- *develop and use an inspection checklist to carry out full inspections of property managers and/companies rather than only addressing the issues within a complaint;*

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

Details

In our 2020 audit, we found that the Management Regulatory Authority did not use an inspection checklist to conduct a full inspection for every case to determine whether these managers and companies were in compliance with key requirements specified in the *Condominium Management Services Act, 2015*.

In our follow-up, we found that the Management Regulatory Authority, following a review of the risk-based compliance approaches used by other regulatory bodies, such as the Technical Standards and Safety Authority and the Alcohol and Gaming Commission of Ontario, has developed and implemented two standardized inspection checklists: one for document management for condominium management providers and the other for administering owners' meetings and voting processes.

The Management Regulatory Authority is currently developing checklists for other key areas as identified under the *Condominium Management Services Act, 2015*, including the declaration of conflicts of interest to a client's Board of Directors and written contracts with all clients. It expects to complete this work by December 2022.

- *develop a plan to carry out proactive inspections of selected property managers and companies based on a risk-based framework based on inspection results, areas of non compliance, statistical trends and other risk factors;*

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

Details

In our 2020 audit, we found that the Management Regulatory Authority was planning to implement risk-based approaches to conducting inspections, by identifying and analyzing statistical trends to determine when a proactive inspection may be warranted. However, we noted that, as of August 31, 2020, a risk-based plan for proactive inspection had not been developed. We also did not find any statistical trends or analysis being done to inform past, current or future inspection decisions.

In our follow-up, we found that the Management Regulatory Authority is in the process of developing a policy for risk-based proactive inspections. The risk-based inspections would target specific activities and individuals or companies based on a balance of the likelihood and impact of any potential wrongdoing. The Management Regulatory Authority intends to focus its efforts and resources on higher-risk areas.

The Management Regulatory Authority is planning to continue consultations and complete the implementation plans by December 2022. It has begun a pilot project of inspections based on standardized approaches and checklists.

- *conduct regular proactive inspections and take appropriate disciplinary actions if required.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the Management Regulatory Authority did not have a plan to conduct proactive inspections to monitor and assess whether property managers and companies were complying with the key requirements of the *Condominium Management Services Act, 2015* and its regulations.

In our follow-up, we found that the Management Regulatory Authority has initiated a program of regular risk-based proactive inspections and expects to implement more widely by December 2023.

Condo Board of Directors

Recommendation 8

To better educate boards of directors on carrying out their duties and increase compliance with the training requirement under the Condominium Act, 1998 (Act), we recommend that the Ministry of Government and Consumer Services expand and strengthen the roles and responsibilities of the Condominium Authority of Ontario overseeing directors' training under the Act with the purpose of protecting the public interest and advancing the principle of ensuring a fair, safe and informed condo community, specifically looking to:

- *expand the information the Condo Authority can collect and publish relating to individual directors who have not completed the mandatory training within the prescribed time requirements;*

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

Details

In our 2020 audit, we found that about 6,420 directors had not completed the training within the required time frame, and therefore were ineligible to remain as directors. The Condo Authority did not have the regulatory authority to flag on its public registry any of the ineligible directors that were serving at the time or inform the Boards they were serving on.

In our follow-up, we found that the Ministry reported that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry began policy work in 2021, which is to continue through 2022. Subject to government direction, the Ministry expects that by December 2023 it will develop and bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be

directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *require the ineligible individuals to stop acting as directors of their condo boards.*

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

Details

In our 2020 audit, we found that over 6,000 directors that did not complete the required training were still serving on condo boards as of April 30, 2020. However, the Condo Authority was unable to inform the directors and their impacted boards of these individuals' ineligibility to continue to serve.

In our follow-up, we found that the Ministry reported that implementing this recommendation may require legislative and/or regulatory amendments. The Ministry began policy work in 2021, which is to continue through 2022. Subject to government direction, the Ministry intends to implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

In supporting the implementation of this recommended action while awaiting regulatory changes, the Condo Authority had developed an automated reminder system to help condominium corporations ensure accurate information is on file with the Condo Authority. The automated system, among other functions, reminds board directors of their obligation to complete the mandatory training before deadlines, and

advises the possible consequences where the majority of directors for the corporation appear to have missed the mandatory director training on time.

Recommendation 9

To better inform and educate condominium board directors to carry out their duties in managing their condo corporations, and comply with the training requirement, we recommend that the Condominium Authority of Ontario:

- *analyze and review the data on time taken by directors to complete training, by individual topic as well as the complete training program in order to implement measures to address the ability to scroll through screens without reading material (for example, put in quizzes to complete at the end of each section to demonstrate learnings that ensure material is being read);*

Status: Fully implemented.

Details

In our 2020 audit, we found that the mandatory online training program provided to board directors by the Condo Authority could be completed in as little as 15 minutes. The Condo Authority did not track or analyze the available data regarding time taken to complete the training.

In our follow-up, we found that the Condo Authority reviewed and analyzed the director training completion time data received from the learning management system. It determined that the inconsistencies in the time data spent on a training module such as some directors being able to complete the training module under 15 minutes was mainly due to the improper tracking of time by the learning management system. The Condo Authority found the clock restarted when the user stopped and returned to the module at a later time. To fix this deficiency, in November 2021 the Condo Authority added technical enhancements to each director training module in the learning management system. These enhancements include the ability to track and accumulate the time spent on each training module in different sessions without restarting the clock when a session is ended, and the ability to force

the user out of a module if they were idle and spent more than 15 minutes on one page, such that the clock will restart and exclude idle time in the total time spent on the module.

The Condo Authority made changes to the learning management system by adding a 10-second delay on every page and a one-second delay per tab within the page to prevent learners from advancing through the director training without reading the training material. Also, to demonstrate their learning, the Condo Authority added quizzes throughout the modules that must be answered correctly before the user can move ahead to the next module.

To enable the Condo Authority to monitor and analyze training time completion data on an ongoing basis, it developed a director training business intelligence dashboard in November 2021. Using the dashboard, the Condo Authority can analyze historical data trends from 2017 to the present day. Based on data from the dashboard, the technical enhancements made by the Condo Authority reduced the percentage of learners completing the training in under 60 minutes from 11.4% for the period April 2017 to October 2021 to 5.1% for the period November 2021 to June 2022.

- *annually solicit input from directors and condo owners on improvements that can be made to training material;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Condo Authority did not collect feedback from condo board directors on individual topics, or regularly assess which topics require more in-depth training due to the complexity of the subject matters.

In our follow-up, we found that the Condo Authority has developed two new annual surveys to solicit annual feedback from condo directors and condo owners on director training. The goal of the surveys is to improve the director training materials, identify which topics require more in-depth training and solicit input on whether directors have recently taken the training. The Condo Authority issued the new annual surveys in September 2022 and will continue to do so

annually thereafter. Once feedback from the surveys is received, the Condo Authority plans to analyze the feedback to determine any needed director training improvement commitments for the upcoming fiscal year.

- *annually review and improve the director training materials;*

Status: Fully implemented.

Details

In our 2020 audit, we found that 42% of condo board directors indicated that they would like more training in the following top five areas: Overseeing condo managers (25%), procurement best practices (23%), board governance best practices (21%), issue management best practices (20%), and finance topics including reserve funds, budgets, financial statements and investments (19%).

In our follow-up, we found that the Condo Authority created a Framework for Annual Review and Improvement of Director Training Materials in 2021 to improve the director training materials. Under the Framework, the Condo Authority will administer two surveys that will be conducted each year (as discussed in the second action item in **Recommendation 9**) and analyze the survey results to identify improvements for director training materials.

The Condo Authority retained the services of external subject matter experts and partnered with an external adult learning specialist vendor to develop new training materials, which it launched in 2022. The new Advanced Optional Director Training program consists of best practice guides and online training modules on six priority topics described in the next recommendation. The Condo Authority issued the two annual surveys in September 2022, and reviewed the feedback in October 2022. The feedback from these surveys confirms that the Condo Authority's improvements to the director training responded to the needs identified by condo directors and owners. The Condo Authority will continue to use the framework to review and improve director training materials on an ongoing basis.

- *add an emergency planning and preparedness component to the training material as well as case studies and other practical applications for key topics of condo operations.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the director training materials did not include practical applications such as case studies and real-life examples. We also noted the materials did not cover emergency planning and preparedness for epidemics or pandemics to better equip directors for when such emergencies arise.

In our follow-up, we found that the Condo Authority added six best practice guides and online training modules in February 2022 in areas that were identified in our *2020 Annual Report* to supplement the director training with more in-depth information to better inform and educate condominium board directors to carry out their duties in managing their condo corporations. These guides and modules cover the following topics:

- emergency planning and preparedness;
- procurement;
- finance;
- overseeing condominium managers;
- issues management; and
- board governance.

As part of the development process, the Condo Authority established advisory panels from the condominium sector and solicited and integrated feedback from these advisory panels on the guides through survey and virtual hosted sessions. It also worked with an adult learning expert and subject matter experts to assist in drafting these best practices guides and developing the online modules for directors.

Recommendation 10

To provide accurate, complete and useful information for condo owners through the public registry, we recommend that the Condominium Authority of Ontario work with the Ministry of Government and Consumer Services to:

- *enable public searches for relevant information by entering the municipal addresses of condos and the names of directors;*

Status: Fully implemented.

Details

In our 2020 audit, we found that only condo corporations could be searched within the public registry, not condo directors. In addition, to access even basic information from the public registry, the searcher had to know and enter at least the number or operating name of the condo corporation. This is because the database did not provide the ability to search by municipal address.

In our follow-up, we found that the Condo Authority enhanced its public registry to allow users to search by director name and municipal address. Users can now search the public registry using the first and last name of an active director. Upon providing the name of a director, the public registry will then list all condominium corporations where an active director with the exact same name is listed. Searches can also be conducted using the city and postal code to find the municipal address for the applicable condominium corporation.

- *collect information related to condo board directors including whether directors have been elected by condo owners or appointed by the condo board, the directors' roles within the board, whether directors are owners, occupants or neither in the condo;*

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

Details

In our 2020 audit, we found that the condo owners did not have full access to information such as when directors have been elected or re-elected; whether they were elected by condo owners or appointed by the condo board; the directors' roles within the board; whether directors are owners, occupants or neither in the condo; or the terms for each of the directors;

In our follow-up, we found that the Ministry is the lead for implementing this recommendation as it may require legislative and/or regulatory amendments.

Extensive consultations with the public and stakeholders will need to be conducted. The Ministry began the policy work in 2021, which is to continue through 2022 and 2023. Subject to government direction, the Ministry intends to implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *regularly review and verify the information self-reported by condo corporations when filing their annual returns, including the names of licensed condo managers and management companies;*

Status: Fully implemented.

Details

In our 2020 audit, we found a number of inconsistencies and inaccuracies in the condo manager and company names listed on the public registry maintained by the Condo Authority. The Condo Authority indicated to us that these inaccuracies were mainly due to input errors when directors reported the data in their annual returns to it.

In our follow-up, we found that the Condo Authority developed 40 validations in late 2021 to ensure self-reported information it receives is accurate and current. The main new validations include verification of:

- licensed Condo Management Service Providers filed with the Condo Authority;
- director training data; and
- director term start date data.

- *publish the collected and verified information on the registry.*

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

Details

In our 2020 audit, we found that the Condo Authority's registry contained limited information on directors who sit on the boards of condo corporations that condo owners might want to know. As well, some of the key information about condo directors was not publicly available. For example, when directors were elected or re-elected; whether they were elected by condo owners or appointed by the condo board; the director's roles within the board; whether directors were owners, occupants or neither; or the term for each of the directors.

In our follow-up, we found that the Ministry is the lead for implementing this recommendation as it may require legislative and/or regulatory amendments. Extensive consultations with the public and stakeholders will need to be conducted. The Ministry began the policy work in 2021, which is to continue through 2022 and 2023. Subject to government direction, the Ministry intends to implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Recommendation 11

To enable the Ministry of Government and Consumer Services (Ministry) to evaluate protections for condo owners who reside in their units, and to promote transparency

and support informed choices by condo buyers, we recommend that the Ministry:

- allow the Condominium Authority of Ontario to collect and publish relevant information to enable identification of condo corporations where non-resident directors or directors with commercial interests form the majority on condo boards;

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

Details

In our 2020 audit, we found that neither the Ministry nor the Condo Authority collected necessary and basic information on condo board directors, as well as on the type of condo corporation they serve. In turn, they did not know which directors on which boards run investor-owned condos, as well as how many boards any given director served on and the number of units a director owns.

In our follow-up, we found that the Ministry reported that implementing this recommendation may require legislative and/or regulatory amendments. Extensive consultations with the public and stakeholders will need to be conducted. The Ministry began policy work in 2021, which is to continue through 2022 and 2023. Subject to government direction, the Ministry intends to implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- analyze this information to evaluate whether increased protections are required for condo owners who reside in their units.

Status: Little or no progress.

Details

In our 2020 audit, we found that in 15 out of 20 condo boards we sampled, the majority of the directors was represented by the industry. The interests of investors and commercial business owners can differ from and compete with the interests of resident condo owners. However, neither the Ministry nor the Condo Authority knew which condo corporations were commercial, residential, mixed used or wholly owned by investors operating rental businesses.

In our follow-up, we found that the Ministry stated that implementing this recommendation may require legislative and/or regulatory amendments. Extensive consultation with the public and stakeholders will need to be conducted. Subject to government direction, the Ministry intends to begin policy work in 2023, and implement this recommendation by December 2024 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2024. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Disputes

Recommendation 12

To better protect condo owners as they face condominium-living issues and disputes, we recommend that the Ministry of Government and Consumer Services work with the Condominium Authority of Ontario to include

key areas relating to condo fees, repairs to common areas, board misconduct, reserve funds, commercial units or other areas considered appropriate within the Condominium Authority Tribunal's jurisdiction.

Status: In the process of being implemented in phases, including by bringing forward a proposal for the government's consideration by December 2023.

Details

In our 2020 audit, we found that the Condominium Authority Tribunal (Tribunal) had only heard disputes relating to a condo corporation's records. In October 2020, the Ministry expanded the scope of the Tribunal to also hear issues relating to pets, parking, storage and personal property. However, the only recourses open to condo owners for other key common issues, such as condo board governance, condo fees for use of common areas, reserve funds and issues related to condo living such as infestation and noise, were to seek private mediation and arbitration or file a lawsuit in the courts, depending on the issue.

In our follow-up, we found that this recommendation would require regulatory amendments. The Ministry, in June 2021, consulted with key stakeholders on further expanding the Tribunal's jurisdiction to include disputes related to nuisances such as unreasonable smoke, odour, light, vibration and noise. In September 2021, the Ministry received government approval of the required regulatory amendments. Effective January 1, 2022, the Tribunal's expanded jurisdiction related to nuisances came into force via Regulation 654/21, which amended O. Reg. 48/01 (General) under the *Condominium Act, 1998* (Act).

In August 2021, the Minister requested the Condo Authority to host public consultations in the fall of 2021 on the following topics:

- further expanding the Tribunal's jurisdiction to encompass additional types of disputes;
- the effectiveness and efficiency of the Tribunal processes;
- best practices the Tribunal could consider; and
- the Tribunal as part of the Condo Authority.

The Authority conducted the consultations in October 2021 utilizing a variety of methods to collect

feedback on expansion of the Tribunal's jurisdiction from the condominium sector, including:

- issuing a mass email blast to the more than 41,000 contacts in the Condo Authority's database;
- posting information regarding the consultations on the Condo Authority's social media channels and website;
- promoting a survey that was made available on the Condo Authority's website; and
- hosting three public virtual roundtables in October 2021.

The Condo Authority submitted a final report on the analysis of the public consultations to the Minister in February 2022. Based on the analysis, some stakeholders suggested that the government should give the condominium sector time to adjust and proclaim the yet-to-be-proclaimed sections gradually or sequentially. Others suggested that the government proclaim all outstanding sections of the Act as soon as possible but in a phased manner and provide advanced notice to reduce impact or disruption to the sector. Subject to government direction, the Ministry intends to bring forward a new policy proposal for the government's consideration by December 2023, and in phases thereafter. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing regulatory changes to implement this recommendation in phases. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare draft regulatory amendments for government approval.

Recommendation 13

To provide condominium owners with appropriate access to important information and increase the transparency of the operations of their condo corporations, we recommend that the Condominium Authority of Ontario:

- *clarify the existing legislative and regulatory requirements with respect to records and the*

information included in these records listed in the Condominium Act, 1998 and regulations;

Status: Fully implemented.

Details

In our 2020 audit, we found that the Act listed records that condo corporations must retain. For many of these listed records, the Act allowed condo corporations to determine whether the records must be kept in order to meet its obligation to keep adequate records but did not provide specific details or requirements.

In our follow-up, we found that in July 2021, the Condo Authority had revised the content in its Guided Steps to Common Issues related to Records on its website, and supplemented this new content by developing and issuing a Guide to Condominium Corporation Records. This guide provides an overview of the types of records that all condominium corporations are required to keep under the *Condominium Act, 1998* and what they might contain. This guide is to help owners and condominium corporations understand what records requesters are entitled to so requesters can get the records they are looking for.

The Condo Authority also issued two new step-by-step guides in July 2021:

- Requesting Core Records provides an overview of the process that owners, purchasers and mortgagees must follow to request copies of or access to core records maintained by their condominium corporation; and
- Requesting Non-Core Records provides an overview of the process that owners, purchasers and mortgagees must follow to request copies of or access to non-core records maintained by their condominium corporation.
- *work with the Ministry of Government and Consumer Services to expand and enable owners' right to access all reasonable information about the functioning of their condo corporation.*

Status: Little or no progress.

Details

In our 2020 audit, we found that condo owners did not get part of or all the information to which they sought

access in 21 or 51% of the 41 cases relating to access to records before the Tribunal from November 2017 when the Tribunal was formed to March 2020. Condo owners were not given access to information if it was not specifically required under the Act to be kept in the form of a record.

In our follow-up, we found that the Ministry is the lead for implementing this recommendation as it may require legislative and/or regulatory amendments. Extensive consultation with the public and stakeholders will need to be conducted. Subject to government direction, the Ministry intends to begin policy work in late 2022, and implement this recommendation by December 2023 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Recommendation 14

In order to provide condominium owners a level playing field in their disputes with condo boards, we recommend that the Ministry of Government and Consumer Services work with the Condominium Authority of Ontario (which includes the Condominium Authority Tribunal) and the Ministry of the Attorney General to implement best practices such as requiring equal legal representation by parties to the dispute.

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

Details

In our 2020 audit, we found that the Tribunal's rules allowed condo owners and boards to be represented by lawyers and agents. However, it was generally more

difficult for a condo owner to afford a lawyer than it was for a condo board, as the board can use the condo corporation's funds to pay for a lawyer. We found that British Columbia's Civil Resolution Tribunal required both parties to represent themselves throughout the dispute resolution process (unless the BC tribunal orders otherwise).

In our follow-up, we found that the Ministry reported that implementing this recommendation may require legislative and/or regulatory amendments. The Minister in August 2021 requested the Condo Authority to host public consultations in fall 2021 on matters relating to the Condominium Authority Tribunal, including tribunal best practices.

The Condo Authority conducted the public consultations in October 2021 and submitted a consultation summary to the Ministry in February 2022. The Condo Authority is working with the Ministry on its plan to implement best practices. From these public consultations, the Ministry determined that there was generally no consensus among stakeholders who participated on the proposal of equal legal representation. There were also concerns expressed with respect to who would bear associated legal fees.

The Ministry indicated that it has undertaken a preliminary review of British Columbia's Civil Resolution Tribunal model and that further work would be required with Ontario's justice sector. The Ministry stated that it intends to implement this recommendation by December 2023 to bring forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2023. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

Condominium Sector Oversight

Recommendation 15

To provide better protection for condominium owners and buyers, we recommend that the Ministry of Government and Consumer Services look to:

- *review and formally clarify the mandate of the Condominium Authority of Ontario (Condo Authority);*

Status: Fully implemented.

Details

In our 2020 audit, we found that the mandate of the Condo Authority under the *Condominium Act, 1998* was limited compared with the mandates given to other administrative authorities in Ontario. Although the nature and extent of condo ownership had changed, the Ministry had not revisited its existing approach for oversight of the condo sector.

In our follow-up, we found that the then Minister of Government and Consumer Services wrote to the Chair of the Condo Authority in January 2021 to clarify the expectation that the Condo Authority fulfill its statutory mandate under the *Condominium Act, 1998* (Act). The Minister expected the Condo Authority to carry out its statutory mandate in accordance with the Act, the administrative agreement and applicable laws. The Minister stated the Condo Authority is accountable to the Minister for its performance in carrying out its statutory mandate.

- *providing the Condo Authority with inspection, investigation and enforcement powers;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the mandate of the Condo Authority did not include investigation and enforcement powers similar to those given to other administrative authorities. We noted that certain US states had condo agencies whose mandates include investigation and enforcement of, for example, condo boards and election matters.

In our follow-up, we found that the Ministry indicated that this recommendation is complex and any changes to address this recommendation may require

legislative and/or regulatory amendments. To proceed with the recommendation, the Ministry would need to undertake extensive consultation with the public and stakeholders. Subject to government direction, the Ministry intends to begin policy work in 2023, and implement this recommendation by December 2024 by bringing forward a policy proposal for the government's consideration. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory and/or statutory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing changes to implement this recommendation by the end of December 2024. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare a bill for introduction in the Legislative Assembly, in the case of statutory amendments, or draft regulatory amendments for government approval.

- *reaching an agreement with the Condo Authority on appropriate performance measures regarding fulfilment of its mandate.*

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

Details

In our 2020 audit, we found that the Condo Authority had provided performance measures to the Minister in accordance with the administrative agreement regarding fulfilment of its mandate. However, the Minister had not yet approved these performance measures.

In our follow-up, we found that the Ministry is planning to establish a new framework for performance measurement that would apply to most administrative authorities under the Ministry's oversight. In the meantime, the Ministry expects to be working with the Condo Authority in 2022 to bring forward the Minister's approved performance measures for the Condo Authority by December 2022. The Ministry is also planning to work with the Condo Authority on any changes at such time as a broader performance framework is introduced for administrative authorities.

Recommendation 16

To provide better protection for condo owners and buyers in Ontario, we recommend that the Ministry of Government and Consumer Services conduct a thorough cost/benefit analysis of strengthening the powers and penalties for regulating the condo sector similarly to those that are used by other jurisdictions.

Status: Little or no progress.

Details

In our 2020 audit, we found that enforcement powers relating to developer misconduct in other Canadian jurisdictions were more rigorous than those in Ontario. For example, in British Columbia and Alberta, condo legislation enabled the government to appoint an inspector or investigator to look into potential offences or non-compliance by developers. Both British Columbia and Alberta had the authority to levy administrative penalties for non-compliance with the legislation. Ontario did not have such powers. As well, in British Columbia, fines for offences were significantly higher than in Ontario.

In our follow-up, we found that the Ministry has committed to conduct a cost-benefit analysis by the end of 2024. As part of this analysis, the Ministry indicated that it is planning to conduct jurisdictional research, policy analysis, risk analysis and targeted internal consultations, as appropriate. It also plans to conduct external broader stakeholder and public consultations as necessary.

Recommendation 17

So that the Condominium Act, 1998 and regulations more effectively protect condominium owners and purchasers, we recommend that the Ministry of Government and Consumer Services seek proclamation of the provisions that are not yet in force.

Status: In the process of being implemented in phases, including by bringing forward a proposal for the government's consideration by December 2023.

Details

In our 2020 audit, we found that, as of July 2020, many of the legislative changes made in 2015 offering

condo owners and purchasers improved protections were still not in force. In addition, many other important changes to protect condo owners were not in force; such changes include, for example, a condo corporation's financial statements to include more information, such as the budget and the statement of cash flows, and a condo corporation to prepare an annual budget after its first fiscal year that meets requirements to be set in regulations. The government indicated it plans to work quickly to develop regulations and implement key provisions. However, no decisions had been made on the prioritization or timing of work associated with implementing the remainder of the legislative changes that were not in force.

In our follow-up, we found that the Ministry indicated that implementing this recommendation may require developing regulatory amendments to support the proclamation of provisions under the *Protecting Condominium Owners Act, 2015* (Act). In January 2021, Condo Guide-related provisions of the Act came into force, as a result of a proposal brought forward by the Ministry in late 2020. This proposal did not involve proposing new regulations. In September 2021, the Ministry sought government approval for a proposal to proclaim into force certain provisions of the Act that would amend sections 116 and 117 of the *Condominium Act, 1998*. As part of this initiative, the Ministry also sought approval amend two regulations under the *Condominium Act, 1998* to expand the jurisdiction of the Condominium Authority (Tribunal) to include certain disputes related to nuisances such as unreasonable smoke, odour and noise; and to prescribe nuisances, annoyances and disruptions that are to be prohibited under the *Condominium Act, 1998*. The changes came into force January 1, 2022.

Subject to government direction, the Ministry intends to bring forward a new policy proposal, for the government's consideration by December 2023 and in phases thereafter. Implementation of this recommendation is dependent primarily on the government's policy decision about whether to proceed with developing regulatory changes. The Ministry is targeting to seek the government's policy decision on whether to proceed with developing regulatory changes to

implement this recommendation in phases. If the government decides to proceed with proposing changes, the Ministry would be directed to prepare draft regulatory amendments for government approval.

Recommendation 18

To provide a centralized access for the condominium community, including condominium owners, as well as to potentially increase the efficiency and cost-effectiveness of the Condominium Authority of Ontario and the Condominium Management Regulatory Authority of Ontario, we recommend that the Ministry of Government and Consumer Services conduct its own comprehensive analysis of having one instead of two authorities that includes:

- *a) the costs and benefits of having a single point of contact to address public complaints and inquiries, provide training, maintain a public registry and conduct inspection and investigations;*

Status: Little or no progress.

Details

In our 2020 audit, we found that opportunities existed to increase the efficiency and effectiveness of the operations of the two authorities by consolidating them into one authority.

In our follow-up, we found the Ministry has not yet begun any work on this recommendation. Subject to the Minister's direction, the Ministry intends to, by December 2024, conduct jurisdictional research, policy analysis, risk analysis and complete targeted internal consultations, as appropriate; and conduct external targeted and broader stakeholder/public consultations as necessary.

- *b) positioning the Condominium Authority Tribunal outside of the new authority.*

Status: In the process of being implemented by December 2024.

Details

In our 2020 audit, we noted that input from the condo management industry at the time of the 2012–2013 review of the *Condominium Act, 1998* strongly favoured

having one authority for licensing and regulating condo managers, and another to resolve disputes.

In our follow-up, we found that the Minister requested the Condo Authority in August 2021 to host consultations in the fall of 2021 on matters relating to the Tribunal, including positioning the Tribunal as part of the Condo Authority.

The Condo Authority conducted the consultations in October 2021 and submitted a consultation summary to the Ministry in February 2022. Based on comments from these consultations, the Ministry found that most stakeholders who participated supported that the Tribunal should remain part of the Condo Authority. They noted that having the Tribunal as part of the Condo Authority:

- is cost-efficient;
- prevents an additional layer of bureaucracy;
- creates synergies in terms of education by enabling the Condo Authority to integrate training/lessons learned from the Tribunal; and
- provides a single point of contact for the public/users.

However, some respondents during the consultations expressed concerns regarding potential conflict of interest and the independence of the Tribunal. Subject to Minister's direction, the Ministry intends to, by December 2024, conduct jurisdictional research, policy analysis, risk analysis and complete targeted internal consultations, as appropriate; and conduct external targeted and broader stakeholder/public consultations as necessary.

Recommendation 19

To measure its own achievements and to inform the public on the effectiveness of its key activities, we recommend that the Condominium Management Regulatory Authority of Ontario:

- *establish appropriate targets for performance indicators for its key activities, including time taken to process condo manager licence applications and time taken to resolve complaints against licensed managers;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Management Regulatory Authority had not established targets and, therefore, did not measure its performance effectiveness against targets for key activities such as licensing, resolving licensee complaints, and conducting inspections and investigations of condo managers and companies.

In our follow-up, we found that the Management Regulatory Authority established performance measures and targets for key service areas for licensing and complaints. These performance measures were published in its 2021/22 business plan. For processing licensing applications, the Management Regulatory Authority has committed to processing licence applications within the following service standards:

- 95% of Limited License applications processed within five business days;
- 95% of General License applications processed within 10 business days; and
- 90% of management provider businesses applications processed within 30 business days.

For complaints, the Management Regulatory Authority has committed to resolving 80% of its complaints within the following service standards:

- initial assessment of complaint: 10 business days including initial contact with complainant within five business days;
- information gathering: 30 business days; and
- review and decision: 20 business days.

- *collect the data relevant to the targets established;*

Status: Fully implemented.

Details

In our 2020 audit, we found that although the Management Regulatory Authority tracked activities internally, it had not set targets for, for example, the numbers of licences applied for versus approved by the Management Regulatory Authority, turnaround time for completing licence applications, the resolution rate of complaints received, and turnaround time for resolving complaints.

In our follow-up, we found that the Management Regulatory Authority in early 2021 made

enhancements to its customer relationship management system to ensure that the required data is captured to measure performance against published service standards. It collects data in its customer relationship management system for each complaint filed and each licence application submitted. In August 2021, the Management Regulatory Authority began tracking data in order to measure performance against service standards for each stage of the complaints handling process. It also began tracking data to measure performance against the licensing service standards in September 2021.

- *assess its performance against the targets periodically;*

Status: Fully implemented.

Details

In our 2020 audit, we found that without performance targets, neither the Management Regulatory Authority, the public nor the Minister of Government and Consumer Services could measure the Management Regulatory Authority's efficiency and effectiveness in achieving its mandate.

In our follow-up, we found that the Management Regulatory Authority has been assessing performance against the published targets since August 2021 (for complaints) and September 2021 (for licence applications).

With respect to its complaints processing service standards, for the period August 2021 to January 2022, the Management Regulatory Authority underperformed in having met its initial five-day response to complainants only 78% of the time, which is below the established 80% service standard. For the period August 2021 to February 2022, the Management Regulatory Authority similarly underperformed in the remaining complaints processing areas:

- initial assessment stage within 10 business days of receiving complaint with actual performance of 64% compared to the established service standard of 80%;
- complete information gathering stage within 30 business days of completing initial assessment

stage with actual performance of 77% compared to the established service standard of 80%; and

- complete review and decision stage within 20 business days of completing Information gathering stage with actual performance of 76% compared to the established service standard of 80%.

With respect to its licence application service standards, for the period September 2021 to March 2022, the Management Regulatory Authority was performing at one to two percentages below its established standards of 95% for processing licence applications.

- *provide the Minister of Government and Consumer Services and the public with its performance results;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Management Regulatory Authority did not meet its obligations to provide the Minister with variance information comparing targets to results and explaining the variances in accordance with the administrative agreement.

In our follow-up, we found that the Management Regulatory Authority publicly reports its performance results and service standards as part of its 2021/22 annual report. The annual report was published in August 2022 and is available on the Management Regulatory Authority website.

- *take corrective action when actual results do not meet targets.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Management Regulatory Authority had not established targets and, therefore, did not measure its performance effectiveness against targets for key activities such as licensing, resolving licensee complaints, and conducting inspections and investigations of condo managers and companies.

In our follow-up, we found that the Management Regulatory Authority, in response to underperforming

with regard to its initial five-day response to complainants' service standard, adjusted its business process such that the initial response to complainants would be performed at the point of intake. Previously, this function was performed by complaint co-ordinators after they were assigned the file. This process change was implemented in January 2022 and has resulted in improved performance against the standard to 97%, compared to a standard of 80%, as of March 2022.

For the remaining complaint service standards, the Management Regulatory Authority upgraded its customer relationship management system by implementing a new dashboard in September 2022 that its complaint staff can use to monitor the status of a complaint so that they can better track and organize their files.

For the licensing service standards, the Management Regulatory Authority analyzed cases that had missed the service standards and used the information to establish a standardized list of reasons in October 2022 that will be used to track why a licence application missed the standards.

Recommendation 20

In order to meet the administrative requirement between the Minister of Government and Consumer Services (Ministry) and the Condominium Management Regulatory Authority of Ontario (Management Regulatory Authority), we recommended that the Ministry reach an agreement with the Management Regulatory Authority on appropriate performance measures regarding fulfilment of its mandate.

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

Details

In our 2020 audit, we found that although the Management Regulatory Authority had provided performance measures to the Ministry in accordance with the administrative agreement regarding fulfilment of its mandate, the Minister had not yet approved these performance measures.

In our follow-up, we found that the Ministry is planning to establish a new framework for performance measures that would apply to most administrative authorities under the Ministry's oversight. In the meantime, the Ministry expects to be working with the Management Regulatory Authority in 2022 to bring forward the Minister's approved performance measures for the Management Regulatory Authority by December 2022. The Ministry is also planning to work with the Management Regulatory Authority on any changes at such time a broader performance framework is to be introduced for administrative authorities.

Chapter 1

Section 1.11

Ministry of Public and Business Service Delivery

Follow-Up on 2020 Value-for-Money Audit:

Electrical Safety 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	3	3				
Recommendation 2	3	3				
Recommendation 3	3	2		1		
Recommendation 4	1	1				
Recommendation 5	2	2				
Recommendation 6	2		2			
Recommendation 7	3	3				
Recommendation 8	3	3				
Recommendation 9	1	1				
Recommendation 10	1	1				
Recommendation 11	2	1				1
Recommendation 12	3	1	2			
Recommendation 13	1		1			
Recommendation 14	2	2				
Recommendation 15	2	1	1			
Recommendation 16	1	1				
Recommendation 17	2		2			
Recommendation 18	1		1			
Recommendation 19	2	2				
Recommendation 20	3	3				
Recommendation 21	1	1				
Recommendation 22	1	1				
Recommendation 23	3	3				
Recommendation 24	1	1				
Recommendation 25	3		3			
Total	50	36	12	1	0	1
%	100	72	24	2	0	2

Overall Conclusion

The Electrical Safety Authority (ESA) and the Ministry of Public and Business Service Delivery (formerly the Ministry of Government and Consumer Services), as of September 30, 2022, have fully implemented 72% of actions we recommended in our *2020 Annual Report*. The ESA and the Ministry have made progress in implementing an additional 24% of the recommendations.

The ESA has fully implemented recommendations such as further developing its risk-based inspection approach so that it will result in fewer inspections of low-risk installations and more inspections of higher-risk installations. The ESA reviewed its fee schedule and reduced the fee for inspecting installations related to residential renovations, which is the highest type of installations notified by the homeowner, by 34% from \$189 to \$124. High fees can discourage homeowners from requesting an inspection and defeats the ESA's objective of improving public safety. The ESA took a number of initiatives to reduce its operating cost. In an effort to reduce the travel and meal expenditure, effective February 2021, ESA staff are no longer permitted to purchase meals for members of the stakeholder communities ESA regulates, including licensed electrical contractors. The ESA also implemented a formal process to remote inspections thus reducing travel cost. The ESA developed inspection standards and checklists and made these documents publicly available on its website. The ESA also established a new policy to inform its inspectors when follow-up inspections must be completed. The Ministry worked with the ESA to assess the appropriateness of the ESA's general inspection program. The general inspection program was discontinued in April 2022 to ensure that regulatory inspections were not negatively impacted by general inspection services that, by law, are not required to be completed by the ESA. The ESA has publicly disclosed the compensation of its Board members. In addition, another 24% of recommendations are in the process of being implemented including introducing a new scheduling tool to ensure that inspectors are given the time

needed to properly conduct all assigned inspections and reduce the number of rescheduled inspections.

However, the ESA has made little progress on one of the recommendations (2%), including negotiating with the union representing inspectors to more closely align its reimbursement policy with the Ontario government's Travel and Meal Reimbursement Directive to allow for meal reimbursements, which is due to the timing of union negotiations. The ESA informed us that the next round of bargaining negotiations will take place in 2023. The ESA will work with the union on a review of the reimbursement policies. One recommendation is no longer applicable.

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

Background

The Electrical Safety Authority (ESA) was established in 1999 with a mandate to improve public electrical safety in Ontario. In Ontario, it is against the law to put in almost all electrical installations without notifying the ESA. Only licensed electrical contractors can put in installations for the public, with two main exemptions: homeowners can put in installations in their own homes, and an owner or an employee can put in installations within an industrial facility or on a farm.

Among its mandated responsibilities, the ESA licenses electrical contractors and master electricians, and investigates and prosecutes illegal electrical installations.

The ESA is self-funded through the fees that it charges for its legislatively mandated inspections and other services; it does not receive any government funding. The Ministry of Public and Business Service Delivery (formerly the Ministry of Government and Consumer Services) is responsible for overseeing the ESA. The ESA employs about 530 people and is unionized.

Overall, in 2020 we found that the state of electrical safety in Ontario had improved over the previous 10 years; however, the ESA was not operating effectively and in a cost-efficient way. For example, the ESA

conducted many unnecessary inspections, and for many years it did not adopt technology that could have made its inspection process less costly.

We also found that the ESA's operations were not fully effective in inspecting for public electrical safety. For instance, until we identified and informed the ESA that its computer system (which tracks unsafe electrical installations) was displaying inaccurate information, the ESA did not know that its inspectors were not following up on thousands of inspected unsafe electrical installations.

Our significant findings included:

- The ESA conducted unnecessary inspections that did not contribute to improved public safety. In 2011, the ESA sought to implement a risk-based inspection approach. Such an approach would allow the ESA to focus on high-risk installations, and reduce the number of its inspections without jeopardizing public electrical safety. According to our expert, many routine and simple installations, especially those done by experienced contractors, did not require an inspection to be deemed safe. The ESA, however, did not adopt this approach in 2011 because it was not successful in negotiating with the union that represents the ESA's inspectors. The inspectors did not support it out of concern for job losses. On July 6, 2020, after agreeing not to reduce its workforce, the ESA did implement a new risk-based inspection approach aiming to reduce its inspections by 10%. However, going by past performance, there was little assurance that inspectors will prioritize high-risk inspections. We further found that prior to July 2020, the ESA had been passing 11% of its inspections without actually conducting them. In essence, the ESA was not reducing its inspections to become more efficient, but would conduct the same number of inspections to continue to generate enough revenue to fund its workforce and operations. Salaries and benefits to fund the workforce totalled about \$90 million in the 2021/22 fiscal year (\$89 million in 2019/20). Inspection fees accounted for \$93.6 million (\$90 million in 2019/20), or 81% (80%), of the ESA's total fee revenue of about \$115.8 million (\$113.3 million).
- The ESA could use technology to make its inspection process less costly. Many inspections of electrical installations can be done remotely by examining photos or videos of the installation. This saves inspector travel time and vehicle costs. The ESA began formally accepting remote inspections in April 2020, on a temporary basis, as a result of the COVID-19 pandemic. We found, using actual driving distance information reported by all ESA inspectors for the 12-month period from April 2019 to March 2020, that inspectors on average spent about 30% (2.5 hours) of their eight daily working hours in a car, driving an average of about 130 kilometres between inspection sites.
- The ESA could save approximately \$300,000 to \$500,000 annually if it followed the government's meal reimbursement policy. The ESA allows its inspectors to claim daily lunch expenses when they are in the field conducting inspections. The ESA did not use the Ontario government's meal reimbursement policy, which caps lunch reimbursements at \$12.50 (including tax and gratuities). Instead, inspectors were allowed to spend any "reasonable and appropriate" amount on lunch, at their discretion. In the 2019/20 fiscal year, they spent an average of \$20 (including tax and gratuities) for each lunch, totalling about \$1.3 million, or about \$4,800 per inspector. About 80% of approximately 40,000 lunch reimbursements in the 2019/20 fiscal year exceeded \$12.50. We estimated that if the ESA had used the meal reimbursement policy's cap in 2019/20, it could have reduced its costs by about \$300,000 to \$500,000 in that year.

Status of Actions Taken on Recommendations

We conducted assurance work between March 2022 and September 2022. We obtained written representation from the Electrical Safety Authority and the Ministry of Public and Business Service Delivery (formerly the Ministry of Government and Consumer Services) that effective November 18, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Operational Inefficiencies

Recommendation 1

To enable the resources of the Electrical Safety Authority (ESA) to be used more efficiently and effectively to improve public electrical safety, we recommend that the ESA:

- *refine and further develop its new risk-based inspection approach so that it will result in fewer inspections of low-risk installations and more inspections of higher-risk installations;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA's inspection approach since its inception has been to inspect most electrical installations it is notified of, without prioritizing high-risk installations over routine and simple installations, resulting in inefficient use of resources. By comparison, the authority in British Columbia, Technical Safety BC, inspects only 20% of installations that it is notified about, and has been using a risk-based approach for about 15 years. At the time of our audit, the ESA was in the process of implementing a new risk-based inspection approach that would both focus on high-risk installations and reduce the number of inspections.

In our follow-up, we found that the ESA fully implemented a risk-based inspection approach in 2020 and has been inspecting installations notified based on

their risk. The ESA's system is programmed to identify higher-risk installations by considering a number of factors such as the past performance of the licensed electrical contractor, the location and complexity of the installations, as well as other factors.

- *set a target for the reduction of low-risk inspections and publicly report on its performance against this target;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA's objective was to reduce its overall inspection rate from 67% to 57%, by reducing the inspection of low-risk notifications.

In our follow-up, we found that the ESA had established a target of 20% to inspect low-risk installations and it also reduced its overall inspection rate from 67% to 54%. Although the overall inspection rate has been reduced to 54%, the inspection rate of low-risk notification is still above its established target of 20%. The ESA informed us that according to its current business rules, even some low-risk installations require inspections. For example, wiring a new house is a low-risk installation; however, the ESA's current business practice requires its inspectors to visit the house at least once before it is occupied. The ESA has implemented a process to continually monitor the inspection rate for each of its risk categories (low, medium and high) and these inspection rates will guide the ESA to revisit the business rules and recommend adjustments to assist in reaching the target of 20%. We also found that the ESA started to report publicly on its performance against the target for each category on its website, effective October 2022.

- *wherever possible without jeopardizing public electrical safety, conduct its inspections remotely.*

Status: Fully implemented.

Details

We found in our 2020 audit that almost all the inspections were done by in-person observations, a much less efficient inspection method for more straightforward

installations. Organizations similar to the ESA in British Columbia, Alberta, Manitoba and the Northwest Territories have for years been using photos and videos to inspect some installations (some for as long as 10 years). We also found that the ESA could significantly reduce the \$4 million it currently pays to operate the 310 vehicles its inspectors use by doing remote inspections.

In our follow-up, we found that the ESA put in place processes to facilitate remote inspections and performed approximately 20,000 remote inspections between April 1, 2021 and August 31, 2021. At the start of each day, the computer system sends each inspector a list of the notifications that they can visit that day, with each being risk rated. The inspector has the option to conduct the inspection in-person or remotely depending on the complexity of the installation and other factors. Photographs and videos received as part of remote inspections are saved in a central repository. The ESA is also in the process of collecting information from remote inspections to further refine its remote inspection process.

Recommendation 2

To enable the resources of the Electrical Safety Authority (ESA) to be used effectively and efficiently to improve public electrical safety, we recommend that the ESA:

- *review the fees the ESA charges for homeowner installation inspections with an aim to maintain public compliance with electrical safety laws;*

Status: Fully implemented.

- *revisit the fee model as a whole to identify where fees can be reduced;*

Status: Fully implemented.

Details

We found in our 2020 audit that the ESA charges high inspection fees for its highest-risk installations, which are the ones done by homeowners themselves. According to our expert, installations done by homeowners, as opposed to those completed by experienced contractors, have a higher likelihood of being done incorrectly and being unsafe. Our audit found that the ESA's inspection fees for these installations are higher and,

in some cases, more than double what contractors are charged for the same inspection. This can discourage homeowners from requesting an inspection and defeats the ESA's objective of improving public safety.

In our follow-up, we found that the ESA completed a review of its fee schedule to identify where fees can be reduced. The ESA reduced the fee for inspecting installations related to residential renovations, which is the highest type of installation notified by the homeowner, by 34% from \$189 to \$124. Similarly, the ESA also reduced a number of fees related to some common installations notified by licensed electrical contractors. The ESA also undertook a jurisdictional review to compare the licensing fees it charges its registrants, as well as the inspection fees it charges both licensed electrical contractors and homeowners for some common electrical installations such as kitchen renovations, bathroom renovations, and new wiring of houses. The ESA's fees for both licensing and inspection, on average, were lower in comparison to British Columbia and Alberta.

- *identify and implement changes to streamline its operations and reduce operational costs.*

Status: Fully implemented.

Details

In 2015, the Ministry hired a consultant to look for cost savings and efficiencies at eight delegated authorities that it oversaw. The consultant found that the ESA was the delegated authority with the highest amount of expenditures, mostly due to its large unionized workforce with high salaries. Specifically, the consultant found that in 2013, of the eight delegated authorities, the ESA had the highest number of full-time staff (445) and, while it collected the highest total fees (about \$94 million), it also had the greatest expenses, mostly attributable to salaries and benefits. In our audit in 2020, we found that the ESA is still the most costly delegated authority, with \$113.8 million in expenses, based on the 2018/19 fiscal year financial statements.

In our follow-up, we found that the ESA took a number of initiatives to reduce its operating costs. In an effort to reduce the travel and meal expenditure, the ESA revised its policy on meal reimbursement to more

closely align with the Ontario government's Travel and Meals Expense Directive. The ESA also implemented a formal process to conduct remote inspections, thus reducing travel costs. In addition, with the use of remote work options and flexible office arrangements, facilities and office administrative costs have also been reduced. The ESA has been leveraging technology for conducting meetings instead of booking external sites, where appropriate.

Recommendation 3

To enable the resources of the Electrical Safety Authority (ESA) to be used more effectively and efficiently to improve public electrical safety, and to avoid any perceived or actual conflict of interest, we recommend that the ESA:

- *negotiate with the union representing inspectors to more closely align its reimbursement policy with the Ontario government's Travel and Meal Reimbursement Directive to allow for meal reimbursements;*

Status: Little or no progress.

Details

We found in our 2020 audit that, the ESA allows its inspectors to claim daily lunch expenses when they are in the field conducting inspections regardless of where they work and the distance travelled in the day. We noted that inspectors that work for two other delegated authorities are not allowed to claim lunches when travelling within their assigned region.

In our follow-up, we found that the ESA had not made progress toward implementing this recommendation as meal reimbursement is part of the collective agreement. The ESA informed us that the next round of bargaining negotiations will take place in 2023. The ESA will be working with the union on a review of the reimbursement policies.

- *as soon as possible provide its inspectors with additional guidance on reasonability of meal expenses;*

Status: Fully implemented.

- *disallow any reimbursements for meals inspectors have with licensed electrical contractors.*

Status: Fully implemented.

Details

Our 2020 audit found that the ESA does not follow the Ontario government's meal reimbursement policy which caps lunch reimbursements at \$12.50 (including tax and gratuities). Instead ESA's meal policy allowed its inspectors to spend any "reasonable and appropriate" amount, at their discretion. Our analysis indicated that about 80% of approximately 40,000 lunch reimbursements in the 2019/20 fiscal year exceeded \$12.50. We noted that inspectors spent an average of \$20 for each lunch, totalling about \$1.3 million, or about \$4,800 per inspector. We also found that some inspectors claimed lunches for contractors whom they inspected and others for celebratory group inspector meals.

In our follow-up, we found that effective February 2021, ESA staff is no longer permitted to purchase meals for members of the stakeholder communities ESA regulates, including licensed electrical contractors. ESA's revised policy requires each ESA employee pay for, and claim their own meal on a separate receipt to allow ESA to accurately track the average costs of meals for employees. Through tracking, the ESA was able to determine that the average cost per inspector lunch expensed is \$15.70. Supervisors are provided with a monthly average meal expenses report for each employee for review.

Recommendation 4

To demonstrate and confirm that the Electrical Safety Authority (ESA) operates economically while improving public electrical safety, we recommend that the ESA implement the changes needed to follow all the requirements of the Ontario Government's Procurement Directive as soon as possible.

Status: Fully implemented.

Details

In our 2020 audit, we found that, in 2014, the Ministry's internal auditors reviewed ESA's compliance with the Ontario Public Sector's procurement policies and found that the ESA did not fully comply with them. Almost six years later, we found that the ESA still has not developed the required guidelines on how

to manage consultants and does not complete the required performance evaluations for its consultants.

In our follow-up, we found that, in March 2021, the ESA updated its procurement policies to include guidelines for evaluating procurement proposals, completing vendor performance evaluations, and documenting issues that arise when services are obtained.

Inspections

Recommendation 5

To improve the public electrical safety inspection process and confirm that Electrical Safety Authority (ESA) inspectors are checking installations in accordance with its new risk-based inspection policy, we recommend that the ESA:

- *put controls in place to ensure inspectors are not over-inspecting simple installations and under-inspecting more complex installations;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA inspected too many simple electrical installations instead of inspecting higher-risk and more complex installations. The ESA classified 483,000 of the 860,000 notifications it received between 2015 and 2019 as simple installations. As such, inspectors were required to inspect only 14% (68,000) of them, but in fact inspected 113,000. In other words, ESA inspectors completed 45,000 more inspections than required. In doing so, resources and time were unnecessarily expended on simple installations that could have gone toward more complex installations.

In our follow-up, we found that the ESA implemented a new risk-based inspection program in 2020 to ensure its inspectors are inspecting an installation notified based on its risk. The ESA's system is programmed to identify higher-risk installations by considering a number of factors such as the past performance of the licensed electrical contractor, the location and complexity of the installations. Visit rate targets were established for each risk rating, and are monitored monthly by management. A number of management

reports are created to allow ESA to monitor the rate at which high-, medium- and low-risk rated sites are physically inspected.

- *stop issuing certificates of inspection for installations that require a site visit but are not inspected.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the inspectors were issuing Certificates of Inspection for some installations without physically visiting the site and doing a visual inspection. In our review of inspection files between the 2014/15 and 2018/19 fiscal years, we found that the ESA issued certificates of inspections for about 133,000 uninspected installations (or for 11% of the about 1.2 million installations it was notified of) that required at least one site visit according to the ESA. The ESA collected about \$17 million in total fees for these unvisited installations.

In our follow-up, we found that the ESA revised its business process to stop issuing certificates of inspection for installations that are not inspected. According to the new process, for the installations that the ESA deems to be low risk and are not physically inspected, ESA issues a Certificate of Acceptance instead of issuing a Certificate of Inspection. A number of management reports have been created to allow ESA to monitor high- and medium-risk facilities that are receiving the required number of physical inspections before issuing the Certificate of Inspection.

Recommendation 6

To help maintain public electrical safety by conducting thorough and consistent inspections of electrical installations, we recommend that the Electrical Safety Authority (ESA):

- *change its inspection scheduling process to ensure that its inspectors are given the time needed to properly conduct all assigned inspections, and reduce the number of rescheduled inspections required that result from cancellations;*

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

Details

In our 2020 audit, we found that the ESA does not consider if its inspectors are being assigned too many inspections and if they have the time to complete them. Between the 2010/11 and 2019/20 fiscal years, the average number of inspections assigned per year to each inspector increased by 15%, from about 1,850 to 2,120. We also found that inspectors do not show up for 13% of inspections assigned to them.

In our follow-up, we found that the ESA was in the process of conducting a study to determine the level of the risk-rated work an inspector can complete in a day. In order to conduct the study, the ESA was in the process of confirming that the standard time stamps used by the inspectors are accurate. Results of the study will be used to create a new resource model that will enable ESA to design a scheduling regime where inspectors can complete the assigned work in accordance with the new inspection process. The ESA is expected to fully implement a new scheduling model by the end of 2023.

- *notify people if their scheduled inspections are cancelled.*

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

Details

We found in our 2020 audit, that the ESA does not inform contractors and homeowners waiting for an inspector that their inspection has been cancelled. It is up to the contractor or homeowner to reschedule their inspection, for which they have already paid.

In our follow-up, we found that the ESA was in the process of configuring its system to enable the inspectors to notify applicants electronically via text or email about changes to inspections. As per the current process, a message can be sent to customers informing them of a two-hour time window for the inspection or that the inspector is on their way. However, the ESA has not started using the functionality to notify customers of cancelled inspections. At the time of our follow-up work, the ESA was in the process of adapting this function so the system can send an electronic notification automatically when an inspection is cancelled by the

inspector. The ESA informed us that this function will be fully implemented by December 2022.

Recommendation 7

To help maintain public electrical safety through thorough and consistent inspections of electrical installations, we recommend that the Electrical Safety Authority:

- *develop inspection standards and checklists as soon as possible;*

Status: Fully implemented.

- *make its inspection standards and checklists publicly available;*

Status: Fully implemented.

Details

In our 2020 audit, we found that while ESA inspectors follow an inspection checklist for general inspections, the ESA has not developed such a checklist for its regular and periodic inspections, which account for more than 90% of total inspections. Our expert told us that if the ESA had inspection checklists and made them publicly available, contractors and homeowners would better understand the inspection process and what inspectors look for, which in turn would help them put in installations safely in the first place.

In our follow-up, we found that the ESA has developed checklists for most common installations. It also updated its website to make these checklists publicly available.

- *establish a monitoring process to ensure that the new inspection standards are being followed.*

Status: Fully implemented.

Details

We found in our 2020 audit that Technical Safety BC inspectors use checklists to perform their electrical inspections. These checklists are built into the system inspectors use to document their inspection results. By having a standardized checklist available and integrated into the system, the ESA can ensure proper documentation and inspections standards are followed.

In our follow-up, we found that, to ensure inspection standards are being followed, the ESA established

an ongoing review process of employee adherence to the inspection checklist and standards as part of periodic performance discussions. To make sure these discussions are taking place, the ESA also developed a metric in its departmental scorecard. The metric requires at least 95% of inspectors to have a documented review of performance against inspection standards completed by the end of each fiscal year.

Recommendation 8

To protect the public from fire, electrocution and other possible harm from unsafe installations, we recommend that the Electrical Safety Authority:

- *establish one clear policy on when follow-up must be conducted, addressing both regular and periodic inspections;*
Status: Fully implemented.
- *test its computer systems for correct functioning, and accurate processing and display of all inspection information;*
Status: Fully implemented.
- *monitor that inspectors are doing follow-up inspections within the set timelines and that unsafe installations are fixed within the required time.*
Status: Fully implemented.

Details

In our 2020 audit, our review of all of the 11,722 open inspection files on unsafe installations found that 30% (3,449) had not been followed up on within the required time frame. When we further analyzed the 3,449 files, we found that 80% (2,764) were periodic inspections, with 40% (1,105) having been open (unresolved) for more than two years and some open for as long as 10 years. We also found that the ESA had two policies for when inspectors are supposed to follow up on unsafe installations found during periodic inspections. One of the policies requires follow up within one year, while the other policy gives inspectors discretion over the length of time. In addition, the computer system was also not displaying all the inspections its inspectors were supposed to follow up on. As a

result, some unresolved inspections spanned as long as 10 years.

In our follow-up, we found that the ESA established a new policy to inform its inspectors when follow-up inspection must be completed. According to the new policy that came into effect in April 2021, customers, businesses, homeowners, and licensed electrical contractors are all required to fix electrical deficiencies as soon as possible. High-risk defects that pose a serious/immediate risk are followed up in 14 days or less. Medium and low-risk defects are followed up within 90 days after the defect is written. If the defects are still not corrected after 90 days, the Senior Inspector is to determine the next course of action. We also found that the ESA implemented a corrective action to resolve the computer issues so that ESA inspectors are able to see all outstanding defects. To ensure follow-up inspections are conducted in accordance with the established time frame, the ESA developed a new report to indicate the percentage of defects cleared within its established timeline. This report is reviewed on a monthly basis.

Recommendation 9

To enhance public electrical safety, we recommend that the Electrical Safety Authority (ESA) verify that industrial facilities that switch from periodic to regular inspections are notifying the ESA of all of their electrical installations.

Status: Fully implemented.

Details

Our audit in 2020 found that 11 of the 12 companies that switched from periodic inspection to regular inspection reported a much lower number of installations than when they were periodically inspected. Industrial facilities that are on periodic inspection are required to record each installation in a log. The ESA will then periodically (usually once a year) visit such facilities and inspect a sample of the logged installations. Companies that are on periodic inspection can switch back to regular inspections at their discretion. If they do, they are required to notify the ESA of every installation put in. We found that the ESA was not

monitoring companies that switch back to regular inspections are complying with this requirement.

In our follow-up, we found that the ESA implemented a new process in April 2021 to monitor if facilities are taking out electrical permits after they have switched from periodic inspection to regular inspections. According to the new process, within six months after switching from periodic inspection to regular inspections, the ESA compares the notification history to the expected work activity and decides if the facilities are complying. The facilities that switch from periodic inspection to regular inspections are monitored for a period up to one year.

Recommendation 10

To enhance public electrical safety, we recommend that the Electrical Safety Authority (ESA) promptly act to implement all of the action items from the consultant reviews of the ESA's oversight of local distribution companies (distributors) that have not yet been implemented.

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA had paid a consultant \$26,000 to review its oversight of distributors for the period from 2012 to 2016. The consultant completed the review in June 2018 and provided the ESA with 76 specific suggestions on how to fix deficiencies found in the oversight process. Nine months later, in March 2019, the ESA paid \$34,000 to another consultant to review and prioritize the 76 action items, which were rolled into 54 action items. In May 2020, we reviewed the ESA's progress in implementing the 54 action items and found that 22, or 41%, of them had not yet been implemented, including the following:

- The ESA does not require distributors to submit any evidence that non-compliances, including unsafe installations found by its inspections, were fixed.
- The ESA does not consistently collect information on serious electrical incidents that distributors must report to the ESA within 48 hours. Information such as a description of the incident, the nature of the incident, the possible

cause of the incident, the incident date and time, and when the incident was reported to the ESA is not being collected and documented.

- The annual declaration of compliance received by the ESA was not always signed by the appropriate person with the required signing authority.
- The ESA does not have inspection standards, and some of the inspections are poorly documented.

In our follow-up, we found that the ESA fully implemented the remaining 22 recommendations. The ESA has developed accident reporting guidelines to assist local distribution companies (distributors) in reporting serious accidents. The ESA also implemented an online reporting system. Effective September 2022, distributors are able to report the serious electrical incidents through the ESA website. The ESA also revised its annual declaration of compliance form to ensure it is signed by an appropriate person. In addition, the ESA also implemented new inspection standards and policies to ensure inspections are conducted consistently. Further, non-compliances found by the inspections are also followed up to ensure they are fixed.

Non-mandatory Inspections

Recommendation 11

To ensure regulatory inspections are not negatively impacted by general inspection services that are not required by law, we recommend that:

- *the Ministry of Government and Consumer Services assess the appropriateness of the Electrical Safety Authority conducting general inspection services to the public and stop them immediately if it finds this is inappropriate;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA favours general inspections over regular inspections, which ESA is responsible for by law. General inspections can be performed by any licensed electrical contractor, and the ESA is not required by its regulatory responsibilities to perform such inspections. We also found that when

the ESA competes with services that are also offered by contractors, there is a risk that the ESA is using its authority as a regulator to create an unfair business advantage. This is not in line with the requirements set out in ESA's administrative agreement with the Ministry, which states that the ESA should not use its authority as a regulator to undertake work that creates an unfair business advantage.

In our follow-up, we found that the Ministry worked with the ESA to assess the appropriateness of the ESA's general inspection program. The ESA, together with stakeholder groups, had completed an analysis of its general inspections program to provide advice to the Ministry on how services should be provided in the future. It was determined that general inspection services were better suited to being provided solely by licensed electrical contractors. As a result of this analysis, the ESA proposed that it discontinue offering the general inspection services to the public, and the Ministry reviewed the proposal and accepted ESA's recommendation. As such, effective April 2022, ESA had discontinued offering its general inspection services.

- *the Electrical Safety Authority follow up on any instances of non-compliance with the Ontario Electrical Safety Code in a timely manner, if general inspection services continue to be offered to the public.*

Status: No longer applicable.

Details

We found in our 2020 audit that ESA inspectors are not required to follow up and check to see if unsafe installations found during its general inspections, even those that are high risk, are ever fixed. Instead, all general inspection files are automatically closed and archived 60 days from the date of the inspection. Our analysis of all of the 3,580 archived general inspection files from the 2018/19 fiscal year identified that just over 15%, or 556, of the inspection files had been found to be unsafe by the ESA, including three that posed a serious risk of fire and/or electrocution.

In our follow-up, we found that the ESA had followed up on and cleared instances of non-compliances found from its general inspections. Additionally, ESA

has discontinued offering general inspection services to the public as of April 2022.

Illegal Electrical Installations

Recommendation 12

To improve compliance with electrical safety laws and reduce the number of illegal electrical installations, we recommend that the Ministry of Government and Consumer Services together with the Electrical Safety Authority and industry stakeholders:

- *reassess the current restrictions in Ontario where electrical work for the public can only be conducted by licensed electrical contractors to determine if other arrangements are possible for certified electricians and master electricians;*

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

- *determine whether certified electricians or master electricians can be allowed to perform lower-risk installation work.*

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

Details

In our 2020 audit, we found that only ESA-licensed electrical contractors can offer electrical services to the public; certified and master electricians cannot. We also found that the law that prohibits certified electricians and master electricians from offering their services to the public is one of the contributing factors to the widespread problem of illegal electrical installations. The expert from our 2020 audit informed us that to supplement their income from performing electrical work through a licensed electrical contractor, many certified electricians and master electricians do illegal installations directly, instead of through a licensed electrical contractor as required by law.

In our follow-up, we found that the ESA had completed a review of its current licensing framework, including conducting jurisdictional research, and consulting with stakeholder groups to seek feedback on lower-risk categories of electrical work, and to evaluate

whether this work could be performed by certified and/or master electricians. Based on the review, the ESA concluded that electrical work, even lower-risk electrical work, should not be performed by certified electricians or master electricians, unless they are working under a licensed electrical contractor, as it believes it will create a larger risk to public safety and will encourage more illegal electrical work, and recommends that the licensing framework remain as is. The final decision on how to proceed based on the ESA's recommendation will be determined by the Ministry.

- *We also recommend the ESA in consultation with industry stakeholders review and establish reasonable licensing and inspection fees to address the illegal electrical installation market.*

Status: Fully implemented.

Details

In our 2020 audit, we found that it is also illegal for anyone to do any electrical installation without notifying the ESA. However, it costs much less for the public to do electrical work when the ESA is not notified, as individuals performing work illegally avoid costs of licensing with the ESA, as well as the ESA inspection fees, which allows them to offer more competitive prices. We found that some licensed contractors are also willing to contravene the law and perform electrical installations for a lower price if the ESA is not notified.

In our follow-up, we found that the ESA conducted a jurisdictional review of its current licensing and inspection fee framework, comparing the fees that it charges both licensed electrical contractors and homeowners with those of British Columbia and Alberta. The review included comparing the licensing fees it charges its registrants for new registration and licence renewal, as well as the inspection fees it charges both licensed electrical contractors and homeowners for its most common renovation work, including kitchen renovations, bathroom renovations, and new wiring for homes. The ESA found that both its licensing fees and its inspection fees were lower in comparison to these jurisdictions. In addition, with the implementation of its Risk Based Oversight program, the ESA has reduced

the inspection fees it charges both licensed electrical contractors and homeowners for its main renovation categories, including residential and commercial renovations. For example, the ESA inspection fee charged for residential renovation work conducted by homeowners decreased by 34%, from \$189 to \$124.

Recommendation 13

To reduce the occurrence of illegal electrical installations, we recommend that the Ministry of Government and Consumer Services together with the Electrical Safety Authority work with municipalities to determine whether the ESA inspections can be incorporated into the building permit assessment process.

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

Details

In our 2020 audit, we found that there is little incentive for homeowners to ensure that electrical installation services obtained are inspected by the ESA, because ESA inspections are not considered by insurance companies that offer home insurance, as well as municipalities that issue permits for renovation work. We contacted five Municipal Chief Building Officials, who told us that during the building permit approval process for home renovation work, they do not check if those taking out building permits have notified the ESA of their electrical installations, nor do they require proof of the ESA inspection when they do a municipal inspection of the completed renovation.

In our follow-up, we found that the Ministry and the ESA have had discussions with the Ministry of Municipal Affairs and Housing (MMAH) and select municipalities to gain an understanding of the building permit process, and to identify potential approaches of linking both the building permit and electrical inspections processes to limit illegal electrical installations. The Ministry and ESA had also conducted jurisdictional research on building code and electrical legislation and regulations across Canada, to determine if requirements exist to link electrical inspections with their building permit processes. The ESA will submit a final report and recommendation on assessing how ESA

inspections could be incorporated with the building permit assessment process for Ministry consideration in November 2022.

Recommendation 14

To enhance public awareness about the risks associated with hiring unlicensed electrical contractors, we recommend that the Electrical Safety Authority:

- *re-evaluate its approach to public awareness campaigns to better inform the public on the risks of hiring an unlicensed contractor;*

Status: Fully implemented.

Details

In our 2020 audit, we found that since 2015, the ESA has spent \$2.3 million on public awareness campaigns specifically targeting the risks of not hiring a licensed electrical contractor. However, surveys conducted by the ESA over the last five years (2015–2020) found that a majority (80%) of homeowners had not seen, heard or read anything advertised or publicized about electrical safety, or the Electrical Safety Authority.

In our follow-up, we found that the ESA hired a third party to review, analyze, and make recommendations regarding ESA's communication strategies and campaigns to both registrants and consumers over the last five years, as well as undertake a survey to measure the impact of its current campaigns for homeowners. A set of recommendations was provided to the ESA as a result of this review on how its communication strategies should be approached, including recommending that ESA leverage its existing communication and campaign platforms over longer periods of time, conduct more frequent campaign measurement research to collect more data from the public and better utilize ESA's website and various social media platforms to amplify campaign materials. As a result of this review and its recommendations, a new Communications Campaign Integrated Plan was developed that will be executed by ESA throughout fiscal 2022–2024. The plan highlights the areas and content that the ESA should focus its awareness campaigns on, including identifying the differences between licensed electrical contractors, master electricians and certified

electricians, and the risks of hiring unlicensed contractors; the various audience targets they should direct their messaging toward; and the means in which their content should be distributed, including using paid advertising through social media platforms, and owned campaign platforms such as the ESA's website.

- *educate the public on the differences between a certified electrician, master electrician, and a licensed electrical contractor.*

Status: Fully implemented.

Details

We found in our 2020 audit that the same surveys conducted by the ESA over the last five years (2015–2020) found that, on average, almost half (46%) of homeowners surveyed each year did not know that it is illegal for certified electricians to offer installation services, and that only licensed contractors should be hired to do that work. The ESA has not undertaken any public awareness campaigns to inform the public of this specific risk as well.

In our follow-up, we found that the ESA utilized the third-party provider to conduct a survey of homeowners to assess their awareness and level of knowledge on the differences between a certified electrician, master electrician and licensed electrical contractor, and the results were then used to assess and modify ESA's consumer awareness campaigns accordingly. The survey indicated that while some consumers have heard of certified electricians, master electricians and licensed electrical contracting businesses individually, a great majority of them were unaware of the differences between them. As such, the ESA focused its consumer awareness efforts toward educating homeowners on what certified electricians, master electricians and licensed electrical contractors are, and highlighting the key differences between them and their oversight. This included updating its own web page to highlight this information, digitally advertising through social media platforms, publishing community newspaper articles, and working with another third-party provider to post electrical safety videos.

Licensing Electrical Contractors and Master Electricians

Recommendation 15

To significantly reduce widespread illegal electrical installations, we recommend that:

- *the Ministry of Government and Consumer Services enable the Electrical Safety Authority (ESA) to directly issue monetary fines;*

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

Details

In our 2020 audit, we found that while ESA investigators are given the power to investigate, execute search warrants, and compel evidence, the ESA does not have the power to directly issue monetary fines to anyone. Having the power to issue fines will allow the ESA to more efficiently target illegal installations without going through lengthy court proceedings.

In our follow-up, we found that the Ministry, supported by jurisdictional research and stakeholder consultation, implemented legislative amendments and is developing the associated regulatory framework that would allow the ESA to issue administrative monetary penalties. The Ministry has drafted regulations which contain the details of the ESA's proposed monetary penalty regime. These draft regulations are subject to government planning, decision-making, and approval, which is expected to be completed by January 2023. A transition plan will be implemented by ESA to provide time for impacted stakeholders to be made aware of the new requirements.

- *the ESA dedicate sufficient resources to review and follow up on all reported cases of illegal electrical installations.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA primarily relies on its inspectors to identify illegal electrical installations. However, we noted that just over 80%, or 168, of 205 inspectors whom we surveyed, indicated that they do not have the time during their workday to

look out for offenders. Furthermore, almost half (45%, or 93) of 205 surveyed inspectors said that the ESA's current process to stop and prevent illegal installations is ineffective.

In our follow-up, we found that the ESA's licensing department conducted a review of its oversight and enforcement processes to determine a systematic approach for reviewing and following up on illegal installations, and identifying gaps in ESA's current processes of doing so. This included reviewing and assessing the licensing department's resources and staffing levels, to ensure that the ESA is dedicating sufficient resources to review and follow up on cases of illegal electrical installations. As a result, the ESA improved its enforcement processes so that it follows up on all reports of illegal electrical activity as soon as the ESA is notified. The licensing department also added two customer service representatives to support the review and processing of all reports of illegal electrical installations to ensure follow up is done by the ESA on a timely basis.

Recommendation 16

To strengthen its Master Electrician licensing process, we recommend that the Electrical Safety Authority more frequently update the Master Electrician exam with new questions.

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA does not have a sufficient number of questions in its question banks to produce enough unique exam offerings for its Master Electrician exam. When we compared four exams, two offered in 2015 and two offered in 2018, we found that on average, 40% (32 out of 80) of the questions from the 2015 exams also appeared in the 2018 exams. We also found that since 2016, there have been over 250 repeat writers who have on average attempted the exam two to three times.

In our follow-up, we found that the ESA engaged an external third-party consultant to review its current question bank of 192 questions, and to review the overall framework of the exam, including reviewing the type and form of exam the ESA offers, any security

and cheating risks that can potentially occur, and the overall difficulty of the exam and its questions. In addition, the ESA formed a working group, consisting of the ESA staff and master electricians to undergo development training on question writing, who then produced 214 additional questions for the master electrician exam, bringing the total in the question bank to 406 questions. In addition, the exam bank questions will be reviewed and updated by the ESA in alignment with each new updated Ontario Electrical Safety Code going forward, being once every three years.

Recommendation 17

To enhance public electrical safety, we recommend that the Electrical Safety Authority work together with the Ministry of Government and Consumer Services to:

- *implement a continuing-education requirement as a condition of master electrician licensing;*

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

Details

In our 2020 audit, we found that while ESA updates the Ontario Electrical Safety Code every three years, the ESA does not require that master electricians complete any mandatory training to stay on top of its changes to the Ontario Code. In 2017, the ESA asked the Ministry to make continuing education for electricians mandatory, but the Ministry could not move forward because the ESA had not provided any evidence, analysis or stakeholder consultation to support its request.

In our follow-up, we found that the Ministry and ESA are working collaboratively together to consider continuing education requirements for master electricians, including undertaking jurisdictional research of various continuing education models, and holding consultations open to all master electricians and licensed electrical contractors, and stakeholder groups, in the province to obtain their feedback on potential continuing education requirements. The ESA had submitted a draft proposal on a continuing education model to the Ministry, proposing a hybrid continuing education model where both the ESA and third parties deliver compulsory courses, and that the ESA oversees the

accreditation of these third parties. Subject to stable availability of accessible courses provided by third parties, the intention is to eventually transition into a full third-party delivery of the courses over time, with the ESA only developing the curriculum requirements and overseeing accreditation of third-party providers. The ESA also proposed that the requirement to take mandatory continuing education be once every three years for all licensed master electricians. The Ministry conducted stakeholder consultation to obtain input on the proposed continuing education model. The Ministry is currently developing a proposal for government decision-making, including a proposed regulatory framework that considers stakeholder input received, as well as the proposal submitted by the ESA. A transition plan will be implemented by ESA to provide time for impacted licencees to be made aware of the new requirements.

- *work with the body that oversees the certification of electricians to discuss implementing a requirement for continuing education.*

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

Details

In our 2020 audit, we found that the Ontario College of Trades, the authority that oversees certified electricians, does not have any continuing education requirements for certified electricians as well.

In our follow-up, we found that the Ministry has conducted preliminary discussions with the Ministry of Labour, Immigration, Training and Skills Development (formerly the Ministry of Labour, Training and Skills Development), who oversees Skilled Trades Ontario (formerly the Ontario College of Trades) and the certification of electricians, to discuss implementing continuing education for certified electricians. The Ministry will continue to work with the ESA and the Ministry of Labour, Immigration, Training and Skills Development to share the feedback received from stakeholders during public consultations, which includes relevant feedback relating to certified electricians, to support the Ministry of Labour, Immigration, Training and Skills Development in

working with Skilled Trades Ontario to implement this recommendation.

Electrical Product Safety

Recommendation 18

In light of the wide availability of uncertified electrical products online, the Ministry of Government and Consumer Services, together with the Electrical Safety Authority and industry stakeholders, should review the current electrical product safety regulation and accordingly, adapt it to the current online market environment.

Status: In the process of being implemented by December 2025.

Details

In our 2020 audit, we found that uncertified electrical products are widely available for sale. Many products bought online are directly shipped to buyers from overseas and may not have undergone the electrical safety tests that are required in Ontario. The ESA told us that it is limited in the activities it can undertake as part of the Regulation 438/07 and due to resource constraints, resulting in reactive action as a result of specific complaints.

In our follow-up, we found that the Ministry was in the process of conducting research for potential legislative and regulatory changes. In 2021, a Product Safety Regulation Review Task Force was established to seek input and develop recommendations for changes to the Product Safety Regulations and to provide a framework for future product safety activities. The Task Force was comprised of 20 industry representatives including federal and provincial regulators, retailers, manufacturers, certification agencies and accreditation bodies. Feedback on potential approaches to product safety from the Task Force was provided to the Ministry in January 2022. The Ministry also took steps to conduct research to examine the frequency online retailers in Ontario provide certification information of electrical products sold online and the degree of ease in verifying a product's safety certification. The research concluded that there is complexity around verifying the certification of products for consumers as a result

of inconsistent tracking and reporting. The Ministry is in the process of developing a policy paper with options for a new framework in consultation with the ESA. This is the first phase of a multi-phased initiative. The first phase is expected to be completed by late 2023. The Ministry anticipates future phases of work will include broad public consultations and potential regulatory amendments for government consideration.

Recommendation 19

To enhance electrical safety, we recommend that the Electrical Safety Authority:

- *conduct a review, and develop and implement a plan to target the sale and use of unsafe electrical products in Ontario;*
- *dedicate sufficient resources to review and follow up on all reported cases of unsafe electrical products being sold in Ontario.*

Status: Fully implemented.

Status: Fully implemented.

Details

In our 2020 audit, we found investigations of uncertified electrical products were not effective. In our review of a sample of reports of uncertified electrical products, we found that files were closed with no action for 22% of reports we reviewed because the ESA was unable to contact the seller or manufacturer. In 31% of reports, the ESA closed the file after the seller said they stopped selling the product but the ESA made no effort to verify this through an inspection. In another 24% of reports, the seller or manufacturer sent a confirmation to the ESA that a product had been certified but the ESA did not check the authenticity of the label directly with the certification agency.

In our follow-up, we found that the ESA conducted a review and developed a product safety plan for the ESA to anticipate, understand and mitigate electrical product-related harms to improve safety. In implementing the product safety plan, the ESA introduced process documents to better clarify steps that should be taken before closing a file when investigating uncertified electrical products. The ESA also established a

process for monitoring online platforms to determine if uncertified electrical products are available for sale in Ontario. In addition, the ESA developed a process to collect and analyze data from a range of sources to identify and manage product safety risks. In 2021, the ESA added three full-time staff to its product safety team to support the workload.

Public Access to Electrical Safety Information

Recommendation 20

To be more responsive to the public in providing timely information on electrical safety, we recommend that the Electrical Safety Authority:

- *train staff to respond accurately and completely to all calls with technical questions and assign a sufficient number of employees to this responsibility;*
Status: Fully implemented.

Details

In our 2020 audit, we found that ESA employees who handle calls from the public are not trained to answer technical questions about electrical safety. Instead, they forward the calls to inspectors, but only if the caller has already paid for an ESA inspection; otherwise, the questions are not answered. About 50% of the inspectors we surveyed told us that they do not have time to respond to the forwarded calls.

In our follow-up, we found that the ESA launched a new page on its website in September 2021 dedicated to providing answers to frequently asked technical questions about the Ontario Electrical Safety Code. The page also has an option for the public to submit technical questions online. ESA employees that handle calls were trained to direct callers that have technical questions to submit questions through its website. ESA assigned one employee with technical expertise to answer all incoming questions.

- *review its policy to increase disclosure of information to callers about licensed electrical contractors' past performance and licence status;*
Status: Fully implemented.

Details

We found in our 2020 audit that some people call into the ESA to find out if their electrical contractor is in good standing. When we listened to a sample of live calls, we found that the ESA staff would not let callers know that their contractor's licence had temporarily been suspended and/or that the contractor had completed unsafe installations in the past.

In our follow-up, we found that the ESA reviewed its policy on disclosing information to callers and created a procedural document to clarify what should or should not be disclosed about licence holders and the rationale. The document outlines that if an electrical contractor's licence is suspended, expired, or revoked, this information should be disclosed to callers.

- *review the disclosure provided with respect to licensed entities by Technical Safety BC, and work with stakeholders to identify categories of additional information to be publicly disclosed on licensed electrical contractors.*
Status: Fully implemented.

Details

We found in our 2020 audit that Technical Safety BC publicly discloses essential information useful to the public on its website (such as performance history of contractors and inspection checklists). In contrast, the ESA does not publish this information on its online contractor directory.

In our follow-up, we found that the ESA conducted a review of information that Technical Safety BC publishes on its website and identified opportunities to expand its own information disclosure on its contractor directory. For example, if conditions are imposed on a licence holder for not notifying the ESA of electrical work or failing to request an ESA inspection, this information can be publicly disclosed. Additionally, ESA will be updating its contractor directory to include these additional categories of information.

Recommendation 21

To provide Ontarians with complete and transparent information about the state of electrical safety in Ontario, we recommend that the Electrical Safety Authority

annually report the results of its investigations of electrical safety incidents, its operational information and complete product safety information after it has been reviewed for accuracy.

Status: Fully implemented.

Details

In our 2020 audit, we found that ESA does not disclose the results of its investigations of electrical safety incidents and its operational information. For example, although the ESA determined the cause of 75% (672) of the 895 electrical safety incidents, it has not included this information in its Safety Report. The ESA also does not include in its Safety Report any of its own inspection results, such as the most frequent Code violations. Further, we found that the ESA's Safety Report did not include complete information on uncertified electrical products found during inspections. ESA inspectors report these products to the ESA's product safety department.

In our follow-up, we found that the ESA released an updated 2020 Safety Report in September 2021 to include information about its review of electrical safety incidents including how the incident occurred and the cause. The ESA also released an updated 2020 annual report in July 2021 to include more information on its inspection results including the most frequent code violations found and the pass rate of inspections. Both the Safety Report and annual report include data on product safety reports received from inspectors as well as other sources. Additionally, in its 2021 Safety Report, released in September 2022, the ESA provided a breakdown of fatalities and injuries associated with product safety incidents. Its 2022 annual report, released in July 2022, included more information about how product safety incidents are categorized by risk including factors such as product approval status, use environment, likelihood of materialization of a serious negative effect and severity of potential impact.

Recommendation 22

To support the Electrical Safety Authority (ESA) in representing the interests of consumers, we recommend that the ESA replace the CEO Board position with a member

position representing the interests of consumers.

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA Board did not have members representing consumers' interests. The bylaws which specify how many members must come from specific industries was silent on having anyone represent the interests of consumers. Furthermore, we also found that the bylaws allowed the ESA's CEO to be a Board member with full voting rights. Although the current CEO has never exercised his voting right, doing so could create a potential conflict of interest given that the Board is responsible for overseeing the CEO and approving the CEO's compensation.

In our follow-up, we found that the ESA's Board revised its bylaw to replace the Board position held by the CEO with a member representing the interests of consumers. The ESA's Letters Patent has been also amended to remove the requirement to appoint the CEO as one of the 12 Board members. A new Board member representing consumers' interests was appointed, for a term of three years, effective December 3, 2021.

Recommendation 23

To demonstrate a transparent Board appointment process, we recommend that the Electrical Safety Authority (ESA):

- *establish a documentation and recordkeeping process for the appointment of new Board members;*
Status: Fully implemented.
- *establish a process to ensure Board members are independent from the ESA's management;*
Status: Fully implemented.

Details

We found in our 2020 audit that the ESA was not able to provide us with interview notes or completed score sheets to support the appointment of all of the current Board members. When we reviewed Board members' applications, we found that one Board member indicated that they are known to many ESA staff including

the CEO. We found that given that the Board is tasked with overseeing the CEO's performance, current Board members should be independent, and without any pre-existing familiarity with the CEO.

In our follow-up, we found that the ESA's Board adopted a new process to screen and appoint new Board members on March 11, 2021. According to the new process, a candidate must declare any conflicts of interest, including those that could result in a lack of independence from ESA's management, during the application process. In addition, all members of the nomination committee must take notes and complete score sheets. The completed documents are then to be sent to the Corporate Secretary for recordkeeping purposes.

- *publicly disclose the salaries of all its Board members.*

Status: Fully implemented.

Details

In our 2020 audit, we also noted that Board members' attendance at meetings and compensation are not being publicly disclosed. In comparison, Technical Safety BC does publicly disclose this information in its annual report.

In our follow-up, we found that the ESA Board approved the posting of Board member compensation. As a result, the ESA published Board of Directors compensation for 2021 on its website. The ESA plans to publish this information every year.

Recommendation 24

To ensure that Electrical Safety Authority (ESA)'s non-mandatory services are not interfering with its responsibilities under Part VIII of the Electricity Act, 1998 and the Safety and Consumer Statutes Administration Act, 1996, we recommend that the ESA work with the Ministry of Government and Consumer Services to more precisely define and agree on the scope and level of review work that is required to be performed when engaging a third-party consultant.

Status: Fully implemented.

Details

In our 2020 audit, we found that the ESA's administrative agreement with the Ministry, that was signed in 2013, requires the ESA to hire an external consultant to periodically verify that its additional work (general inspections, electrical safety training, and the certification of electrical products) is not interfering with the ESA's mandated responsibilities, and to make the consultant's findings public. We found that the first review did not take place until October 2019, where the consultant concluded that the additional work was not interfering with the ESA's mandated responsibilities. However, our review of the report found that the ESA did not properly set the scope of work with the consultant, which resulted in some important information not being assessed. This included not reviewing ESA's inspection schedule to determine how much time was taken up by general inspections, and the impact this had on the ESA inspectors' mandated responsibilities. This also included not assessing if the ESA's expenditures were being appropriately allocated between its regulated and non-mandatory services to ensure fees earned from mandated responsibilities were not being used to cover the operating costs of its additional work.

In our follow-up, we found that the ESA, in collaboration with the Ministry, completed a review of the criteria used when engaging in a third-party review of its non-regulatory business activities. Based on the ESA's assessment of the criteria, the ESA added new criteria to be part of future-third party reviews, to ensure that the ESA's non-mandatory services are not interfering with its mandated responsibilities. These included the following:

- review the ESA's cost allocation process to ensure the ESA's expenses are being appropriately allocated between regulated and non-regulated services; and
- review and assess that regulatory lines of business are not cross-subsidizing non-regulatory lines of business in total.

Because the ESA is no longer providing general inspection services to the public as of April 2022, any criteria relating to general inspections are no longer applicable when engaging in a third-party review. The Ministry

reviewed the ESA's assessment, and supported the ESA's proposed approach and additional measures when engaging a third-party review of its non-regulated activities.

Recommendation 25

To confirm that the Electrical Safety Authority (ESA) is meeting its mandate to improve public electrical safety in a cost-effective way, we recommend that the Ministry of Government and Consumer Services:

- *establish outcome measures and performance targets for the ESA that focus on cost efficiency and safety improvement in the electricity sector;*
Status: In the process of being implemented by March 2023.
- *on a regular basis, assess the ESA's performance against these targets;*
Status: In the process of being implemented by March 2023.
- *take corrective actions when the ESA does not achieve the targets.*
Status: In the process of being implemented by March 2023.

Details

In our 2020 audit, we found that the Ministry has not set or used meaningful operational performance metrics to ensure that the ESA is operating effectively and in a cost-efficient way to carry out its responsibilities under Part VIII of the *Electricity Act, 1998* and the *Safety and Consumer Statutes Administration Act, 1996* (the Acts). The Ministry's review is limited to the number of calls the ESA receives and the number of inspections it conducts each year to measure the ESA's operational performance. However, these numbers alone cannot be used to assess how well the ESA is managing its operations.

In our follow-up, we found that the Ministry worked with the ESA to develop outcome measures and performance targets to focus on cost efficiency and safety improvement in the electricity sector. This included the Ministry completing a jurisdiction scan of similar regulators, such as the Bereavement Authority of

Ontario, the Condominium Authority of Ontario, and the Ontario Motor Vehicle Industry Council, and creating a working group with the ESA, to develop outcome measures focused on cost efficiency and public safety. As a result, the Ministry set new measures to assess the ESA's operational performance against, including:

- reducing combined critical injuries and electrical fatalities by 10% over a five-year rolling average;
- increasing the Organizational Excellence Index by 10% over five years;
- maintaining a stakeholder accountability score of 8.2 out of 10 over five years; and
- maintaining a contractor satisfaction rate of an average of 8.0 out of 10 over five years.

The Ministry told us that it plans to develop a percentage target measure of the number of high- and medium-risk notifications to be inspected by the ESA for the 2022/23 fiscal year and the ESA will use the current year to benchmark inspection volumes and determine appropriate targets accordingly. The Ministry plans to continue to work with the ESA to develop additional measures as needed. The Ministry committed to conducting a yearly assessment to evaluate the ESA's performance against its targets as part of its oversight activities. In addition, the Ministry revised the administrative agreement to include provisions which require the ESA to report to the Ministry any variances identified where the ESA does not meet its performance targets, with rationale for why the target was not met. The Ministry may also require the ESA to develop an action plan with a root-cause analysis for instances where performance targets are not met.

Chapter 1

Section 1.12

Ministry for Seniors and Accessibility

Retirement Homes Regulatory Authority

Follow-Up on Value-for-Money Audit, 2020 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	2	1	1		
Recommendation 3	3	1	2			
Recommendation 4	1		1			
Recommendation 5	4	2	1	1		
Recommendation 6	3	3				
Recommendation 7	1		1			
Recommendation 8	3	1	2			
Recommendation 9	1	1				
Recommendation 10	2	2				
Recommendation 11	2		2			
Recommendation 12	4		4			
Recommendation 13	2	2				
Recommendation 14	2	2				
Recommendation 15	1		1			
Recommendation 16	3			3		
Recommendation 17	1		1			
Recommendation 18	5	4	1			
Recommendation 19	4	1	2	1		
Recommendation 20	2	1	1			
Recommendation 21	1			1		
Recommendation 22	1		1			
Recommendation 23	3	1	2			
Recommendation 24	3	3				
Recommendation 25	2		2			
Recommendation 26	1	1				
Total	63	27	29	7	0	0
%	100	43	46	11	0	0

Overall Conclusion

The Retirement Homes Regulatory Authority (Authority) and the Ministry for Seniors and Accessibility (Ministry), as of October 31, 2022, have fully implemented 43% of actions we recommended in our *2020 Annual Report*. The Authority and the Ministry have made progress in implementing an additional 46% of the recommended actions, and made little or no progress in implementing 11% of the recommended actions.

The Authority has fully implemented recommendations such as working with the Ministry to obtain the necessary approvals to collect needed information to strengthen the oversight of staffing and care services provided in retirement homes; putting processes in place to assess whether all retirement homes have appropriate practices on infection prevention and control; publishing outbreak data by retirement home; and confirming that all licensees have complied with the fire sprinkler installation requirement.

The Authority was in the process of implementing recommendations such as communicating the complaints process to residents and their families for residents in subsidized beds; supporting retirement homes to incorporate pandemic plans in their emergency plans; and establishing criteria for making emergency funding available should managers deployed to a retirement home under management order require justifiable financial resources.

The Authority has made little progress on recommendations such as recommending a regulatory change regarding a minimum amount of extra expense insurance coverage; and incorporating into its inspector training any lessons learned from public health inspections.

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

Background

The Retirement Homes Regulatory Authority was established in 2011 and oversees retirement homes

under the *Retirement Homes Act, 2010* (Act). Through the Act, the Authority has been delegated to promote and enforce consumer protection and safety of residents. The Authority is a self-funded, not-for-profit administrative authority and is overseen by the Ministry for Seniors and Accessibility.

Our 2020 audit found that a shift was occurring whereby thousands of beds in retirement homes were being occupied by individuals who had more intense health-care needs than the more active and independent seniors that many retirement homes were designed for. According to Ontario Health, as of March 31, 2022, of the approximately 39,900 (38,000, 2020) people waiting to be placed in long-term-care homes, 27% (26%, 2020) or about 10,800 (10,000, 2020), were waiting in licensed retirement homes.

As of March 31, 2022, there were 778 (770, 2020) licensed retirement homes in Ontario with the potential capacity to provide care and accommodation for about 85,000 (about 80,000, 2020) Ontarians. According to the Authority, 98 (101, 2020) or 13% (13%, 2020) of the licensed retirement homes share a location with long-term-care homes.

According to Ontario Health, in 2021/22, about 3,975 people (4,201, 2019/20) who lived in retirement homes were previously hospital patients who were designated as alternate level of care (ALC). Patients designated as ALC are discharged from a hospital because they no longer require acute care but can be in a condition where it may be suitable for them to be in a long-term-care home or other more appropriate alternative settings.

Some of our significant audit findings included:

- The care and accommodation of thousands of former hospital patients in retirement homes were not subject to Authority oversight, nor Ministry of Health inspections. In 2019/20, 4,201 patients designated as alternate level of care (ALC) were discharged from hospitals to retirement homes. Some of these patients stayed in retirement home beds under a program subsidized by the Ministry of Health. Neither the Ministry of Health nor the Local Health Integration Networks performed inspections or

systematically handled complaints for people in these subsidized beds to ensure patient security and safety.

- The impact of COVID-19 on retirement homes was significant, even though they experienced fewer reported cases and deaths than long-term-care homes. According to COVID-19 outbreak data collected by the Authority, as of August 31, 2020, 185 COVID-19 outbreaks were detected at 171 licensed retirement homes, affecting 989 residents and 491 staff. A total of 209 residents from 48 retirement homes died. As of March 31, 2022, an additional 1,154 outbreaks were detected. By then, a total of 600 licensed retirement homes, 7,774 residents and 5,324 staff had been affected, including 710 residents who had died since the beginning of the pandemic.
- Neither the Ministry for Seniors and Accessibility nor the Authority tracked the number of patients designated as ALC in retirement homes. This meant that we were unable to determine how many of the 209 COVID-19 deaths and 989 infections of residents in retirement homes during our audit were patients designated as ALC.
- Five retirement home operators had not installed fire sprinkler systems at the time of our 2020 audit. Another five retirement home operators had indicated to the Authority that they had installed the fire sprinkler systems but had yet to provide the final review report from engineers and municipal inspectors, before installation could be considered complete. As of January 2019, the Fire Code requires that retirement homes have automated fire sprinkler systems installed.

We made 26 recommendations, consisting of 63 action items, to address our audit findings.

We received commitment from the Retirement Homes Regulatory Authority and the Ministry for Seniors and Accessibility that they would take action to address our recommendations.

Standing Committee on Public Accounts

On April 21, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit. In February 2022, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations, and made six additional recommendations. The Ministry reported back to the Committee on June 22, 2022, and again on August 12, 2022. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.04** of our *2022 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and August 2022. We obtained written representation from the Retirement Homes Regulatory Authority and the Ministry for Seniors and Accessibility that effective October 31, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Oversight Gap Leaves Vulnerable Residents More at Risk in Retirement Homes

Recommendation 1

To eliminate the inspection and complaint-handling gap and to protect residents in retirement home beds that are exempted from the Retirement Homes Regulatory Authority's oversight under the Retirement Homes Act, 2010, some of whom are designated as alternate level of care, from harm and neglect, regardless of who is funding the beds, we recommend that the Retirement Homes Regulatory Authority and the Ministry for Seniors and Accessibility, in conjunction with the Ministry of Health, the Local Health Integration Networks, and other

ministries, governments and parties that fund these spaces in retirement homes:

- *clarify the responsibility of inspection and complaint handling of spaces occupied by patients designated as alternate level of care and subsidized beds in retirement homes;*

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

Details

In our 2020 audit, we noted that when beds are funded by ministries such as Health and Children, Community and Social Services under statutes or programs outlined in the *Retirement Homes Act, 2010* (Act), the Act specifies that those beds are not subject to oversight by the Authority. While the Authority responded to issues raised related to the conduct of a licensee irrespective of whether the home includes any patient designated as alternate level of care, it was not clear that the Authority could address the issues—such as through enforcement—where exemptions to the Act apply.

During our follow-up, we found that in November 2020 the Ministry for Seniors and Accessibility (Ministry) formed a cross-ministry internal advisory committee that includes representatives from the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Municipal Affairs and Housing and the Ministry of Public and Business Service Delivery. The purpose of the committee is to build and enhance support for Ontario seniors living in retirement homes and other settings. As well, the Ministry established a working group to clarify the responsibility of inspection and complaints handling for spaces in retirement homes that are exempt from the Act. The working group reports into the internal advisory committee. The working group met in May, June and October 2021 and March 2022; the advisory committee met in May, September and December 2021 and January and March 2022.

The Authority has shared data, information and advice with the ministries on which retirement homes have subsidized suites and other pertinent information on subsidized programs throughout 2021.

The Ministry, in April 2021, confirmed via a memo to the Authority, that the Authority has full regulatory oversight responsibility for patients designated as alternate level of care who are transferred to a licensed retirement home under the Ministry of Health's transitional care program, which includes projects previously funded through the short-term transitional care model and targeted investment strategy programs. This responsibility encompasses the complaints and inspection provisions of the Act.

The Authority indicated that it will seek clarification from the ministries on the appropriate program authorities and service provider(s) for those subsidized beds that are exempt under the Act. Likewise, the Ministry informed us that, by December 2022, it will work with the Authority, the Ministry of Health, the Ministry of Long-Term Care and Ontario Health to facilitate the sharing of information with the Authority to support alternate level of care residents in retirement homes and communicate to residents and families the rights and protections afforded under provincial legislation.

- *inspect homes with such residents as soon as possible to ensure that they are safe and are being properly cared for;*

Status: In the process of being implemented by March 2024.

Details

In our 2020 audit, we noted that retirement homes might also house residents who are funded by the Ministry of Health's short-term transitional-care program, which began in 2017/18. However, neither the Ministry of Health nor the Authority inspected these retirement home beds.

At the time of our follow-up, the Ministry for Seniors and Accessibility (Ministry) provided \$5 million to the Authority in 2021 to conduct increased inspections and respond to emergency and crisis situations in retirement homes due to the COVID-19 pandemic. In addition, the Authority has identified that 39 retirement homes have subsidized beds. Since 2021, it has conducted at least one inspection at each of these retirement homes.

Also, in December 2021, legislative changes have permitted the Authority to receive data and information from retirement homes on beds occupied by people who are designated as alternate level of care or funded by subsidized programs that are subject to requirements under the *Retirement Homes Act, 2010*. The Authority plans to continue conducting inspections in retirement homes with residents designated as alternate level of care or in subsidized spaces and address allegations involving these residents on a case-by-case basis. The Authority indicated that it will seek clarifications from the ministries on the appropriate program authority and service provider(s) for subsidized beds that are exempt under the Act. It expects to collect information related to these beds from retirement home operators. Where possible, the Authority will collaborate with appropriate programs and service providers in order to conduct focused inspections at these homes by March 2024.

- *regularly inspect these homes and track and address complaints related to subsidized beds;*

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

Details

In our 2020 audit, we noted that the Local Health Integration Networks (LHINs) and the Ministry of Health, which subsidize beds in retirement homes through the short-term transitional-care program, did not systematically collect complaints related to these beds because they expected any complaints to be directed to the Authority. While the Authority's position was that it receives and accepts complaints from subsidized residents in retirement homes, in practice, it informs complainants at the beginning of the complaints process whether their concerns are outside of the Authority's jurisdiction and advises them to contact the LHINs for further assistance.

At the time of our follow-up, the Authority had been tracking the number and types of complaints received since April 1, 2021. Two formal complaints have been received involving residents in subsidized beds. The Authority indicated that it plans to address complaints involving subsidized residents with available resolution

under the *Retirement Homes Act, 2010* and through referrals to appropriate agencies. The Authority has inspected retirement homes that have subsidized beds since 2021 and is engaging other ministries and agencies to attempt to obtain clarification at a program level to assist in determining whether a home or a portion of a home qualifies as an exemption of a retirement home according to the Act. The Authority plans to update its communications to outline the complaints process, where appropriate, by December 2022.

- *clearly and effectively communicate the complaints process to residents and their families for residents in subsidized beds.*

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

Details

In our 2020 audit, we found that the LHINs and the Ministry of Health, which subsidize some beds in retirement homes, did not systematically collect complaints related to these beds because they expected any complaints to be directed to the Authority. Ontario Health noted that these arrangements were between hospitals and the retirement homes; the LHINs were not involved in the process. The Authority was responding to issues raised that related to the conduct of a licensee, irrespective of whether this conduct involved a subsidized patient; however, the Authority indicated that it was not clear that it could address issues relating to subsidized beds where exemptions to the Act applied.

Our follow-up found that, in July 2021, the Authority added new information to its website to clarify its oversight role and to refer complainants to the correct regulatory authority. The Authority noted that it will continue to monitor care programs in retirement homes when it becomes aware of them through its inspection process. The Authority is engaging with other ministries and agencies to seek clarification at a program level in determining whether a home or portion of a home qualifies as an exemption of a retirement home according to the Act. The Authority plans to update its communications about the complaints process, where appropriate, by December 2022.

Needed Level of Care Rising

Recommendation 2

To protect residents of retirement homes who may require increasing levels of care, and in some cases to the extent of the level of care provided in long-term-care homes, we recommend that the Retirement Homes Regulatory Authority work in conjunction with Ontario Health, the Ministry of Long-Term Care and the Ministry for Seniors and Accessibility to:

- *resume and accelerate its work to develop different and appropriate approaches to regulate different types of retirement homes with consideration of the evolving resident health profiles;*

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

Details

In our 2020 audit, we noted that an increasing number of the retirement home residents who received government-funded home-care services had needs similar to those who lived in long-term-care homes. However, the Authority did not collect information on the care needs required for retirement home residents. The Authority was also not aware of the specific types of care services that residents received from retirement homes, private care providers and government-funded home care.

From our follow-up we learned that the Authority assigned a project manager in fall 2021 to advance its licence classes evaluation project and develop the project charter. The Authority has identified data it needs to collect from licensed retirement homes to inform an assessment of evolving resident health profiles and plans to start collecting this data by fall 2022. It has also established a working relationship with McMaster University to help interpret data for recommendations on next steps.

By March 2023, the Authority expects to work with the Ministry for Seniors and Accessibility (Ministry) and other government agencies to develop an oversight model proportionate to a resident's care needs, provide advice to the Ministry in its review of the *Retirement Homes Act, 2010* to identify potential statutory amendments that would provide the Authority with flexibility

to address the evolving nature of care service delivery in retirement homes, and develop a purposeful approach to regulatory oversight, given varying and evolving business models, that ensures residents are protected from harm.

- *examine, reassess and identify the most efficient and cost-effective way to deliver support services in retirement homes for the safety and protection of residents;*

Status: Little or no progress.

Details

In our 2020 audit, stakeholder groups we spoke to indicated that an increasing number of people in retirement homes were waiting for long-term-care placements. More seniors with higher care needs were choosing to live in retirement homes, and retirement homes were providing accommodation and care services to people with higher care needs that, according to stakeholders, long-term-care homes were likely better suited and designed to provide. Both the Office of the Chief Coroner and the Ministry of Health raised concerns as early as 2009 about placing people with higher care needs in retirement homes that might not have sufficient resources and expertise to assist them.

At the time of our follow-up, the Authority noted that it had not implemented this action due to resource constraints but plans to address this audit recommendation by December 2023.

- *implement an inspection process (assigning clear roles and responsibilities) as soon as possible that sufficiently addresses the increasing complexities and levels of care required for residents in retirement homes;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that an increasing number of the retirement home residents who receive government-funded home-care services had needs similar to those who lived in long-term-care homes. However, the Authority did not collect information on the complexity of care needs required for retirement home residents.

The Authority was also not aware of the specific types of care services that residents received from retirement homes, private care providers and government-funded home care. Also, inspectors from the Authority informed us that they had identified during inspections that retirement home staff had concerns over staffing ratios. The Act does not mandate staffing ratios, as the regulation focuses on setting care, safety and administrative standards that retirement homes must consider when determining staffing levels. As such, the Authority did not directly evaluate staffing ratios when it inspected retirement homes.

At the time of our follow-up, the Authority had increased the number of inspectors to 20 (in 2021/22) from 13, in the three years prior. It has hired inspectors with increased clinical knowledge to better understand and address issues related to the increasingly complex levels of care of retirement home residents. As well, it has updated its inspection approach to take into account the compliance history and a risk assessment of individual homes and their resident population.

- *take more timely and rigorous compliance support or enforcement actions against retirement homes that do not provide adequate care services to residents.*

Status: Fully implemented.

Details

In our 2020 audit, the Authority informed us that if a retirement home is not capable of providing the level of care required by a resident, the retirement home is required to assist the resident to access external care providers to meet their care needs. However, unlike long-term-care homes, residents of retirement homes may be evicted if the retirement home cannot provide the level of care required by the resident. From 2017/18 to 2019/20, the Authority received 20 formal written complaints related to residents being evicted from retirement homes or residents with care needs so intensive that they were required to transfer to long-term care.

During our follow-up we noted that the Authority restarted its compliance support processes in March 2021, to assist homes in understanding the

legislative requirements and ways to come into compliance outside of enforcement action. As well, between March 2021 and November 2021 the Authority added staff resources in the area of compliance support. These new positions were intended to assist retirement home operators in meeting compliance requirements; this may in turn mitigate the number of incidents requiring enforcement action. Between 2019/20 and 2021/22, the number of retirement homes that have participated in compliance support increased from 14 to 52.

Further, in July 2021 it implemented a new procedure to guide staff in the finance, compliance, licensing, inspections and complaints departments, as well as the Registrar or Deputy Registrar, to make discretionary referrals to the enforcement department. The procedure includes instructions on the type of information needed to refer, including a description of the issue and an assessment of urgency. Between 2019/20 and 2021/22, the number of enforcement actions taken increased from 24 to 61.

Recommendation 3

To allow it to make more effective, timely, data-driven decisions to strengthen the oversight of staffing and care services provided in retirement homes and support the Ministry for Seniors and Accessibility (Ministry) in developing policy on senior housing and care, we recommend that the Retirement Homes Regulatory Authority:

- *work with the Ministry to obtain the necessary approvals to collect needed information as soon as possible;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority acknowledged, based on its interaction with the retirement home sector, that the level of care required by residents had been changing, but it did not have data to measure this change and assess its impacts. At the time of our audit, the *Retirement Homes Act, 2010* allowed the Authority to collect data on the types of care services the licensee makes available in the home; clinical and functional profiles of residents of the home; and the licensee's operation of the home and compliance with

the Act, subject to established processes and criteria and the Minister's approval. The Act, however, required data collected on the profiles of residents of the home to be de-identified so as to preserve the privacy of residents.

At the time of our follow-up, legislative changes under the *Retirement Homes Act, 2010* to support the collection of resident and substitute decision-maker contact information came into effect in March 2022, following collaborative work between the Authority and the Ministry during 2021.

- *in conjunction with the Ministry, establish processes to collect data on residents and retirement homes from other relevant organizations with consideration of appropriate processes to respect the protection of personal health information;*

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

Details

In our 2020 audit, we noted that any information the Authority had on residents was derived from its inspections, inquiries from the public or mandatory reports made by retirement homes. Such information was, for the most part, self-reported by retirement homes or by complainants. We also found that the Authority did not systemically collect information from other ministries and organizations that also provide senior care in retirement homes. While other government organizations such as the Ministry of Long-Term Care, the Ministry of Health or Ontario Health collect such information, neither the Authority nor the Ministry for Seniors and Accessibility obtained access to it.

At the time of our follow-up, the Authority had been working with Ontario Health since September 2021 to obtain data on retirement home residents. It also began a data management project in September 2021 to establish data governance and security and perform a privacy impact assessment to ensure protection of all data, including personal health information. Further, it established an understanding with the Office of the Chief Coroner about data the Office has on retirement home deaths. Moreover, it established a Memorandum of Understanding with the Ministry of Finance

in January 2022 to set out the terms and conditions for the collection, use and disclosure of information between the two parties. By March 2023, the Authority expects to have a list of relevant organizations that collect information on retirement homes and their residents, with a focus on the services the residents receive, in order to assess the data quality and usefulness for internal use.

- *commence the collection, analysis and use of this information to inform policy development in this sector.*

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

Details

In our 2020 audit, we noted that any information the Authority had on residents was derived from its inspections, inquiries from the public or mandatory reports made by retirement homes. Such information was, for the most part, self-reported by retirement homes or by complainants. The Authority did not regularly collect comprehensive data on retirement home residents, including their care needs, care services provided either by retirement home staff or external providers, or fees charged for these services. The Authority was also not aware of the types of care services that residents received from retirement homes, private care providers and government-funded home care.

Since then, the Authority has, in September 2021, developed a stakeholder consultation plan to support a planned routine collection of data from licensed retirement homes, such as information on care services that residents receive. Following consultation with the sector, expected to begin in January 2023, the Authority will develop a framework for collecting this data and begin collecting it by October 2023. Ultimately, the data would be analyzed and used to inform policy development.

Inspections

Recommendation 4

So that risks and harm to retirement home residents can be more effectively reduced through more frequent

and risk prioritized inspections, we recommend that the Retirement Homes Regulatory Authority expand the factors considered, beyond just inspection history, in its risk model for selecting homes for more frequent inspection.

Status: In the process of being implemented by January 2024.

Details

In our 2020 audit, we noted that the Authority's risk assessment model for inspections determined the risk of harm for each subsection of the *Retirement Homes Act, 2010* and its regulation based on the severity of harm and number of violations at homes in the past. However, the Authority's risk assessment model did not consider factors outside of inspection history that could influence the frequency of inspections. Such factors include complaints; input from community partners; history of harm at a specific home where there are no violations related to the harm; provision of home care within retirement homes; or residents in a retirement home waiting for long-term care.

At the time of our follow-up, the Authority has been including instances of injuries reported to it within its risk model. As well, in January 2021, the Minister for Seniors and Accessibility approved the Authority's policy to request information such as clinical and functional profiles of residents and care services that the retirement home makes available in order to rank retirement homes based on risk of harm to residents. Furthermore, to further augment its risk model, in May 2022 the Authority requested data from Home and Community Care Support Services and began discussions with the Ministry of Finance about the process of sharing data according to the Memorandum of Understanding described in **Recommendation 3**. The Authority will be collecting additional resident data to update its risk model in January 2024.

Recommendation 5

To confirm that retirement homes have appropriate infection and prevention controls in place, we recommend that the Retirement Homes Regulatory Authority:

- *put processes, including continuing use of its COVID-19 checklist, in place to assess whether all retirement homes have appropriate practices on infection prevention and control;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority's inspectors were checking whether a retirement home had infection prevention and control policies and whether retirement home staff were trained on the policies by reviewing training records prior to COVID-19. However, the Authority did not check whether an infection prevention and control program had been created and was being followed unless concerns were observed while in the home.

In our follow-up we found that the Authority, in November 2020, updated its inspection checklist to include a section on infection prevention and control. At that time, it developed guidelines to clarify how licensed retirement homes should conform with applicable legislative and regulatory requirements. It also shared with licensed retirement homes the compliance assistance materials available to support their implementation of sound infection prevention and control practices. As well, the Authority updated the COVID-19 checklist in June 2021 and again in September 2021 to align with Chief Medical Officer of Health directives, Authority directives and applicable legislation and regulations. Further, the Authority updated its routine inspections process in September 2021 to incorporate an assessment of infection prevention and control risks, to determine whether inspections of certain homes needed to be prioritized.

- *routinely obtain data from public health officials on issues or concerns in retirement homes;*

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

Details

In our 2020 audit, we noted that retirement homes are required under the *Retirement Homes Act, 2010* to complete an annual consultation with local public health units to ensure that their infection prevention

and control program was appropriate. The audit found that the Authority and public health units conducted separate inspections at retirement homes to assess compliance with infection prevention and control measures; according to public health units we interviewed, it was not always possible to perform joint inspections with the Authority.

At the time of our follow-up, to better incorporate the work of public health units in the Authority's inspections of retirement homes, the Authority came to an agreement with the Ministry of Health to obtain retirement home outbreak data until July 2022. The Authority has been receiving this data on a monthly basis. By June 2023, it aims to obtain information from the Ministry of Health information with respect to public health orders issued at licensed retirement homes. Pending receipt of compliance data, the Authority will review and incorporate relevant lessons learned from this data into its operational processes and training by August 2023.

- *regularly incorporate into its inspector training any lessons learned from public health inspections;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that the Authority selected the 28 homes it inspected based on complaints received from the public or Public Health Ontario. According to the public health units we interviewed, it was not always possible to perform joint inspections of retirement homes with the Authority. The Authority was still in the process of assessing lessons learned when we completed our audit.

At the time of our follow-up, the Authority told us it will review information and lessons from public health compliance data and update its inspector training, including inviting public health units to provide training where appropriate.

- *going forward, request that retirement homes incorporate pandemic plans in their emergency plans that also address the requirement to include a personal protective equipment supply.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that retirement homes were required to develop emergency plans as a part of their licence application. The Authority verifies whether retirement homes have planned for emergencies during proactive, routine inspections. Emergency plans were not intended to incorporate pandemic emergency plans.

At the time of our follow-up, the regulation under the *Retirement Homes Act, 2010* was amended, effective March 2022, to require that retirement homes test their emergency plans at least annually; these plans are to address pandemics and epidemics. The regulation also requires that emergency plans meet certain requirements, including maintaining an inventory of resources such as personal protection equipment so that they are readily available during an emergency. In September 2022, the Authority communicated guidance to the sector on compliance expectations to reflect the new regulatory requirement and provided training to its inspectors.

Recommendation 6

To return to its proactive, routine inspection process focused on resident safety, care and choices about their care options, we recommend that the Retirement Homes Regulatory Authority:

- *establish an appropriately prioritized action plan that includes targeted timelines to clear the backlog of proactive routine inspections, enhanced with additional infection prevention and control coverage;*
- *conduct the required inspections; and*
- *monitor its compliance with this plan.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority suspended all proactive inspections in the first week of March 2020 because of the COVID-19 pandemic. The Authority indicated that a backlog of 93 planned, proactive retirement home inspections existed as of June 2020.

From our follow-up we found that the Authority updated its inspection checklist in November 2020 to include a section on infection prevention and control. A backlog of proactive routine inspections continued to accumulate from March–November 2020, when the Authority resumed its proactive inspections. By March 2021 the backlog had grown to over 450.

In April 2021, the Authority developed a prioritization plan to overcome this inspection backlog. The plan prioritized homes that were newly licensed or had not received a routine inspection within three years. The Authority hired 10 new inspectors between January 2020 and September 2021 (for a total of 23 inspectors) to help address the inspections backlog.

As of March 2022, the Authority had cleared the backlog from June 2020. Additionally, the Authority had developed a tracking spreadsheet to monitor any unexpected backlog of routine inspections beyond its normal throughput of work.

Recommendation 7

To fully self-assess and monitor its inspection process for coverage and distribution of work, we recommend that the Retirement Homes Regulatory Authority continually monitor inspector caseloads, revisit caseload targets and reassign cases as needed.

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

Details

In our 2020 audit, we noted that Authority inspectors had varying caseloads and the Authority did not monitor whether inspectors were performing the expected number of inspections. We also found that, in 2019/20 (before COVID-19), almost all of the inspectors conducted on average fewer than the Authority's informal target of 10 inspections per month.

At the time of our follow-up, the Authority has developed a report to monitor inspector caseloads and time taken to finalize inspections assigned to them each year. It has also developed estimates for the number of hours and days needed for each type of inspection, based on average times reported by inspectors. The Authority plans to review these metrics and revise

them as needed by December 2022 to deploy resources optimally and distribute inspection work based on individual skill sets, workloads and knowledge.

Impact of COVID-19

Recommendation 8

To minimize the safety, health and other impacts to residents and families of residents in retirement homes that undergo management orders, we recommend that the Retirement Homes Regulatory Authority:

- *establish a back-up network of qualified management candidates that can be quickly deployed to retirement homes during times of crisis;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority issued orders to take over management of two homes to protect their residents; the Authority determined that the operators were unable to manage the homes properly without assistance in the context of the COVID-19 pandemic. However, the Authority experienced significant challenges in finding qualified managers to take over the operations of these homes amid staffing shortages in the health sector during the COVID-19 pandemic.

At the time of our follow-up, the Authority had provided advice to the Ministry during 2021, which contributed to the amendment of the *Retirement Homes Act, 2010*. Effective March 2022, the Registrar can serve an order on a retirement home operator to employ or retain one or more persons acceptable to the Authority to manage or assist in managing all or some of the operations of the retirement home in extraordinary circumstances as prescribed in the regulation, where there is a harm or risk of harm to one or more residents. Previously, the Act required that the Registrar find a contravention of the Act by the licensee and that the licensee is unwilling or unable to properly manage the home in order to issue a management order.

In August 2021, the Authority established a list of potential managers within its compliance monitoring

department such that suitable managers are accessible and can be deployed to retirement homes during times of crisis.

- *establish criteria for making emergency funding available should managers deployed to a retirement home under management order require justifiable financial resources;*

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

Details

In our 2020 audit, we noted that the effectiveness of the imposed managers was limited, as the operators were unwilling to co-operate. The managers were not able to access funding to hire qualified staff, upgrade facilities and purchase required supplies. In addition, one home that did not have a competent operator, in the Authority's view, had limited funds and could not afford to pay a manager. In this case, the Authority absorbed the expense and paid for the selected manager.

Our follow-up revealed that the Authority advised the Ministry, in January 2021, that the Authority lacks the ability to implement effective changes without co-operation, financial commitment and/or funding from the home operator needed to improve operation. The Authority recommended to the Ministry that they work together to explore various funding models for the costs associated with the use of a management order.

In August 2021, the Authority piloted a program to provide temporary crisis funding to retirement homes under a management order where financial constraints are a barrier for the manager to protect residents. The temporary crisis fund, of up to \$100,000 for each eligible retirement home that applies to this program, is funded by the Ministry. This funding was part of a \$5 million Ministry grant to the Authority in 2021 to conduct increased inspections and respond to emergency and crisis situations in retirement homes due to the COVID-19 pandemic. This program ended in March 2022. The Authority expects to hold additional discussions with the Ministry by March 2023 to determine in principle whether and how funding may apply after March 2022.

- *in conjunction with the Ministry for Seniors and Accessibility, ensure that residents in retirement homes are protected in a manner consistent with residents in long-term-care homes in circumstances of public health threats during and beyond the COVID-19 pandemic.*

Status: In the process of being implemented by March 2024.

Details

In our 2020 audit, we noted that the emergency order to allow a governing body to temporarily assume or appoint management of a long-term-care home in the event of a COVID-19 outbreak was enacted more than two weeks before the same emergency order was enacted for retirement homes. The Ministry advised us that the delay was due to legal considerations, but the government eventually concluded that the benefits would have outweighed the legal risk.

At the time of our follow-up, the Authority provided input to the Ministry in spring 2021 to develop guidance for retirement homes regarding visitors' policies. This guidance followed the Chief Medical Officer of Health's directive on long-term-care homes, which also applied to retirement homes. Similarly, the Authority issued recommendations and guidance to retirement homes about asymptomatic COVID-19 screen testing and vaccination in July 2021, September 2021 and March 2022. The Authority also distributed newsletter updates to retirement home operators and posted resources on its website regarding matters such as vaccination rollout and COVID-19 screening tools—these apply to both long-term-care homes and retirement homes. As well, throughout 2021 and 2022, the Authority provided feedback to the Ministry on matters related to modifying restrictions, such as when organized social activities were allowed to take place in retirement homes as compared to long-term-care homes. The Ministry worked with the Ministry of Long-Term Care and the Chief Medical Officer of Health to align policies where appropriate.

By March 2024, the Authority expects to continue to be supporting and advising the Ministry, as the province responds to the pandemic in a post-emergency

state, about recalibrating measures related to the COVID-19 pandemic.

Recommendation 9

To protect retirement home residents from the risk of neglect, we recommend that the Retirement Homes Regulatory Authority communicate and support retirement homes in ensuring that family members and friends providing critical personal care and support to retirement homes residents are able to do so during the pandemic, as long as appropriate infection prevention and control procedures are followed.

Status: Fully implemented.

Details

In our 2020 audit, multiple Authority inspectors and industry representatives on the Authority's Board noted in their interviews with us that in the early months of the COVID-19 pandemic in spring 2020, external care providers refused to enter retirement homes for fear of infection. As a result, retirement homes lacked replacement staff for homes experiencing an outbreak. We found that between March 11 and August 31, 2020, during COVID-19 outbreaks, the Authority was notified a total of 219 times about improper or incompetent treatment or care that required an investigation or an immediate inspection of the home. Our review of the Authority's analysis, using self-reported data from retirement homes, concluded that external care providers were not the primary source of infection in the majority of the outbreaks at retirement homes.

During our follow-up we found that the Authority had shared concerns about retirement home residents' physical and mental well-being with the Ministry and the Chief Medical Officer of Health in spring 2021. The concerns were based on feedback from residents and families regarding the timing and nature of restrictions placed on social activities. As well, between March 2020 and January 2022, the Authority supported the Ministry for Seniors and Accessibility in developing and posting guidance and the latest updates on visitors' policies to residents, families and operators. The Authority likewise communicates with and supports retirement homes via disseminating newsletters and resources on its website to help them adhere to

public health directives and guidance, such as appropriate infection prevention and control procedures for visitors. Lastly, the Authority took the step of referring 25 retirement homes to the Canadian Red Cross for support between January 2021 and March 2022; these independently operated homes were typically smaller, served individuals at the low end of the economic scale, and did not have the support from head offices, as do retirement homes that are part of a chain operation. These efforts were facilitated by the Ministry's contract with the Canadian Red Cross, at a ceiling price of \$1.5 million, to provide on-site mobile support teams to licensed retirement homes.

Recommendation 10

To better inform the public about the extent of COVID-19 cases in retirement homes, we recommend that the Retirement Homes Regulatory Authority:

- *work with the Ministry for Seniors and Accessibility and the Ministry of Health to obtain available validated data directly from the Ministry of Health or directly from local public health agencies;*

Status: Fully implemented.

Details

In our 2020 audit, the Authority indicated that it was unable to obtain case data from public health agencies because they did not release case data, citing reasons such as patient privacy. Instead, the Authority relied on self-reported data from licensed retirement homes that it had begun collecting regularly since April 15, 2020 in order to track COVID-19 cases in Ontario's retirement homes.

At the time of our follow-up, the Authority had been obtaining from the Ministry of Health (Ministry) COVID-19 outbreak data on a monthly basis since November 2020, pursuant to an information-sharing agreement established between the Ministry and the Authority in July 2020. The Authority uses the public health data to validate its own records and has updated its own data, for instance in September 2021, when it noted that the public health data contained information that it did not already have. However, Authority staff have found that overall, the data they collect

directly from retirement homes was more current, complete and reliable, primarily due to the public health units not consistently defining retirement homes and categorizing outbreak locations as retirement homes.

- *publish outbreak data on a weekly basis or more frequently as available, by retirement home, on the number of residents and staff who test positive or die.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that while the Authority published daily on its website a list of homes where a COVID-19 outbreak has been declared, for the first six months of the pandemic, it did not make public the number of residents and staff who tested positive or died. The Authority started publishing total cumulative COVID-19 case data of both residents and staff, including deaths, in September 2020, but this data was not broken down by retirement home.

Our follow-up confirmed that the Authority began posting the number of resident and staff COVID-19 cases and deaths per retirement home on March 16, 2021. The Authority updates the “COVID-19 dashboard” daily from Monday to Friday, except on statutory holidays, based on information it obtains directly from retirement homes and direct inquiries.

Recommendation 11

To identify alternative accommodations for patients should future waves of COVID-19 overwhelm long-term-care homes and hospitals, and for residents who need to be moved from retirement homes that are affected by outbreaks, we recommend that the Retirement Homes Regulatory Authority:

- *work with the Ministry for Seniors and Accessibility to require retirement homes to provide monthly occupancy information (and any related requirements) to the Retirement Homes Regulatory Authority;*

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

Details

In our 2020 audit, we noted that, prior to April 2020, the Authority did not track the occupancy level of retirement homes. In May 2020, the Authority requested that retirement homes self-report their occupancy rate to help the Ministry for Seniors and Accessibility (Ministry) plan its strategy during the pandemic to provide for retirement home staff and resident testing.

At the time of our follow-up, the Authority had been collecting, between December 2020 and February 2022, occupancy information and vaccine data from retirement homes via a survey, and provided this information to the Ministry. By December 2022, the Authority plans to include occupancy data as part of its data collection plan and will undertake consultation to advise stakeholders of its intent to collect occupancy data.

- *collect occupancy rates of retirement homes on a monthly basis to be used for monitoring and planning outbreak responses that may be needed during the COVID-19 pandemic.*

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

Details

In our 2020 audit, we noted that the April 2020 collection of occupancy rate of retirement homes was a one-time exercise and retirement homes’ responses were optional: 54 retirement homes did not respond to the Authority’s survey. The Authority therefore had to estimate the occupancy rate for those 54 homes by assuming that they were 70% to 80% occupied. The Authority informed us that it was aware of the margin of error as the data was not verified, and that the Ministry for Seniors and Accessibility (Ministry)—to whom the Authority submitted this data on May 25, 2020—was aware that the data was self-reported.

During our follow-up, we learned that, in January 2021, the Authority requested the Ministry provide direction on the need for ongoing occupancy data collection and the frequency of such collection. The Ministry indicated in June 2021 that it expected the Authority to collect occupancy data in accordance with the request-for-information policy the Ministry had approved in January 2021. It proposed that the

Authority continue to collect occupancy data quarterly for the remainder of 2021/22. The Authority had not collected occupancy data from retirement homes on a regular basis since December 2020 but committed to consulting with the sector by December 2022 and collecting occupancy data, subject to the outcome of consultation, by March 2023.

Retirement Home Licensing

Recommendation 12

To strengthen the licensing process of retirement homes, and the safety and protection of residents that may require different levels of services as its primary focus, we recommend that the Retirement Homes Regulatory Authority:

- *accelerate and complete the development of its licence classes;*

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

Details

In our 2020 audit, we noted that all retirement homes are issued the same licence. The *Retirement Homes Act, 2010* (Act) did not distinguish between the different ways that retirement homes are run and different resident health-care needs. The Authority informed us that it began in January 2020 to develop and assess how separate retirement home licence classes could address the risk differences between homes with higher-risk residents and homes with more independent residents. The Authority put this work on hold because of the COVID-19 pandemic.

At the time of our follow-up, the Authority had received internal approval in December 2021 to resume work on the licence class project, which was reframed to look more broadly at assurance of quality. Following the completion of this work, the Authority expects to provide advice to the Ministry for Seniors and Accessibility regarding strengthening the licensing framework by March 2023.

- *update its licensing procedures to include conducting applicant background checks to identify*

any indication of financially irresponsible conduct and proof of financial viability;

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

Details

In our 2020 audit, we noted that one of the licensing criteria is that the past conduct of an applicant affords reasonable grounds to consider whether the home will be operated in accordance with the law, with honesty and integrity, and in a manner that is not prejudicial to the health, safety or welfare of its residents. However, we found that the Authority's licensing assessment criteria did not specifically include that the applicant must provide proof of financial viability to operate a retirement home. In fact, the Authority had issued a licence to an applicant whose family member had a history of financial mismanagement operating long-term-care homes that resulted in bankruptcies.

At the time of our follow-up, the Authority has revised its licence application forms in September 2021 to require an applicant to give consent to the Authority to collect, use and disclose personal information and to share any information in the course of determining qualification for a licence to allow for background checks. As well, the Authority has developed criteria in November 2021 to guide its staff in determining when background checks should be conducted for licensing applicants over and above the standard process so as to reduce the risk of financial solvency issues. It also updated its internal review process in October 2021 to include guiding questions to assess the financial health of applicants.

By March 2023, the Authority will explore methods to confirm applicants' financial viability and monitor homes' financial viability once licensed, identify indications of financial irresponsibility, and work with industry associations to develop an approach to inform and educate licensees about financial responsibility.

- *develop a communications strategy to remind applicants that they are obligated to monitor their licence conditions and report changes as needed to the Authority;*

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

Details

In our 2020 audit, we noted that, in one instance, the Authority reviewed an application to transfer ownership of an existing home and found that the applicant provided false and misleading information. The conditions required the applicant to retain a person with experience in a senior position at the home to ensure compliance with the *Retirement Homes Act, 2010* and its regulation and to notify the Authority immediately of any changes in that individual's contractual status with the licensee. However, the retirement home failed to notify the Authority in late 2019 that the individual's contractual status changed, violating the home's licence condition.

At the time of our follow-up, the Authority was in the process of developing a communications strategy and will, by December 2022, communicate to retirement homes to remind them about financial responsibility and work with industry associations to understand what training and supports retirement homes may require to be better equipped to meet their licence conditions.

- *follow up on a timely basis on any licence conditions made.*

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

Details

In our 2020 audit, we noted that, in one case, the retirement home failed to notify the Authority in late 2019 that an individual's contractual status changed, violating the home's licence condition. Although the Authority had inspected this home six times prior to July 2020, it was not until then that it became aware of this issue, over half a year later.

At the time of our follow-up, the Authority had expanded its capacity—including consulting with other regulators about the role of a compliance monitor and hiring an individual for this role at the Authority—to address issues related to ongoing compliance monitoring for certain issues, including compliance with licence conditions, in September 2020. Then, in September 2021, the Authority developed internal procedures to outline its compliance monitoring process so

as to more systematically follow up, apart from inspections. By December 2022, the Authority expects to have staff resources to better enable follow up on any licence conditions on a timelier basis.

Recommendation 13

To protect retirement home residents from the risk of fire, we recommend that the Retirement Homes Regulatory Authority:

- *impose a deadline for all licensees that have not completed the installation of their fire sprinkler systems to have this done as soon as possible; and*
- *if a licensee does not comply, follow up with enforcement action where appropriate.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that as of August 2020, 12 retirement home operators had licence conditions stating that they had not yet installed automatic fire sprinkler systems. Effective January 1, 2019, automatic sprinkler systems are required under the Ontario Fire Code. These licence conditions required the home operator to provide a monthly progress report on the status of the installations. However, we found that the conditions did not include a time frame.

At the time of our follow-up, the Authority had imposed November and December 2020 deadlines for all licensees that had not completed the installation of their fire sprinkler systems. For some of these homes, the deadline was extended to September 2021.

Subsequent to the completion of our audit work, but before the publication of our 2020 audit report, the Authority informed us that five of the 12 homes mentioned above still did not have working sprinklers on either some floors or the entire facility. During our follow-up, we learned that three of the five remaining retirement homes that had not installed sprinklers had their licences revoked in 2021—one in August and two in November. Two other homes had complied with sprinkler requirements and remained open.

Recommendation 14

To protect consumers from unknowingly purchasing accommodation and care services from retirement homes that could possibly be unlicensed and unregulated under the Retirement Homes Act, 2010, we recommend that the Retirement Homes Regulatory Authority:

- expedite the completion of its strategy to follow up on the 234 retirement homes that may possibly require a licence and take appropriate enforcement actions as required;

Status: Fully implemented.

Details

In our 2020 audit, we noted that some congregate living settings in Ontario function similarly to a retirement home as defined in the *Retirement Homes Act, 2010* but because they did not meet the Act's strict definitions of a retirement home, they were not subject to the Authority's regulatory oversight. In our 2020 audit, we noted that, as of July 2020, the Authority was in the process of reviewing 234 homes it had previously assessed as not meeting the definition of a retirement home, to determine its next steps in reassessing whether these homes were operating as a retirement home without a licence.

From our follow-up, we learned that the Authority has been assessing, since June 2021, whether the 234 (ultimately 231) congregate settings may or may not be subject to the *Retirement Homes Act, 2010* due to a change in their circumstances. The assessment strategy guides staff on how to collect current information about these settings and on next steps, which may include follow-up and inspection. By August 2022, the Authority had assessed all 231 homes.

Also, the Authority indicated that the amended Act allowed it to better protect residents in unlicensed retirement homes. Effective December 2021, the Authority could impose requirements on licensees during the licensing application process in cases where the Registrar has issued an order to direct the operator of an unlicensed home to apply for a licence.

The Authority provided an update on the outcomes of the unlicensed homes review to the Ministry in

March 2022 and indicated it plans to provide an annual update thereafter.

- expedite the consideration and reduction of the potential risk to these homes in subsequent waves of COVID-19 by either addressing the risk or bringing these risks to the attention of the Ministry for Seniors and Accessibility.

Status: Fully implemented.

Details

When the COVID-19 pandemic began in March 2020, the Authority recognized that there was an increased risk to seniors and vulnerable residents, even in homes that did not require a licence. The Authority indicated that it planned to communicate with the Ministry for Seniors and Accessibility, public health and the Ministry of Municipal Affairs and Housing to bring awareness to unlicensed homes in subsequent waves of COVID-19.

At the time of our follow-up, the Authority had advised the Ministry for Seniors and Accessibility (Ministry), in January 2021, of its unlicensed home project in light of the COVID-19 pandemic. The advisement included details on the Authority's planned approach to address each category of unlicensed home, for example, those that might be in contact with other oversight bodies such as fire departments, municipalities, public health and Ontario Health, and those that did not strictly meet the definition of retirement homes in the Act.

Also, in July 2021, the Authority advised licensees via a newsletter that it updated its process for identifying unlicensed retirement homes and that it would inform community partners and the Ministry when a congregate setting falls outside of the Authority's jurisdiction.

Furthermore, the Authority began in June 2021 to engage with external organizations such as Elder Abuse Prevention Ontario, home and community care support services organizations, municipal housing and public health units to share updates on topics that are of mutual interest, including providing education on the unlicensed home project. As a result of

such engagements, the Authority received a tip on an unlicensed home from partners during 2021.

The Authority provided another update on the unlicensed home project to the Ministry in March 2022. In that update, the Authority presented to the Ministry preliminary results of its review of the over 200 unlicensed retirement homes, which identified a number of facilities to be potentially operating as a retirement home. The Authority advised the Ministry that it escalated these facilities internally for further action in accordance with standard procedures, such as to begin the licensing process for these facilities.

Recommendation 15

To improve the Retirement Homes Regulatory Authority's effectiveness in overseeing the retirement home sector and protect public safety, we recommend that the Authority work with the Ministry for Seniors and Accessibility to critically assess the effectiveness of its enforcement tools. In particular, an increase of the maximum administrative penalty amount allowed under the Retirement Homes Act, 2010 could be considered.

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

Details

In our 2020 audit, we noted that the Authority had increased its enforcement efforts for managing retirement homes in the last three years; however, the tools it has at its disposal, such as turning down a licence application and imposing financial penalties, have not always stopped an owner from continuing to operate an unlicensed home. The *Retirement Homes Act, 2010* allows the Registrar to impose an administrative penalty of up to \$10,000 on retirement home operators who have contravened legislative requirements.

At the time of our follow-up, the Authority had, during 2021, provided advice and feedback to the Ministry for Seniors and Accessibility on administrative monetary penalties and enhanced management orders, which would allow the Registrar to act more expeditiously in emergency situations. The Ministry consulted with stakeholders in 2021 to consider increasing the maximum administrative monetary

penalty amount under the Act and did not proceed with amendments. The Authority will, by December 2022, further its efforts to assess the effectiveness of the administrative monetary penalty amounts as a compliance tool.

Recommendation 16

To reduce the risk to retirement home residents that could be affected by loss or damage to their homes, we recommend that the Retirement Homes Regulatory Authority:

- *request that retirement homes renew policies 30 days prior to expiry and notify the Authority that ongoing coverage of residents is available;*

Status: Little or no progress.

Details

In our 2020 audit, we reviewed all cases of expired extra expense insurance policies as flagged by the Authority's document management system in September 2020. We found that 25 retirement homes had expired policies. One home's policy had expired by over 334 days but the Authority informed us that this home was closed temporarily for renovations. The length of time that coverage had expired for the other 24 homes averaged 31 days, and ranged from two days to 130 days.

At the time of our follow-up, the Authority noted that, due to resource constraints, it plans to undertake work in relation to implementing this recommendation by March 2023. This work would include connecting with the insurance industry to better understand current renewal timing practices and assessing the potential for retirement homes to submit extra expense insurance certificates at least 30 days prior to expiry.

- *assess current research, and as necessary supplement, to derive an appropriate specific minimum amount of extra expense insurance coverage for licensees to obtain;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that the regulation under the *Retirement Homes Act, 2010* does not require

licensed retirement homes to obtain a specified minimum amount of extra expense insurance. Extra expense insurance reduces the risk that a home would be unable to provide accommodation and care to its residents in the case of damage to the home, such as by a fire or flood.

At the time of our follow-up, the Authority noted that, due to resource constraints, it plans to undertake work in relation to implementing this recommendation by March 2023. This work would include completing an assessment of its current research on an appropriate minimum amount of insurance and undertaking further research as necessary to derive an appropriate minimum standard for implementation.

- *recommend a regulatory change that either specifies a minimum amount of extra expense insurance coverage to the Minister for Seniors and Accessibility or provides authority for the Authority to set a minimum amount of extra expense insurance coverage.*

Status: Little or no progress.

Details

In our 2020 audit, we noted that the regulation requires all retirement homes to have extra expense insurance that would cover the costs of alternative housing and care services for every resident for at least 120 days in the event there is a loss of or damage to the home (such as by a fire or flood) and the licensee is unable to safely provide other accommodation or continuing care to residents. We found that homes had no set coverage amount for this insurance, even though an expert consultant contracted by the Authority in July 2019 recommended that a minimum limit of \$7,500 per resident may be appropriate.

At the time of our follow-up, the Authority noted that, due to resource constraints, it plans to draft advice to the Ministry regarding a legislative amendment by March 2023.

Complaints

Recommendation 17

To enhance the public's knowledge and awareness of the Authority's oversight role for the retirement home industry and to minimize safety risks to retirement home residents, we recommend that the Retirement Homes Regulatory Authority develop a more comprehensive communications strategy to specifically target groups that include residents and families, retirement home staff, and the public about its role, emphasizing how complaints can be best brought to its attention or to the attention of other appropriate parties.

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

Details

During our 2020 audit, multiple stakeholder groups we spoke to said staff who work in retirement homes witness neglect and abuse but may not know that they can report these incidents to the Authority. This lack of knowledge about the Authority limits the Authority's ability to effectively execute its mandate to protect residents.

At the time of our follow-up, the Authority had used paid advertisement on social media, between September 2020 and March 2021, to target seniors and their family members who were either currently in or considering living in retirement homes. As well, a sponsored article about the Authority appeared in the media in December 2020. Further, in May 2021, the Authority commissioned a public relations firm to propose a communications strategy to help connect with the Authority's target audience. The communication campaign, as informed by the firm, ran for the remainder of 2021. The Authority will continue promoting its role on social media in fall and winter of 2022/23 to encourage health partners and other audiences to report complaints to it.

In terms of complaints, the Authority launched a new, plain-language complaint form on its website in March 2021. As well, it finalized its internal process in July 2021 and ran a social media campaign in September and October 2021 about referring matters to third-party authorities when a complaint falls outside of the Authority's jurisdiction.

The Authority has increased awareness with public health units and Home and Community Care Support Services of its mandate through meetings and distribution of the Authority's weekly e-newsletter to help amplify its messages regarding complaints and how to bring them to its attention.

Recommendation 18

To provide for more clarity and timely responses to retirement home residents, family members of residents, or other persons who may have concerns about retirement homes, we recommend that the Retirement Homes Regulatory Authority:

- *develop a form letter containing contact information for other regulatory bodies and send the letter to all complainants at the earliest opportunity before it investigates the complaints;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority addressed complaints in retirement homes only if they relate to contraventions of the *Retirement Homes Act, 2010*. For other issues such as residential tenancy issues or concerns about incompetent care, the Authority would verbally inform complainants about its jurisdiction and other relevant regulatory authorities (such as the Landlord and Tenant Board and health regulatory colleges), but it did not inform them in writing until after it completed its investigation.

At the time of our follow-up, the Authority had updated its complaint intake procedures, as of June 2021, which now include sending an acknowledgement letter to the complainant to advise them of its complaint referral webpage and providing the contact information of the relevant agency if the complainant's concern is outside of the Authority's mandate or involves overlapping oversight with another regulator or agency.

- *establish a process to refer complaints not within its jurisdiction directly to the appropriate regulatory body and follow up with the complainant and the*

other regulatory body to ensure that the complaint has reached the appropriate organization;

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority addressed complaints in retirement homes only if they relate to contraventions of the *Retirement Homes Act, 2010*. For other issues such as residential tenancy issues or concerns about incompetent care (within the purview of the related health regulatory college), the Authority gave general advice to the complainant who must then find the appropriate organization on their own, even though their concerns pertained to a retirement home.

At the time of our follow-up, the Authority had established a process in July 2021 to allow it to forward a complaint not within its jurisdiction directly to the appropriate regulatory body if the complainant was unable to independently do so, such as from lack of Internet access or a language barrier. The Authority requires that the complainant explicitly provides consent. Staff document the details in a case file.

- *update its website to include contact information of relevant regulatory bodies to address concerns that the public commonly brings to the Authority's attention but are outside of the Authority's jurisdiction;*

Status: Fully implemented.

Details

In our 2020 audit, we noted the Authority informed the public on its website that it does not oversee issues relating to employer/employee relationships, rent and evictions, and power of attorney disputes. Accordingly, it referred the public to contact the appropriate parties, but it did not inform the public about other parties, such as the Local Health Integration Networks, the Office of the Fire Marshal or health regulatory colleges.

At the time of our follow-up, the Authority had updated its website in July 2021 to include the contact information of other applicable agencies and regulatory bodies.

- *establish a performance indicator to measure turnaround time for investigating and resolving complaints, set and review targets on an annual basis and monitor relevant performance;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority did not set or publish targeted turnaround times to inform complainants on what to expect when they lodged a complaint about a retirement home. Between 2017/18 and 2019/20, the Authority took an average of four-and-a-half months to resolve formal written complaints it received.

At the time of our follow-up, the Authority had gathered data on its staff's turnaround time in February 2022 and established targets on the expected duration of time to investigate and resolve complaints. For example, the Authority aims to issue a Registrar decision following an inspection within 150 days of receiving a complaint, and refer a complaint to external agencies within 10 days of receiving it if it is not within its jurisdiction to investigate. The Authority established these targets by considering the significant variation in the complexity of complaints and accessibility of information-gathering to adjudicate complaints. The Authority plans to review and revise targets on an annual basis and monitor performance against these standards.

- *publish expected service standards about its complaint resolution process and its actual performance against these standards on its website.*

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

Details

In our 2020 audit, we noted that the Authority did not set or publish targeted turnaround times to inform complainants on what to expect when they lodge a complaint about a retirement home.

At the time of our follow-up, the Authority in September 2022 published on its website the expected service level standards about its complaint resolution process, and expects to publish metrics on how the

Authority is measuring against these standards by April 2023.

Recommendation 19

To more clearly and effectively communicate information about retirement home complaints to existing and future residents and family members, and to improve the effectiveness of retirement home inspection choices by inspectors, we recommend that the Retirement Homes Regulatory Authority:

- *publish data publicly and regularly on common complaint areas raised by consumers about the retirement home industry;*

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

Details

In our 2020 audit, we noted that the Authority's online database did not provide complaint information for individual homes or for all retirement homes in total. The Authority's practice was to publish complaint details within an inspection report after it validated a complainant's concerns that the retirement home had failed to comply with the *Retirement Homes Act, 2010* or its regulation.

At the time of our follow-up, the Authority had completed an analysis in June 2021 on the trends and patterns in complaints made from 2014/15–2020/21. It noted that the most common complaints did not vary much over the years: improper/incompetent care, abuse/neglect, complaints procedure, food, and building/maintenance. The Authority plans to publish its analysis of complaints and trends publicly by June 2023, and potentially more than once a year.

- *publish the nature and quantity of complaints filed with the Authority for each retirement home on the Authority's website while respecting the privacy of the complainant;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that the Authority's online database did not provide complaint information for individual homes nor for all retirement homes in total.

At the time of our follow-up, the Authority plans to publish by March 2024 the nature and quantity of complaints for each retirement home when it takes enforcement action against a home where a complaint originated. It also plans to, by March 2024, incorporate the nature and quantity of complaints into the retirement home database in the context of the future development of a public report card, and consider increased transparency regarding the nature and quantity of complaints for each retirement home in the development of enhanced inspection reports and the report card.

- *analyze complaint trends to identify significant areas of focus and to better inform its selection of retirement homes for routine inspections;*

Status: Fully implemented.

Details

In our 2020 audit, we noted the Authority informed us that it had begun to track the category of complaints. However, as the Authority did not analyze complaints data, complaints that the Authority could not substantiate were not used in inspector training to identify areas of interest.

At the time of our follow-up, the Authority had completed an analysis in June 2021 on the trends and patterns in complaints made from 2014/15–2020/21. It noted that the most common complaints did not vary much over the years: improper/incompetent care, abuse/neglect, complaints procedure, food, and building/maintenance. To better inform the selection of retirement homes for earlier inspections, the Authority has amended its risk model to take into consideration reported incidents that did not result in inspections. The revised model was put in place in April 2022.

- *establish a training module for the retirement home sector and update training for its inspectors based*

on the most frequent and significant complaints raised to identify areas of focus for inspections.

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

Details

In our 2020 audit, we noted that the Authority did not analyze complaints data; complaints that the Authority could not substantiate were not used in inspector training to identify areas of interest.

At the time of our follow-up, the Authority had compared common complaint areas against the current routine inspection process to determine whether additional focus areas needed to be added or amended, and completed inspector training in November 2021 incorporating the results of this analysis. The Authority will review data on significant, frequent complaints by December 2022 to identify any gaps in the current compliance assistance modules and update them for the retirement home sector.

Information on Pricing of Rent, Care Services and Performance History Not Easily Available to Consumers

Recommendation 20

To better inform and protect consumers when purchasing accommodation and care services from retirement homes, we recommend that the Ministry for Seniors and Accessibility:

- *evaluate whether the Retirement Homes Regulatory Authority should have oversight of retirement home care services fees and consider proposing amendments to the Retirement Homes Act, 2010, as appropriate;*

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

Details

During our 2020 audit, stakeholder groups indicated that affordability of housing is becoming a critical issue for seniors. There are no organizations or statutes that prevent retirement home residents from being charged unreasonably high prices for care services. Neither the

Retirement Homes Act, 2010 nor the *Residential Tenancies Act, 2006* define what constitutes a fair price for care services.

At the time of our follow-up, the Ministry for Seniors and Accessibility (Ministry) had researched analyses of comparisons between retirement homes and long-term-care homes in Ontario and retirement homes across Canada, as well as obtained research conducted by the Ministry of Health that examined the regulation of care service fees in retirement homes. The Ministry plans to conduct further analysis of the costs of care services and the role of various government authorities in other sectors with regards to oversight of fees. The Ministry intends to, by December 2022, make recommendations for care service fees to be considered for policy options, following consultation with stakeholders and partner ministries.

- request the Authority to require all licensed retirement homes to make price lists (for rent and services) available—both in paper form and electronically—when asked by phone, online, through emails or in person.

Status: Fully implemented.

Details

In our 2020 audit, we noted that the *Retirement Homes Act, 2010* indicates that residents have a right to know what care services are provided in the home and how much they cost. However, we found that 75% of the 20 sample retirement homes did not have pricing information available online.

At the time of our follow-up, the Ministry had made amendments to the *Retirement Homes Act, 2010* that were effective March 16, 2022. Retirement homes are to provide an itemized list in electronic and/or paper form of the different types of accommodation and care services provided in the retirement home, and their prices, to anyone upon request. On March 21, 2022, the Ministry and the Authority participated in a sector association webinar with retirement home operators to advise them of the legislative and regulatory amendments and to respond to inquiries.

Recommendation 21

To better inform and protect consumers when purchasing accommodation and care services from retirement homes, we recommend that the Retirement Homes Regulatory Authority accelerate its efforts to develop a public report card for each retirement home.

Status: Little or no progress.

Details

In our 2020 audit, we noted that the Authority was developing a public report card that was intended to provide real-time performance measurement data for each retirement home to assist potential residents and their families in selecting a reliable retirement home. At the completion of our audit, the Authority was still assessing its plan for a public report card.

At the time of our follow-up, the Authority had deferred its public report card development initiative to 2023/24.

Board and Ministry Lack Sufficient Oversight of Authority's Activities

Recommendation 22

To improve effective governance and the Board of Directors' oversight of the Retirement Homes Regulatory Authority's operation, we recommend that the Ministry for Seniors and Accessibility work with the Public Appointments Secretariat to propose appointees to the Board with seniors' interests in mind or request the Board Chair to consider such individuals as current directors' terms expire.

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

Details

In our 2020 audit, we noted that from 2016 to 2020 the Authority's Board of Directors had its full complement of nine members only between April 2016 and October 2017 and after July 2020. In addition, at the time of our 2020 audit, the Board did not have a member who represented either a seniors' organization or was an individual who advocated for seniors.

From our follow-up we found that the Ministry had worked with the Public Appointments Secretariat

in 2021 to appoint two individuals with insights into the needs and interests of seniors to serve on the Authority's Board. As well, the Ministry has included a provision in its updated Memorandum of Understanding (MOU) with the Authority that requires the Board to make reasonable efforts to include members who reflect a variety of perspectives, including consumer protection and public interest perspectives. The provision, expected to take effect by March 31, 2023, also requires the Authority to make the Board competency and selection criteria public.

Recommendation 23

To improve its ability to oversee the Retirement Homes Regulatory Authority (Authority) to confirm that it is operating in accordance with the Retirement Homes Act, 2010 and the Memorandum of Understanding between the Authority and the Ministry for Seniors and Accessibility (Ministry), we recommend that the Ministry:

- *develop a schedule of reporting requirements with input from the Authority and update the Memorandum of Understanding accordingly;*

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

Details

In our 2020 audit, we noted that, as outlined in the *Retirement Homes Act, 2010*, the Ministry had a Memorandum of Understanding (MOU) in effect with the Authority which was last reviewed in October 2018. The Authority was required to submit certain documents such as its annual report and business plan to the Ministry on a regular basis for oversight purposes. The MOU had a placeholder schedule for the Ministry to further define the documents it expected the Authority to submit on a regular basis for its review. But the Ministry had not specified what those documents were when we completed our 2020 audit.

At the time of our follow-up, the Ministry had worked with the Authority in 2021/22 to update the MOU between the two parties, including the development of a schedule for corporate planning and reporting. This schedule, which the Ministry and the Authority have agreed to have in place by

December 2022, will include minimum requirements for corporate reporting documents required by the MOU, including a business plan and an annual report.

- *request the Authority establish targets for its performance indicators, and require the Authority to publish actual versus targeted performance annually;*

Status: In the process of being implemented by September 2025.

Details

In our 2020 audit, we noted that the Ministry had not requested the Authority develop benchmarks to measure its performance toward effective operation. While the Authority published key activity data with prior-year comparisons in its annual report, it did not set benchmarks for this data. This means the Ministry did not have an appropriate baseline to which it could compare the Authority's performance in key risk areas.

At the time of our follow-up, the Ministry and the Authority had revised their Memorandum of Understanding (MOU) to include a provision that requires the Authority to establish performance measures regarding the administration of the *Retirement Homes Act, 2010* to enable year-to-year comparison. The MOU further requires the Authority to provide the Minister with performance targets and results on an annual basis.

In March 2022, the Ministry and the Authority established an implementation timeline for performance measures and targets to support the achievement of these provisions. The Ministry will monitor implementation and expects that by April 2023, the Authority will establish new or additional performance measures; by April 2024, the Authority will begin collecting data for performance measures; by April 2025, the Authority will begin collecting data for targets; and by September 2025, the Authority will publish performance against targets in its annual report.

- *assess the level of resources it requires to oversee the Authority and determine whether it needs to levy an oversight fee—if not, the Memorandum of Understanding should be updated to reflect this fact.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Ministry did not charge the Authority oversight fees as required in the Memorandum of Understanding (MOU). The MOU states that the Authority is to pay the Ministry oversight fees. The administrative authority model is meant to be cost neutral to the government. The purpose of an oversight fee is to recoup the government's cost to provide legislative and accountability oversight.

At the time of our follow-up the Ministry had assessed, in fall 2021, the level of resources it requires to oversee the Authority and determined that it would continue to not charge the Authority oversight fees, considering factors such as the operational efficiency review of the Authority that was under way and the transfer payments it provided to the Authority at inception and during the COVID-19 pandemic. The updated MOU, which took effect on March 31, 2022, provides discretion for the Minister to charge fees.

Recommendation 24

To improve the safety and protection of retirement home residents and to support the work and effectiveness of the Risk Officer, we recommend that the Retirement Homes Regulatory Authority:

- *establish targeted time frames to phase in the Risk Officer's recommendations;*

Status: Fully implemented.

Details

In our 2020 audit, the Authority indicated that its business plans incorporate the Risk Officer's recommendations but may not establish a targeted time frame to phase them in.

At the time of our follow-up, the Authority had implemented time frames to phase in the Risk Officer's recommendations, giving consideration for the complexity of the action proposed in the recommendation, organizational priority and available resources. Authority management reported to the Risk Officer in April 2021, September 2021 and March 2022 on the status of any prior recommendations, including time frames for implementation.

- *track the enactment of these recommendations;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that while the Board received and reviewed the Risk Officer's annual report, the Authority did not report to the Board the status of implementation of the Risk Officer's recommendations.

At the time of our follow-up, the Authority had developed a tracker to monitor its implementation of the Risk Officer's recommendations.

- *report this information to the Board of Directors and to the Ministry for Seniors and Accessibility semi-annually.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that while the Board received and reviewed the Risk Officer's annual report, the Authority does not report to the Board the status of implementation of the Risk Officer's recommendations; the Ministry for Seniors and Accessibility also did not ask for any updates regarding the status of implementation of the Risk Officer's recommendations.

At the time of our follow-up, the Authority had regularly reported its implementation status of the Risk Officer's recommendations to the Ministry in April 2021, September 2021 and March 2022 and to the Governance, Regulatory Affairs and Nomination Committee of the Board in February 2021, June 2021 and November 2021.

Recommendation 25

To improve the co-ordination and effectiveness of overall services to seniors in Ontario in an environment where multiple ministries are involved in providing services and care to this population group, we recommend that the Ministry for Seniors and Accessibility:

- *seek the responsibility to serve as the lead ministry that will work with all applicable ministries that have a mandate to provide or oversee the provision of seniors' congregate living and care services to develop a co-ordinated seniors' housing policy*

framework that defines the health, independence and financial profile of seniors for whom these settings are intended, or identify another ministry that will act as the lead;

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

Details

In our 2020 audit, we noted that despite taking responsibility for the seniors' strategy, the Ministry for Seniors and Accessibility (Ministry) informed us that it is not responsible for determining policy relating to seniors' housing or congregate care. The Ministry indicated that it will consider exploring and investing in new models of seniors' housing when a new seniors' strategy is implemented, but the Ministry of Municipal Affairs and Housing will lead the seniors' housing strategy.

At the time of our follow-up, the Ministry had established, in November 2020, an internal advisory committee with key ministry partners including the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Public and Business Service Delivery and the Ministry of Municipal Affairs and Housing to discuss cross-sector issues, including how to improve co-ordination along the continuum of care and housing for seniors.

In January 2021, the Ministry participated in a discussion session hosted by the Ministry of Municipal Affairs and Housing that focused on seniors. Also in January 2021, the Ministry, together with the Ministry of Health and the Canadian Institute of Health Research, held a two-day session to facilitate exchanging of information and ideas on options in service delivery models and regulatory approaches to improve the health and safety of older Ontarians living in care settings.

Furthermore, the Ministry in February 2022 established a working group with representatives from the Ministry of Municipal Affairs and Housing, the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Children, Community and Social Services and the Authority to develop a policy framework on seniors' housing and care. Between March 2022 and July 2022, the working group developed a "blueprint

document" that describes all of the ministries, legislation and regulations, as well as policies and guidelines that govern housing and care for seniors. The working group also developed draft "journey maps" that describe how diverse seniors access housing and care settings, exposing the challenges faced by seniors in doing so. The Ministry expects this information will inform the development of a seniors housing and care policy framework. The working group also discussed applying a health equity impact assessment tool in the development of the framework to ensure health equity is considered.

By December 2023, the Ministry expects to have created a policy framework to improve the co-ordination and effectiveness of the housing and care sectors, addressing the evolving needs of the retirement home sector and promoting the development of innovative housing and care models.

- *incorporate in its seniors' strategy specific actions to undertake to achieve various goals and a timetable for these actions.*

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

Details

In our 2020 audit, the Ministry had not yet finalized its work on an updated seniors' strategy, although it expected to communicate more details publicly at the end of 2020 or early 2021.

At the time of our follow-up, the Ministry had updated the seniors' strategy to incorporate lessons from the COVID-19 pandemic. Although not publicly released, the Ministry indicated that the strategy guides the work of the province and progress is being made through many government initiatives that align with and support the strategy pillars. The Ministry informed us that it was updating the strategy and aimed to obtain central agency approval by March 2023.

Authority Lacks Financial Capacity to Fully Meet Regulatory Mandate

Recommendation 26

To collect sufficient fees to cover the Retirement Homes Regulatory Authority's mandated activities to protect current and former retirement home residents, we recommend that the Retirement Homes Regulatory Authority annually reassess the appropriateness of its fees or identify other revenue sources to cover its operating expenses in performing more inspections and other mandated activities.

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Authority did not receive funding from the Ministry. It financed its operations primarily by collecting fees from the retirement homes that it regulates. The Authority operated with an annual surplus between 2015/16 and 2018/19 and incurred an annual deficit in 2019/20.

At the time of our follow-up, in September 2022, after the Minister's review and stakeholder feedback, the Authority's Board approved changes to the fee schedule effective January 1, 2023. The most significant change is the new annual fee per suite. The Authority indicated that this change will help it attain financial stability in 2023/24. The Authority notified the sector of the 2023 fee changes in early October.

Chapter 1

Section 1.13

Ministry of Tourism, Culture and Sport

Follow-Up on 2020 Value-for-Money Audit:

Museums and Galleries: Art Gallery of Ontario

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	1	2	1		
Recommendation 2	1		1			
Recommendation 3	2	2				
Recommendation 4	3			3		
Recommendation 5	3	2	1			
Recommendation 6	1	1				
Recommendation 7	4		3	1		
Recommendation 8	3			3		
Recommendation 9	2			2		
Recommendation 10	2			2		
Recommendation 11	4	2		2		
Recommendation 12	2			2		
Recommendation 13	4			4		
Recommendation 14	3			3		
Recommendation 15	3			3		
Recommendation 16	3			3		
Recommendation 17	3			3		
Recommendation 18	1			1		
Recommendation 19	2			2		
Total	50	8	7	35	0	0
%	100	16	14	70		

Overall Conclusion

The Art Gallery of Ontario (AGO), as of September 26, 2022, has fully implemented 16% of actions we recommended in our *2020 Annual Report*. The AGO has made progress in implementing an additional 14% of the recommendations.

In response to our recommendations, the AGO revised its Conflict of Interest Policy to prohibit preferential treatment to its Board members. According to the AGO's revised policy, its Board members cannot borrow artworks from the AGO's permanent collection for their personal use. In addition, the AGO amended its bylaws to limit the number of consecutive years that Board members can serve on its Board to 15 years. The

AGO also segregated the responsibilities for deleting artwork records from its collection management system and approving the deletion of such records. In addition, the AGO implemented a new process to review and approve a report on artwork deleted from its collection management system on a quarterly basis.

To strengthen its inventory control, the AGO implemented a process to conduct regular inventory checks. Starting in October 2021, the AGO began to conduct random inventory checks on a monthly basis of its permanent collection of artworks stored in its collection vaults. Similarly, in November 2021, the AGO implemented a process to perform quarterly inventory and contents checks of artworks in its permanent collection that are stored in crates to verify the physical integrity of those artworks.

At the time of our follow-up, the AGO was in the process of updating a number of policies to strengthen its process to establish the provenance and authenticity of the artworks it acquires and borrows. The updated acquisitions policy will prohibit acquiring Aboriginal, African and Indigenous human remains, funerary objects, sacred objects, and objects of cultural patrimony without provenance. The AGO also revised its loan agreement form to request the ownership history of artworks prior to confirming that it will borrow them, including import and export documents as necessary. It was also finalizing a number of questionnaires related to provenance to be included with the forms sent to vendors and donors early in the acquisition process in order to obtain as much of the history of ownership of the artwork as possible. In addition, the AGO was working to implement a new process to ensure its decisions to deaccession items from its collection are fully supported. According to the AGO, the new process will include a document outlining the rationale for deaccessioning, the disposal method, any concerns raised by the original donor, and the details of independent appraisals of the deaccessioned item.

However, the AGO has made little progress on 70% of the recommendations. The AGO had not reviewed artworks without an assigned value to determine which artworks should be valued. It also had not established a process to update the valuation of its collection

to assess whether its insurance coverage is sufficient. As well, the AGO had not taken steps to ensure it uses its selection criteria to assess and select the exhibitions it will display so that it designs and selects exhibitions that best meet its goals. In addition, the AGO had not taken steps to improve the cost-effectiveness of its exhibitions, including analyzing attendance where targets are not met, to identify the reasons, and apply lessons learned.

The AGO has made little progress to improve the Board of Trustees' oversight of its education and public programs. At the time of our follow-up, the AGO had not developed a strategy for its education and public programs that outlines its goals and the actions needed to meet those goals. As well, the AGO had not established a process to capture attendance data for all of its education and public programs. Finally, the AGO still had not implemented a performance review system for all its staff.

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

Background

The Art Gallery of Ontario (AGO) is an art museum located in Toronto. It is a transfer payment recipient that receives approximately \$21 million in annual funding from the Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries). Its legislation, the *Art Gallery of Ontario Act* (Act), sets out the AGO's mandate. Consistent with the traditional role of museums and galleries, its mandate includes collecting artworks, displaying them, providing education programs related to its collections, and generating public interest in its collections and exhibitions. In 2021/22, the AGO had approximately 57,000 visitors, which was down significantly from about 840,000 visitors in 2019/20 because of public health restrictions during the COVID-19 pandemic.

The AGO is governed by a Board of Trustees (Board) consisting of 27 members, 10 of which are appointed by the provincial government. As a charitable

organization, the AGO prepares a balanced budget each year, where budgeted revenues are equal to budgeted expenses.

Overall, we found that the AGO did a good job of safely storing the artworks in its collections in line with best practices. It had adequate environmental controls and kept its storage vaults at appropriate temperature and humidity levels. The AGO also offered a variety of education programs to the public related to its collections—including many at no cost to those attending.

However, we found that the AGO did not have an accurate valuation of its collection to help it evaluate whether it maintained sufficient insurance coverage. In addition, we found that the AGO had never conducted an inventory check of its collections and it did not have a policy in place to conduct regular inventory checks to verify the existence of the artworks in its collection.

We also found in our 2020 audit that the AGO alone accounted for \$101 million, or 22%, of all income tax certificates issued by the Canadian Cultural Property Export Review Board (CCPERB) for donations made to all Canadian institutions over the previous five years. Donations certified by CCPERB provide donors with additional tax advantages compared with those that are not certified by CCPERB. Despite the cost to taxpayers of the AGO's acquisitions, we found that the AGO had not displayed the majority of these donations it received between 2015/16 and 2019/20 that were certified by CCPERB.

The following were some of our specific concerns related to the AGO:

- The AGO did not have a collection development plan to guide its acquisitions and justify their cost to taxpayers. Although best practices recommend that museums and galleries should have a written collection development plan identifying what they will collect, we found that the AGO did not have such a plan in place to guide its acquisitions. As a result, it was unclear whether the items the AGO had acquired were needed to meet its collection objectives. In the previous five years, the AGO's collection had grown by 23%, but without an up-to-date collection development plan it was not possible to demonstrate

that these acquisitions met the AGO's collection objectives and added sufficient value to the collection to justify the acquisition cost and the ongoing costs for their care and storage.

- No evidence existed that AGO Board members excluded themselves from the approval of their own donations. We identified weaknesses in the AGO's governance processes where Board members donated artworks to the AGO, but there was no evidence that they declared their conflict of interest or excused themselves during the vote to approve their own donations.
- Research into provenance and authenticity of acquisitions was not always complete or documented. We found that in 18% of the acquisitions we reviewed, the AGO did not fully address the requirements of its policies to establish the provenance of the items in order to prove ownership, or to verify the authenticity of the item. This included a large donation of 77 paintings valued at \$33.2 million.

We made 19 recommendations, with 50 action items, to address our audit findings.

We received commitment from the Art Gallery of Ontario in 2020 that it would address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the Art Gallery of Ontario that effective November 11, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Collections Management

Recommendation 1

So that it acquires artworks that best meet its collection priorities and needs, and that it operates in a manner

that is consistent with its transfer payment agreement with the Ministry of Heritage, Sport, Tourism and Culture Industries, to obtain value for money and to use public funds wisely, we recommend that the Art Gallery of Ontario (AGO):

- *establish a collection development plan, identifying its specific collection priorities for each of its five collection departments;*
- *restrict, except in extenuating circumstances, the acquisition of artworks that do not meet the plan's specific priority areas;*

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

Details

In our 2020 audit, we found that the AGO does not have a collection development plan to guide its acquisitions. As a result, it was unclear whether the items the AGO had acquired were needed to meet its collection objectives. Over the previous five years, the AGO's collection of artworks had grown by approximately 23%, from 98,126 in 2015 to 121,011 in 2020. Without an up-to-date collection development plan, the AGO could not demonstrate that these acquisitions were needed to meet its collection objectives, and that they added sufficient value to the collection to justify the acquisition cost, and the ongoing costs for the care and storage of the artworks.

In our follow-up, we found that the AGO developed a collection strategy to guide its acquisition of artwork. The AGO's strategy is to collect masterworks, broader representations of cultural artwork, significant collections, and globally important and modern contemporary artwork. As part of its collection strategy, the AGO also plans to establish a robust process to strategically deaccession artwork to refine its collection. The AGO is in the process of establishing collection priorities for each of its departments and it expects to complete this work by December 2022.

- *promptly display a greater proportion of artworks acquired that have been certified as significant by the Canadian Cultural Property Export Review Board;*

Status: Little or no progress.

Details

In our 2020 audit, we found that 63% of the donations of artwork submitted by the AGO and approved by the Canadian Cultural Property Export Review Board (CCPERB) between 2015/16 and 2019/20 had not been displayed. The CCPERB is an independent tribunal of the federal Department of Canadian Heritage that reviews the donated artwork and assesses whether it qualifies to be certified as having outstanding significance. In cases where CCPERB certifies artwork as being of outstanding significance, CCPERB will issue an income tax certificate to the donor based on the item's fair market value. There is a tax benefit to the donor if the donation is certified by CCPERB.

In our follow-up, the AGO advised us that, in general, it was displaying in its galleries a higher proportion of the artworks it was acquiring. However, the AGO advised us that because of limitations in its record-keeping, it could not demonstrate whether it was displaying a higher proportion of artworks certified as significant by CCPERB.

- *prohibit the provision of preferential treatment and benefits to AGO Board members who have donated artwork that are not ordinarily available to other donors to the AGO.*

Status: Fully implemented.

Details

In our 2020 audit, we found instances where Board members who donated artwork received preferential treatment. For example, in one instance, the AGO appealed a ruling by the CCPERB on the value of the donated artwork even though the AGO acknowledged in writing that it had no basis to do so based on CCPERB's rules. In another instance, an arrangement was made where a Board member can, for a fee, borrow artwork that had been purchased by the AGO with funds the Board member had donated. The opportunity to borrow items to display in one's personal residence is not an opportunity ordinarily afforded to other donors.

In our follow-up, we found that the AGO revised its Conflict of Interest Policy to prohibit preferential treatment to its Board members. According to the revised

policy, Board members cannot borrow works of art from the AGO's permanent collection for personal use. The revised Conflict of Interest Policy also requires the AGO to follow all rules and regulations of CCPERB, and to only file an appeal on a CCPERB determination if the AGO believes there is merit.

Recommendation 2

We recommend that the Art Gallery of Ontario implement processes so that the steps required by its policies to establish the provenance and authenticity of the artworks it acquires are consistently completed, documented and reviewed.

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

Details

In our 2020 audit, we reviewed a sample of items acquired by the AGO between 2017/18 and 2019/20, and found that for 18% of them, the AGO did not fully address the requirements of its policies to establish the provenance of the items in order to prove ownership, or to verify the authenticity of the item.

In our follow-up, we found that the AGO expects to finalize a number of questionnaires related to provenance to be included with the forms sent to vendors and donors early in the acquisition process in order to obtain as much of the history of ownership of the work of art as possible. If issues or red flags arise from the questionnaires, the relevant curator is to follow up as soon as possible and answer any questions prior to the acquisition approval process. The AGO is also in the process of updating its acquisitions policy to state that it will not acquire Aboriginal, African and Indigenous human remains, funerary objects, sacred objects, and objects of cultural patrimony without provenance. The AGO also revised its loan agreement form to request the ownership history of artwork prior to confirming that it will borrow it, including import and export documents as necessary. The AGO expected to update all relevant policies to strengthen its current process to establish provenance and authenticity of artwork by December 2022.

Recommendation 3

So that the artworks in the Art Gallery of Ontario's (AGO) collection are secured, we recommend that management:

- *segregate the responsibilities for deleting records, approving the deletion of records, and accessing the AGO's vaults; and*
- *periodically review a list of deleted artwork records, and ensure that artworks have been deleted only for authorized purposes.*

Status: Fully implemented.

Details

In our 2020 audit, we found that artwork records could be deleted from the AGO's collection management system, The Museum System (TMS), without authorization and that there was no process in place to review deleted records to ensure that they had been deleted only for authorized purposes.

At our request, the AGO's IT department provided a report of deleted artwork records that showed that approximately 5,700 artwork records had been deleted since 2009. We reviewed this list and found that over 3,000 records had been deleted by six individuals who also had access to AGO's vaults, raising security concerns about AGO's inventory of artwork. We evaluated a sample of these deleted records, and found that we could not verify the reason for 30% of the deletions because the AGO could not provide evidence to show what happened to the item in these records.

In our follow-up, we found that AGO made changes to segregate responsibilities so that only the Deputy Director and Chief Curator has the authority to approve the deletion of records from TMS, and only the Registrar and Assistant Registrar of Collections have the authority to delete records from TMS.

In addition, the AGO advised us that it updated TMS to produce a new report called the "Record Delete Report," and also implemented a new process for the Deputy Director and Chief Curator to review and approve the "Record Delete Report" on a quarterly basis.

Recommendation 4

So that the Art Gallery of Ontario knows the financial value of its collection and can assess whether its insurance coverage is sufficient, we recommend that it:

- review artworks that do not have a value assigned to determine which artworks should be valued;
- put in place a process to update the valuation of its collection to reflect the value of these artworks; and
- assess the risks of potential loss of its collection and obtain the level of insurance deemed necessary based on the updated valuation of the collection.

Status: Little or no progress.

Details

We found in our 2020 audit that approximately 50% of the 121,000 items in the AGO's collection did not have a value assigned to them in TMS. Where items were valued, 70% of these items, accounting for \$803 million, had a valuation that was more than 10 years old. Our audit also found that the AGO has \$500 million in insurance coverage for its collection that it currently estimates has a value of \$3 billion. Although it is not a common practice for a museum or gallery to obtain insurance to cover the total value of its collection, without a more complete valuation for its collection it is not clear whether the AGO's insurance coverage is sufficient relative to the commercial value of its collection.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations.

Recommendation 5

To safeguard the items in its collection, and improve the utilization of its storage facilities, we recommend that the Art Gallery of Ontario:

- establish a policy for carrying out inventory checks that includes the frequency and methodology of such checks;
- perform inventory checks in accordance with this policy;

Status: Fully implemented.

Details

In our 2020 audit, we found that the AGO has never conducted an inventory check of its different collection areas, and it does not have a formal policy to conduct periodic inventory checks on a systematic basis for its collection areas. Inventory checks allow museums and galleries to verify that their items are present, which is crucial to maintaining accountability.

In our follow-up, we found that the AGO implemented a process to conduct regular inventory checks. Starting in October 2021, the AGO began to conduct monthly random inventory checks of the permanent collection of artworks stored in its vaults. The Registrar of Collections produces a report from the AGO's collections management database that randomly chooses 20 works of art for location verification. The artworks on the list are visually sighted and the current location is verified against the location indicated in the system. In addition to the monthly random inventory checks, the AGO's policy requires it to periodically conduct a full inventory of its collection stored both on-site and off-site.

- review the contents of its vault containing items of furniture that are not accessioned items in the collection, and develop a plan to dispose of the items it does not intend to use in the future.

Status: In the process of being implemented by July 2024.

Details

In our 2020 audit, we found that the AGO had one vault with several shelves of furniture and accessories that it informed us was not catalogued. The AGO advised us that it does not consider the furniture and accessories to be part of its permanent collection, and that the AGO had no plans to use them in the future.

In our follow-up, we found that the AGO has a plan to review hundreds of items stored in boxes within the vault. In the first phase of the plan, the AGO will unpack, categorize and document the objects and furniture, and assess them for disposal. In the second phase, the items the AGO does not intend to use in the future will be offered to small local museums and cultural organizations. It also has plans to communicate

with representatives of museums in the City of Toronto and surrounding areas to offer inventory as a gift. The AGO will also contact small Canadian museums and cultural organizations through the Canadian Museum Association to offer inventory as gifts or for purchase. This project is scheduled to begin in the 2023/24 fiscal year.

Recommendation 6

To verify the physical integrity of artworks in crates, we recommend that the Art Gallery of Ontario develop a schedule to identify works that have not been examined over a long period of time (for example, 10 years) and conduct a visual examination of these works, or a representative sample of the works.

Status: Fully implemented.

Details

In our 2020 audit, we noted that the AGO's decision to store works in shipping crates offers benefits and challenges. The significant challenge of the crates is that they limit the ability of collections staff and conservators to monitor the physical condition of the works inside. This is particularly the case when, as at the AGO, crates are used to store large and heavy works that require mechanical lifts and multiple people to manoeuvre safely.

In our follow-up, we found that in November 2021, the AGO implemented a process to perform quarterly inventory and contents checks of crated artworks in the permanent collection stored in its vaults. The crates are visually inspected both externally and internally to verify the contents of the crates and packing material. Crate construction is also updated as necessary. The AGO has developed a plan to check the inventory and contents of a minimum of 23 crates per year, with priority given to crates that have not been opened in more than two years. As of March 2022, the AGO completed a review of a total of 10 crates.

Recommendation 7

So that it maintains donor relations, its decisions to deaccession items from its collection are fully supported, and its collections database is up to date, we recommend that the Art Gallery of Ontario (AGO):

- *consult with donors of deaccessioned items, and document how it addressed donor concerns in all cases;*
- *put in place a process to ensure that the reason for deaccessioning is documented, including how the AGO's criteria for deaccessioning have been met;*
- *ensure all deaccessioned items are independently appraised and that this information is provided to the Collections Committee before they approve deaccessioning;*

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

Details

In our 2020 audit, we found that some opportunities exist to improve the deaccessioning process (the process by which a museum or gallery permanently removes artwork from its collection). For example, we found that donor consultation was not always documented to illustrate that donors were consulted before the item was deaccessioned, or that questions and concerns from donors were addressed. We also found that 25% of the deaccessioned items we reviewed were missing a proposal and related documentation outlining the reason for deaccessioning and that it was in line with the AGO's criteria.

In our follow-up, the AGO informed us that it has not deaccessioned artwork since we made the recommendation. Therefore, the AGO was not able to show us any documentation to illustrate that the concerns raised in our 2020 audit had been addressed. However, the AGO told us it implemented a new process whereby its curators must complete a form called "Deaccession Recommendation" for all proposed deaccessions. This form is submitted to the Curatorial Committee and then to the Collections Committee of the Board for review. In that form, the curator has to document any concerns raised by the donor, or if a donor is not consulted, explain why. The curator also has to provide the rationale for deaccessioning artworks from the collection and recommend a method for disposal. All required independent appraisals must also be completed and documented in the Deaccession Recommendation form. The deaccessioning recommendation

is kept in the acquisition file in perpetuity. A field in the collection management system (The Museum System) has also been dedicated to document when an artwork has a deaccessioning recommendation associated with it. The AGO informed us that it expects to implement the use of the Deaccession Recommendation form by the end of 2022.

- *put in place processes to ensure its collections database is updated on a timely basis to reflect items that have been disposed of.*

Status: Little or no progress.

Details

In our 2020 audit, we found instances where the sale of deaccessioned items we reviewed was not recorded in the AGO's collection management system to ensure that its records are up to date.

In our follow-up, we found that the AGO had not made progress toward implementing this recommendation. The AGO informed us that this was due to staffing issues in the Registration department. It told us it plans to create an internal guideline document to articulate steps to update the database in a timely manner. The AGO expects to complete this recommendation by December 2022.

Recommendation 8

To refine and improve the quality of its collections, and improve Ontarians' access to Canadian artwork in particular, we recommend that the Art Gallery of Ontario:

- *analyze its collection to identify additional items that could be deaccessioned;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO deaccessioned few artworks even though large parts of its collection remained idle for extended periods. We reviewed the AGO's collection and found that approximately 88,000, or 72%, of artworks had been idle since they were acquired—that is, they had not been displayed, loaned to other institutions, or accessed for reasons such as research. We also found that about

14,000, or 16%, of these artworks were acquired more than 20 years ago. According to the AGO's policies, deaccessioning is a legitimate part of the care of collections and it is carried out to refine and improve the public, community and art historical value of collections. We found that while the AGO's collection totals approximately 121,000 artworks, the number of deaccessioned items the AGO had marked for sale but not sold, or disposed of during the last three fiscal years (2017/18–2019/20) was just 150 items.

In our follow-up, we found that the AGO had not made progress toward implementing this recommendation. The AGO informed us that it is still reviewing the recommendation and plans to take steps to implement it by December 2022.

- *extend the length of time it provides other galleries in Ontario to express their interest in acquiring items it plans to deaccession;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO considers it a best practice to notify directors belonging to the Canadian Art Museum Directors Organization of items it intends to sell. However, based on our review of a sample of deaccessioned items, we found that it seldom did so in practice, and when it did, it provided little time (less than a month) for these galleries to determine if they could acquire these items.

In our follow-up, we found that the AGO had not made progress toward implementing this recommendation. The AGO informed us that it is still reviewing the recommendation and plans to take steps to implement it by December 2022.

- *consider providing items it plans to deaccession as gifts to other galleries in Ontario, particularly in cases where it may be difficult to sell the items on a timely basis.*

Status: Little or no progress.

Details

In our 2020 audit, we found that just two of the 150 deaccessioned items the AGO had disposed of over the

previous three fiscal years were provided as gifts to other institutions—in both those instances, the items had been on loan to the institutions for over 45 years. We surveyed small- and medium-sized museums and galleries across Ontario, and 88% indicated that they would be interested in acquiring artworks from the AGO as gifts or at a low cost.

In our follow-up, we found that the AGO had not made progress toward implementing this recommendation. The AGO informed us that it is still reviewing the recommendation and plans to take steps to implement it by December 2022.

Recommendation 9

So that it meets the needs of Ontarians for access to its collections, we recommend that the Art Gallery of Ontario:

- *review and assess the sufficiency and timeliness of the access it provides to its collections; and*
- *take corrective action to improve access where it is determined to be necessary.*

Status: Little or no progress.

Details

In our 2020 audit, we found that while the AGO provides access to its collection of artworks, it has not assessed whether such access meets the needs of those who require it, including with respect to the adequacy of access to all items requested, the length of time it takes to gain access, and the sufficiency of access time once it is granted. In addition, the AGO has not assessed whether the access to its online collection meets the needs of those who seek access.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is still reviewing the recommendations and plans to take steps to implement them by December 2022.

Recommendation 10

To improve access to its collection for Ontarians—particularly to Canadian artwork—we recommend that the Art Gallery of Ontario:

- *identify and take advantage of opportunities to lend items that it is not likely to display to other Ontario institutions;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that while the AGO has loaned more than 5,300 items to other institutions over the previous three fiscal years (2017/18–2019/20), it tracks and keeps records of only the loans it has approved. Therefore, it is unclear how many requests to borrow items from the AGO were rejected, and whether those decisions were made in accordance with the AGO's policies. We reviewed the AGO's collection and found that 72% of the approximately 121,000 artworks in the collection had been idle since they were acquired—that is, the artworks had not been displayed, loaned to other institutions, or accessed for reasons such as research. We surveyed small- and medium-sized museums and galleries across Ontario, and 71% indicated that they would be interested in borrowing artworks from the AGO.

In our follow-up, we found that the AGO had made little progress toward implementing this recommendation, although it did note that in response to our recommendation, it had lent small turn-key exhibitions to the Art Gallery of Sudbury at no charge.

- *review the fees it charges other Ontario institutions to borrow items from its collection, and identify opportunities to reduce those fees to increase the number of items loaned to such institutions.*

Status: Little or no progress.

Details

In our 2020 audit, we surveyed small- and medium-sized museums and galleries across Ontario, and 71% indicated that they would be interested in borrowing artworks from the AGO. However, of those that indicated they would be interested in borrowing artworks, over 75% indicated that the cost to borrow items from the AGO can be prohibitively high.

In our follow-up, we found that the AGO had not made progress toward implementing this recommendation.

Governance

Recommendation 11

To strengthen the Board of Trustees' governance and oversight of the Art Gallery of Ontario, we recommend that the President of the Board of Trustees:

- *clarify its policies on conflict of interest, including how to mitigate conflicts of interest, and reinforce to members of the Board of Trustees the requirement to disclose and/or avoid all potential conflicts of interest;*

Status: Fully implemented.

Details

In our 2020 audit, we found weaknesses in the AGO's governance processes where board members donated artworks to the AGO, but there was no evidence that they declared their conflict of interest or excused themselves during the vote to approve their own donations. For example, we found that one Board member who donated a collection of artworks to the AGO was also the Chair of the Curatorial Working Committee responsible for approving the AGO's acquisitions in this collecting area.

In our follow-up, we found that the AGO revised its Conflict of Interest Policy for Board members. According to the revised policy, Board members cannot vote on, approve, or recommend any contract or transaction in which they have an actual or potential conflict of interest. A Board member with the conflict of interest must leave the meeting during the discussion and vote. The minutes of the meeting must record the disclosure of the conflict, the interested person's abstention from consideration of the matter, and the decision of the Board or committee. During the course of our follow-up, the AGO also implemented further amendments to its Conflict of Interest Policy in fall of 2022 to clarify that Board members are prohibited from participating in decisions to approve their own donations.

- *review the term lengths of members of the Board of Trustees, and establish reasonable maximum term lengths;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the AGO's legislation and bylaws include few restrictions on the lengths of Board members' terms, allowing Board members to serve on the Board indefinitely. Approximately 50% of the AGO's Board members had served for more than 10 years, including almost 20% who had served for more than 20 years, and nearly 10% who had served more than 30 years and as long as 42 years. We compared the tenure of the Board members at the AGO to those of comparable museums and galleries and found that the Board members with the longest service typically serve between 10 and 15 years. Best practices on Board governance state that by imposing forced retirement, Boards can refresh their membership with new Board members to replace older serving members, and bring in new skills, talents and perspectives.

In our follow-up, we found that the AGO had changed its bylaws in fall 2022 to set a limit of 15 years as the consecutive number of years that a Board member can serve on the Board. The AGO indicated that Board members already serving for longer than 15 years will be transitioned off the Board by June 2025.

- *exclude emeritus Board trustees from participating in decisions of the Board and its committees;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO's Board includes 15 emeritus trustees that are appointed for their lifetime. Emeritus trustees are retired or former trustees, appointed in recognition of distinguished service to the AGO. While emeritus trustees are not voting members of the Board, we were advised they are otherwise fully participating Board members. In addition, we noted that nearly half of the emeritus trustees were members of Board committees on which they did have voting rights.

In our follow-up, we found that the AGO had not made progress toward implementing the recommendation. The AGO informed us that it is in the process of reviewing the recommendation and plans to take steps to implement it by December 2022.

- along with its CEO, review the governance issues identified in this report with the Ministry of Heritage, Sport, Tourism and Culture Industries (Ministry) and commit to improvements in future funding agreements with the Ministry.

Status: Little or no progress.

Details

In our 2020 audit, we found a number of governance issues at the AGO such as providing preferential treatment to Board members donating artwork with terms that are not ordinarily extended to other donors. As well, we identified instances where Board members donated artworks to the AGO, but there was no evidence that they declared their conflict of interest or excused themselves during the vote to approve their own donations.

In our follow-up, we found that the AGO committed to improvements in the governance issues identified in our 2020 audit in its Transfer Payment Agreement (TPA) with the Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries). The TPA now requires the AGO to establish and maintain appropriate and meaningful conflict-of-interest policies for its Board members. However, the AGO has not yet made progress in addressing the governance issues noted in one of the three preceding action items.

Exhibitions

Recommendation 12

So that it designs and selects exhibitions that best meet its goals and attract visitors to the gallery, we recommend that the Art Gallery of Ontario:

- use its established selection criteria to assess and select the exhibitions it will display; and
- assess and consider audience interest in the exhibitions it selects to display.

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO had developed and put in place criteria to evaluate

proposed exhibitions. However, there was no evidence the AGO was using them to evaluate and select its exhibitions. These criteria are intended to help select the exhibitions that are most likely to be successful in meeting the AGO's goals and attracting additional visitors. According to best practices for exhibition development, museums should develop written criteria and use those criteria to guide the process of selecting exhibitions.

We also found that the AGO does not formally assess whether prospective audiences are interested in the exhibitions it selects to display. In contrast, we found that the Royal Ontario Museum annually assesses audience interest in potential exhibition topics.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is in the process of reviewing the recommendations and plans to take steps to implement them by December 2023.

Recommendation 13

To improve the cost-effectiveness of its exhibitions, we recommend that the Art Gallery of Ontario:

- establish the intended audience for each of the exhibitions it selects to display, and set attendance targets in accordance with its intended audience;
- where attendance targets are not met, analyze actual attendance to identify the reasons, and apply lessons learned to targets set in future exhibitions;

Status: Little or no progress.

Details

In our 2020 audit, we reviewed a sample of the AGO's exhibitions in the previous three years for which it charged a separate admission, and found that the AGO had not met its attendance targets in 40% of the exhibitions we reviewed, and it had not analyzed attendance results to identify why it had failed to meet its targets. In these cases, attendance ranged between 69% and 90% of the total targeted attendance. In addition, we found that the AGO's ability to analyze why its attendance targets had not been met was compromised because the AGO had not established who its

intended target audience was—as its selection criteria required—in any of the exhibitions we reviewed in our sample.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is in the process of reviewing the recommendations and plans to take steps to implement them by December 2023.

- *establish targets for the profit or (loss) it expects each exhibition to achieve; and*
- *where targeted profits or (losses) on exhibitions are not met, analyze the results to identify the reasons, and apply lessons learned to targets set in future exhibitions.*

Status: Little or no progress.

Details

In our 2020 audit, we reviewed a sample of the AGO's exhibitions in the previous three years for which it charged a separate admission, and found that the AGO had exceeded its budget for expenditures in almost 40% of the exhibitions in our sample. In these cases, the AGO spent between 12% and 26% more than budgeted. We also found that the AGO did not project the profit or loss for each exhibition, and therefore was unable to determine whether its exhibitions met their financial targets.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is in the process of reviewing the recommendations and plans to take steps to implement them by December 2023.

Recommendation 14

To enhance the effectiveness of its exhibitions in increasing the public's understanding of a given subject and improving visitor experience, we recommend that the Art Gallery of Ontario:

- *establish a policy that specifies the criteria for when an exhibition should be evaluated;*
- *evaluate exhibitions, including their design and the early stages of their implementation, in accordance with its policy; and*

- *put in place processes to review lessons learned from evaluations of past exhibitions, and apply them to plans to select and design exhibitions in the future.*

Status: Little or no progress.

Detail

In our 2020 audit, we analyzed data from the AGO and found that only 35% of all the exhibitions held by the AGO over the previous five years had been evaluated to assess their effectiveness. It is a common practice to conduct evaluations of exhibitions to determine if they met their goals. According to best practices, the goal of exhibitions is to increase the public's understanding of a given subject and improve visitor experience.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is in the process of reviewing the recommendations and plans to take steps to implement them by December 2023.

Education

Recommendation 15

So that its education programs meet their goals and the learning expectations of those who participate in them, we recommend that the Art Gallery of Ontario:

- *put in place a policy that defines when programs should be evaluated and the method by which they should be evaluated;*
- *ensure its evaluation sampling methodology produces results that are representative of participants' experience in its education programs; and*
- *produce evaluation reports on its education programs that can be used to identify and address areas that require improvement.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO does not always evaluate the effectiveness of its education programs, and where it did evaluate its programs, in most cases it could not demonstrate how it used those results to identify and address areas requiring improvement. In addition, we found that the AGO did not have a

policy in place outlining the process it should follow to evaluate its education programs.

We reviewed a sample of the AGO's education programs and found that for 20% of the programs we reviewed, the AGO had not carried out any part of the evaluation process to determine whether its programs were effective in achieving the AGO's goals. For the remaining programs we reviewed, we found that for 63% of these programs, the AGO had surveyed participants to collect data such as age, gender and membership status and to determine if they were satisfied with the program. However, we found that in most of these cases, the AGO had not interpreted the results and produced summaries of its analysis, findings and recommendations to facilitate improvement.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is in the process of reviewing the recommendations and plans to take steps to implement them by December 2022.

Recommendation 16

To help improve the Board of Trustees' oversight of the Art Gallery of Ontario's (AGO) education and public programs, and to drive improvement and growth in this area, we recommend that the AGO:

- *develop a strategy for its education and public programs that outlines the AGO's goals and the actions needed to meet those goals;*
- *put in place a process to capture attendance data for all of its education and public programs; and*
- *review and improve the information provided to its Board of Trustees relating to education and public programs.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO does not have a strategy in place for its education and public programs that identifies the AGO's goals for these programs and how they are intended to meet the AGO's legislated mandate for providing education programs. We also found that the AGO lacks important data about its education programs. For example, the AGO

could not provide an accurate breakdown of how many schools or students attended each of its programs for elementary and high-school students. In the absence of a strategy for its education programs, limitations in the attendance data for these programs, and the absence of an effective process to evaluate its individual programs, the AGO's Education Committee, a committee of the Board of Trustees, lacks the information it needs to oversee the effectiveness of the AGO's education program, and whether the AGO is meeting its education program goals.

In our follow-up, we found that the AGO had not made progress toward implementing these recommendations. The AGO informed us that it is in the process of reviewing the recommendations and plans to take steps to implement them by December 2022.

Self-Generated Revenues

Recommendation 17

To help meet its revenue targets, and increase sales of annual passes and memberships, we recommend that the Art Gallery of Ontario (AGO):

- *review the impact of the annual passes on the AGO's revenues, and determine whether they are sustainable;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that the AGO introduced two annual passes, one for those 25 and under, which was provided free of charge, and one for those over 25, at a cost of \$35. Although the AGO expected that these passes would increase the number of visits, we found that attendance to tour the gallery declined by 11% from about 833,000 in 2018/19 to about 743,000 in 2019/20. Over the same period, the overall combined revenues from admissions, memberships and annual passes also declined significantly, by 27%, from \$10.7 million in 2018/19 to \$7.8 million in 2019/20.

In our 2020 audit, we noted that the AGO had received donations totalling approximately \$2 million to support the cost of introducing the free annual pass for those aged 25 and under in 2019/20. However,

we found that the AGO had received pledges for only \$422,000 for the 2020/21 fiscal year, and \$373,000 for the 2021/22 fiscal year to help fund these passes. Therefore, we noted that it was unclear whether this pricing model is sustainable if revenues from other sources do not increase.

In our follow-up, we found that although the AGO had begun to take some steps, it had made little progress toward implementing this recommendation. The AGO informed us that in 2022, it established a new Audience and Data Committee to help address this recommendation. The AGO expects to take further steps to implement this recommendation by December 2023.

- *collect and use data from its members on their demographics to refine its initiatives for membership sales; and*
- *review and identify the reasons that visits by members and the number of memberships declined, and take steps to address these reasons.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the AGO does not collect any demographic data from its members such as their age, income level, ethnicity, gender, marital status and family size. As a result, the AGO has not developed targeted strategies to better serve its members and increase membership sales and attendance by members. We noted, for example, that the average number of annual visits per member in 2019/20 was just 4.7, compared to 6.7 in 2013/14.

In our 2020 audit, we also found that with the introduction of the annual passes, both the number of memberships and attendance by members declined significantly in 2019/20. Although the AGO's management did not expect the introduction of the annual passes to significantly impact memberships, the number of memberships declined in 2019/20 by approximately 10,000, or 19%, from 54,000 in 2018/19 to 44,000 in 2019/20. In addition, the number of visits by members also declined by 28%, from about 286,000 in 2018/19 to approximately 207,000 in 2019/20.

In our follow-up, we found that although the AGO had begun to take some steps, it had made little

progress toward implementing these recommendations. The AGO informed us that in 2022, it established a new Audience and Data Committee to help address these recommendations. The AGO also indicated that it is planning to develop an audience segmentation strategy to identify the demographics of those visiting the gallery so that it can better engage them and to target growth in new segments. The AGO expects to take further steps to fully implement these recommendations by December 2023.

Operating Expenses

Recommendation 18

So that it can monitor and improve the effectiveness of its staff and to help meet its organizational goals, we recommend that the Art Gallery of Ontario prepare and implement a performance review system for all its staff.

Status: Little or no progress.

Details

In our 2020 audit, we noted that salaries and benefits are the AGO's largest category of expense. However, we found that except for its leadership team, consisting of between eight and 12 employees, the AGO does not have a process in place to evaluate the performance of its nearly 350 full-time staff.

In our follow-up, we found that the AGO had begun to take steps in fall 2022 to implement a performance evaluation process for its management staff that it expects to fully implement by March 2023. Thereafter, the AGO indicated that it plans to implement a performance evaluation process for all its staff.

Recommendation 19

To maximize the effectiveness of its leadership team, we recommend that the Art Gallery of Ontario (AGO):

- *review its current institutional target that must be achieved for its leadership team to be eligible for performance pay, and assess whether additional institutional targets should be set that measure the overall effectiveness of the AGO in meeting its legislated objectives; and*

- *factor in the achievement of these additional AGO institutional targets when determining the performance pay of the members of its leadership team.*

Status: Little or no progress.

Details

In our 2020 audit, we found that when determining whether its leadership team is eligible for an annual performance bonus, the AGO does not require the achievement of institutional-level targets such as targets based on total attendance or revenues, or other targets related to its overall mandate. The only institutional target that has to be met is whether the AGO achieves its forecast net operating budget. Based on our review of the AGO's financial results, we found that whether the AGO has achieved its forecast net operating budget may not be the most useful institutional-level measure of the AGO's overall achievement in a given year and can mask poor performance. We found that the AGO had paid bonuses to its leadership team members between 2015/16 and 2018/19 at an average annual rate of 11% of their base salary.

In our follow-up, we found that in October 2022, the AGO had developed a new points-based bonus structure for its leadership team that contains four categories. However, we observed that the bonus structure has not been fully articulated—for example, some of the categories lack specificity and are not well defined. In addition, it is not clear how some of the category goals can be objectively measured.

Chapter 1

Section 1.13

Ministry of Tourism, Culture and Sport

Follow-Up on 2020 Value-for-Money Audit:

Museums and Galleries: McMichael Canadian Art Collection

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	1		2		
Recommendation 3	1	1				
Recommendation 4	2	2				
Recommendation 5	3	1	1	1		
Recommendation 6	2	1	1			
Recommendation 7	3	1	2			
Recommendation 8	2	2				
Recommendation 9	1	1				
Recommendation 10	1			1		
Recommendation 11	2			2		
Recommendation 12	1			1		
Recommendation 13	1	1				
Recommendation 14	2			2		
Recommendation 15	2			2		
Recommendation 16	2	1	1			
Recommendation 17	1		1			
Recommendation 18	2		1	1		
Recommendation 19	1	1				
Total	34	15	7	12	0	0
%	100	44	21	35	0	0

Overall Conclusion

The McMichael Canadian Art Collection (McMichael), as of September 27, 2022, has fully implemented 44% of actions we recommended in our *2020 Annual Report*. McMichael has made progress in implementing an additional 21% of the recommendations.

McMichael has fully implemented recommendations such as updating its collection policies to include a requirement to visit its off-site storage facilities once a year to review the existing conditions and storage of items held. So that items in its collection are secured, McMichael implemented a policy for deleting artwork records from its collection management system, including segregating the responsibilities for deleting records, approving the deletion of records, and accessing McMichael's vaults where artworks are stored. McMichael also put in place a process to assess and document the condition of artwork before and after exhibiting and lending them to other institutions so that artworks that require restoration receive appropriate conservation treatments. In addition, McMichael developed short-, medium- and long-term acquisition goals that take into consideration the strengths and weaknesses of its existing collection. For example, McMichael identified goals of acquiring more artworks that have cultural diversity and work by women artists to address the low representation of diversity in its current collection.

McMichael has made progress in implementing recommendations such as allocating time and resources to catalogue the artworks in its collection in accordance with its policies, and undertaking an inventory check of its full collection, which it expects to complete by December 2022. In addition, to help increase membership sales, McMichael surveyed its members to gather demographic information such as age and household income, as well as information about their interactions with the gallery, and their preferred method of communicating with McMichael.

However, McMichael has made little progress on 35% of the recommendations, including not reviewing the artwork in its collection to identify items for deaccessioning that are idle and could be sold or gifted to another institution. McMichael also did not take steps

to review and assess the sufficiency of the access it provides to its collections, and did not identify opportunities to better publicize its art lending program to other institutions in Ontario.

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

Background

The McMichael Canadian Art Collection (McMichael) is a public art gallery focusing on Canadian and Indigenous art located in the village of Kleinburg, in Vaughan. It is a provincial agency and receives approximately \$3 million in annual funding from the Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries). Its legislation, the *McMichael Canadian Art Collection Act* (Act), sets out McMichael's mandate. Consistent with the traditional role of museums and galleries, its mandate includes collecting artwork, displaying it, and generating public interest in its collections and exhibitions. In 2020/21, McMichael had approximately 49,000 visitors, which was down significantly from approximately 119,000 visitors in 2019/20 because of public health restrictions during the COVID-19 pandemic.

McMichael is governed by a Board of Trustees (Board) consisting of a maximum of 23 members, all of whom are appointed by the provincial government. As a charitable corporation, McMichael prepares a balanced budget each year, where budgeted revenues equal budgeted expenses.

Overall, we found that McMichael did a good job of safely storing the artworks in its collections in line with best practices. McMichael had adequate environmental controls and kept its storage vaults at appropriate temperature and humidity levels. McMichael also offered to the public a variety of education programs related to its collections.

However, we found that McMichael did not have an accurate valuation of its collections to ensure it maintained sufficient insurance coverage, and it did not have policies in place to conduct regular inventory

checks to verify the existence of the items in its collections. In addition, we found that McMichael could not always demonstrate that the acquisitions it made were needed to meet its collection objectives.

Management at McMichael indicated that it is important to have successful exhibitions in order to draw attention and attendance to its institution; however, we found that it could not demonstrate how it selected exhibitions that were most likely to be successful.

The following were some of our specific concerns related to McMichael:

- Research into the provenance of acquisitions was not always completed or documented. In the acquisition files we reviewed, we found that McMichael's research for provenance consisted only of an email to the donor to ask how they had obtained the artwork, and whether they had any information on previous owners or exhibition history. The exception was for donations of artworks that were submitted to the Canadian Cultural Property Export Review Board (CCPERB) to be certified for tax purposes.
- Authenticity concerns for three paintings were not followed up on a timely basis. We found that McMichael did not take steps to resolve concerns about the authenticity of three of the paintings we reviewed that were donated to the gallery. These included a painting where an expert twice raised concerns to McMichael about its authenticity. Despite the expert's unresolved concerns, McMichael submitted the painting to CCPERB for certification for tax purposes and signed a declaration that, based on the work's provenance and the research undertaken on its history, the painting was an original work by the artist. After we brought this issue to McMichael's attention, it followed up and obtained a letter from the director of a gallery that had represented the artist who asserted that he recognized the handwriting of the artist on the artwork.

We made 19 recommendations, with 34 action items, to address our audit findings.

We received commitment from the McMichael Canadian Art Collection that it would address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from McMichael that effective November 11, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Collections Management

Recommendation 1

So that the provenance and authenticity of acquisitions is established to the fullest extent possible, we recommend that the McMichael Canadian Art Collection:

- *update its collection policies to clarify the procedures that should be undertaken to establish provenance and authenticity; and*
- *develop and implement a process to ensure that these procedures are followed.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that McMichael's collection policies require research to establish the provenance and authenticity of new artwork acquisitions, but they do not specify what procedures should be undertaken as part of this work. In our review of acquisition files, we found that except for donations that were submitted for assessment by the Canadian Cultural Property Export Review Board, McMichael's research for provenance consisted only of an email to donors to ask how they obtained the artwork, and whether they had any information on previous owners or exhibition history. We found that McMichael did not follow up to verify the information provided by donors, or document why it was sufficiently certain of the information provided such that these checks were not needed. We also found that McMichael did not take steps to resolve concerns about the authenticity of items that were to be donated to McMichael, or bring these concerns to the attention of the Art Advisory

Committee to make an informed recommendation to McMichael's Board of Trustees on whether to proceed with the acquisition.

In our follow-up, we found that in May 2021, McMichael revised its collections policy to clarify the procedures that are to be undertaken to establish the provenance and authenticity of proposed artwork acquisitions. The policy states that, in addition to contacting the artist, donor or vendor, steps should be taken to contact recognized experts in the particular field and check source documents (both published and unpublished) such as exhibition catalogues, archival documents and private papers, to confirm the authenticity and provenance of a proposed donation or purchase. A record of all sources consulted should be kept in the registration files as well as any correspondence and subsequent responses from individuals or bodies contacted. A record of this research is required to be submitted to McMichael's Art Advisory Committee to be considered when making a recommendation to the Board of Trustees on whether to accept or reject an acquisition.

In our follow-up, we also found that, in September 2022, McMichael implemented a process where its Executive Director and Chief Curator are to review and sign off that the necessary procedures to establish the provenance and authenticity of an acquisition were undertaken, before the proposed acquisition of artwork is presented to the Art Advisory Committee.

Recommendation 2

So that the Art Advisory Committee members have the necessary information to make acquisition recommendations to the Board of Trustees that enhance the strength of the collection, we recommend that the McMichael Canadian Art Collection:

- *recirculate the acquisition criteria in its collection management policies to the committee members;*
- *format its reports justifying the acquisition of items to specifically address the criteria; and*
- *specifically indicate for each proposed acquisition which criteria are met and which are not.*

Status: Little or no progress.

Details

In our 2020 audit, we found that the submissions to McMichael's Art Advisory Committee on proposed acquisitions did not always describe all the reasons why McMichael needed the items for its collections, as required by the acquisition criteria described in its collection management policies. For example, in the sample of acquisitions we reviewed, we found that the curatorial rationale for acquiring the item did not include the justification for how the item met a specific gap in a collection, or how the item could be used in McMichael's exhibitions and programming, two of McMichael's criteria that need to be addressed. We also found that detailed condition reports were not submitted to the Committee, as required by McMichael's policies.

In our follow-up, we found that in September 2021, McMichael recirculated the acquisition criteria in its collection management policies to its Art Advisory Committee. However, we found that McMichael had not taken steps to format its reports to justify the acquisition of items to specifically address all acquisition criteria. Our review of a sample acquisition report also identified that not all acquisition criteria were specifically addressed.

Recommendation 3

To ensure that it can achieve its collection priorities, we recommend that the McMichael Canadian Art Collection develop realistic short-, medium- and long-term acquisition goals.

Status: Fully implemented.

Details

In our 2020 audit, we noted that McMichael had recently finalized a collections strategy that outlined seven areas of focus for future acquisitions. However, we found that McMichael had not based its strategy on an analysis of the strengths and weaknesses of its existing collection, and an analysis of the donations it typically receives, to know whether the strategy is achievable. We analyzed McMichael's acquisitions since 2012 and identified that McMichael does not

attract a sufficient range and volume of donations to support such a broad collection strategy.

In our follow-up, we found that in March 2022, McMichael developed short-, medium- and long-term acquisitions goals that take into consideration the strengths and weaknesses of its existing collection. For example, McMichael identified goals of acquiring more artwork that has cultural diversity and work by women artists to address the low representation of diversity in its current collection.

Recommendation 4

So that the items in the McMichael Canadian Art Collection (McMichael) are secured, we recommend that management:

- segregate the responsibilities for deleting records, approving the deletion of records, and accessing McMichael's vaults; and
- periodically review the list of deleted items records, and ensure that item records were deleted only for authorized purposes.

Status: Fully implemented.

Details

In our 2020 audit, we found that items could be deleted from McMichael's collection management system without authorization, and that there was no process in place at McMichael to review deleted records to ensure they were only deleted for authorized purposes. We noted that McMichael's collection management system allows users with certain levels of access rights to delete item records. We were advised that six individuals at McMichael had the necessary level of access rights to delete records. In addition, we were told that these individuals had full access to McMichael's on-site collection vaults. However, we found that McMichael does not have a process in place to review reports of deleted records to ensure the appropriateness of such deletions.

In our follow-up, we found that McMichael had implemented a process where its registration department provides the Chief Curator with a list of artworks that it is recommending to be deleted from its collection management system. The Chief Curator is

responsible for reviewing and approving the list of artworks requested to be deleted. Once the Chief Curator has approved the items to be deleted, only a single individual, the Curatorial Assistant, who does not have access to McMichael's collection vaults, has the authority to delete item records from McMichael's collection management system. McMichael also implemented a process to compile a quarterly report of deleted item records from its collection management system and to reconcile the deleted items in the report with the list of item records approved for deletion by the Chief Curator.

Recommendation 5

So that the McMichael Canadian Art Collection knows the complete financial value of its collection and can assess whether its insurance coverage is sufficient, we recommend that it:

- review artworks that do not have a value assigned to determine which artworks should be valued;

Status: Little or no progress.

- put in place a process to periodically update the valuation of its most valuable artworks;

Status: Fully implemented.

Details

In our 2020 audit, we found that McMichael does not periodically review and revise valuations it has recorded for the artworks in its collection. We noted that that valuations were outdated, with approximately 81% of the artwork having values attached that were more than 20 years old. We also found that McMichael did not have a value recorded for approximately 30% of its collection. McMichael advised us that this occurred either because no appraisal was sought, as donors had not needed a tax receipt issued to them, or because of an administrative oversight.

In our follow-up, we found that McMichael could not demonstrate that it had made progress in reviewing the artworks that did not have a value assigned to them to determine which ones should be valued. Nevertheless, we found that McMichael introduced a policy to update the financial value of its artworks on

an ongoing basis. McMichael identified that the greatest risk of potential loss to its collection occurs when artwork is in transit or on display—either at McMichael or at a borrowing institution. Accordingly, McMichael’s policy requires that artwork that is on display at McMichael must undergo a valuation once every five years, while the valuation of artwork displayed at a borrowing institution must be updated every two years. The policy also states that the insurance value of the 10 most financially valuable artworks in its collection are to be updated every two years. In addition, McMichael’s policy notes that because the process of procuring a valuation for McMichael’s complete collection would carry a significant cost, McMichael will strategically select which artwork requires updating on a regular basis.

- *assess the risks of potential loss of its collection and obtain the level of insurance deemed necessary based on the updated valuation of the collection.*

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

In our 2020 audit, we found that McMichael does not periodically review and revise valuations it has recorded for the artworks in its collection; as a result, it was unclear whether McMichael had sufficient information to assess the adequacy of its insurance coverage. We were also informed that neither the Board, nor any of the Board’s committees had reviewed or evaluated the adequacy of McMichael’s insurance coverage for its collection in the last five years.

In our follow-up, we found that after taking into consideration updated collection values, McMichael obtained a quote to increase its insurance coverage from \$150 million to \$200 million. McMichael expects to increase its insurance coverage by January 2023.

Recommendation 6

To ensure that research and other important information is accessible and remains part of an artwork’s permanent record, preserving the heritage and history of each item in its collection, we recommend that the McMichael Canadian Art Collection:

- *put in place policies and procedures to establish thorough and consistent standards for recording information about artworks;*

Status: Fully implemented.

Details

In our 2020 audit, we found that despite using a sophisticated collection management software, for nearly 10 years, McMichael staff recorded very little information about an item on its electronic record other than basic descriptive data required for the physical management of the collection. Our review found that McMichael’s electronic records did not capture details such as whether McMichael obtained the copyrights to an artwork, or whether it would still need to contact the artist before displaying it. Its electronic records also did not capture important research information it had carried out, including on the item’s display history. In addition, McMichael’s electronic records did not indicate where such details were held.

In our follow-up, we found that in November 2021, McMichael put in place a policy on cataloguing and inputting data on all artwork in its collection management system.

- *allocate time and resources to catalogue all artworks as fully as possible according to its policies and procedures.*

Status: In the process of being implemented by January 2024.

In our follow-up, we found that McMichael hired two full-time staff in 2021 to assist with records management for all new artwork. McMichael also hired a part-time employee to work with its Assistant Registrar to complete cataloguing of its existing artwork in accordance with its policy. McMichael told us it plans to fully catalogue all artworks in its collection by January 2024.

Recommendation 7

To safeguard the items in its collection, we recommend that the McMichael Canadian Art Collection:

- *establish a policy for carrying out inventory checks that includes the frequency and methodology for such checks;*

Status: Fully implemented.

- *perform inventory checks in accordance with this policy; and*
- *resolve issues identified during inventory checks on a timely basis.*

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

Details

In our 2020 audit, we noted that although conducting inventory checks on a regular basis is considered a basic practice for the operation of a museum or a gallery, we found that McMichael's inventory checks were infrequent, and it was slow to resolve problems it identified during its inventory checks. We found that McMichael conducted inventory checks on an ad hoc basis, such as when collection vaults were renovated or reorganized and when items were requested for loan, exhibition or research, to verify the existence of items. However, it did not have a formal policy in place to conduct inventory checks on a regular basis for all its collection areas.

In our follow-up, we found that McMichael established a policy in November 2021 for carrying out quarterly inventory checks of a random sample of between 10–20 artworks. The policy specifies the staff who will conduct inventory checks and describes the procedures to be carried out to complete inventory checks. McMichael advised us that its staff have yet to conduct quarterly inventory checks because they are currently undertaking an inventory check of McMichael's full collection, which is expected to be completed by December 2022. Thereafter, they will begin conducting quarterly inventory checks. As of August 2022, McMichael had reviewed 3,278 artworks as part of the inventory check of its full collection.

Recommendation 8

So that its collection of items is appropriately safeguarded, and to monitor and preserve its condition, we recommend that the McMichael Canadian Art Collection:

- *update its collection policies to include a requirement to make periodic visits to its off-site storage facilities; and*
- *review the items stored off-site to determine if storage at an off-site location is appropriate based on the condition and care requirements of the items.*

Status: Fully implemented.

Details

In our 2020 audit, we found that one of the off-site storage facilities used by McMichael did not have adequate security measures to protect McMichael's items from theft. We noted that McMichael's contract with the storage provider stated that it would provide enhanced security. However, we found that in one of the rooms where McMichael's crates were stored, the security camera was obscured by high shelving and crates, limiting the effectiveness of this measure of security. McMichael was unaware of this concern because it had not visited the off-site storage location to check on its collection for several years.

In our follow-up, we found that in May 2021, McMichael updated its collection policy to include a requirement for its staff to visit its off-site storage facilities once a year to review the existing conditions and storage of items held. In July and August 2021, McMichael staff completed a site visit at two off-site storage facilities. During these site visits, McMichael staff identified 24 storage crates that required replacement, and another six storage crates that required an upgrade to support the items stored in them.

Recommendation 9

So that artworks that require restoration receive appropriate conservation treatments, we recommend that the McMichael Canadian Art Collection put in place processes to assess and document the condition of items before and after exhibiting and lending them.

Status: Fully implemented.

Details

In our 2020 audit, we noted that according to McMichael's policies, a conservator is to examine and complete a condition report for all artworks requested for exhibition or loan. We tested a sample of items

loaned or exhibited and found that in relation to items internally exhibited, McMichael does not complete a written condition assessment for items prior to exhibiting them—therefore, we could not determine if the assessment had taken place. In relation to loans, we found that McMichael carried out and documented condition assessments prior to sending the artwork to borrowing institutions. However, for approximately three-quarters of the loans we reviewed there was no documentation of McMichael’s condition assessment when the artwork was returned.

In our follow-up, we found that in January 2022, McMichael established a policy to assess and document the conditions of items before and after exhibiting and lending them.

Recommendation 10

To enhance the strength and value of its collection, we recommend that the McMichael Canadian Art Collection revise its deaccessioning policy, and review the artwork in its collection to identify items for deaccessioning that are idle and could be sold or gifted to another institution.

Status: Little or no progress.

Details

In our 2020 audit, we found that McMichael does not review its collection to identify artworks for deaccessioning that are idle and where there is little or no likelihood that they will be displayed. We noted it does not identify items that do not add significantly to its collection and could be disposed of in order to acquire artworks that would add value to its collection. In addition, we found that in 2019, McMichael revised its policy on deaccessioning in a way that significantly constrained its ability to identify items for deaccessioning.

In our follow-up, we found that McMichael had not updated its deaccessioning policy to remove the significant constraints on its ability to identify items for deaccessioning. McMichael has also yet to review the artwork in its collection to identify items for deaccessioning that have not been displayed or loaned for a specific period of time. McMichael did however indicate that since the audit it has identified three objects that might be considered for deaccessioning, one of

which could potentially be loaned to a museum in British Columbia.

Recommendation 11

So that it meets the needs of Ontarians for access to its collections, we recommend that the McMichael Canadian Art Collection:

- *review and assess the sufficiency of the access it provides to its collections; and*
- *take corrective action to improve access.*

Status: Little or no progress.

Details

In our 2020 audit, we found that although McMichael provides access to its collection of artwork to researchers, curators, and scholars, and through its e-museums website, it has not assessed whether such access meets the needs of those who seek access.

In our follow-up, we found that McMichael has not yet taken steps to address these recommendations.

Recommendation 12

To improve access to its collection for Ontarians, we recommend that the McMichael Canadian Art Collection identify opportunities to better publicize its art lending program to other institutions in Ontario.

Status: Little or no progress.

Details

In our 2020 audit, we found that although McMichael has a policy that allows other institutions to borrow artwork from its collection, it does not advertise this publicly. This limits the number of items that other institutions request to borrow, and affects McMichael’s ability to meet its goal to make its collection accessible to the public.

We also found that McMichael only tracks and keeps a record of the loans it has approved. Therefore, it is unclear how many requests to borrow items from McMichael were rejected, and whether those decisions were made in accordance with McMichael’s policies.

In our follow-up, we found that McMichael updated its website to include instructions on how to submit a request to borrow objects from its collection. However,

McMichael has not taken steps to identify opportunities to better publicize its art lending program.

Exhibitions

Recommendation 13

So that it designs and selects exhibitions that best meet its goals and attract visitors to the gallery, we recommend that the McMichael Canadian Art Collection establish selection criteria based on industry best practices, and use these criteria to assess and select the exhibitions it will display.

Status: Fully implemented.

Details

In our 2020 audit, we found that the basis upon which McMichael selected the exhibitions it chose to display was unclear. We found that it did not have established criteria in place to evaluate proposed exhibitions in order to select the exhibitions that were most likely to meet McMichael's goals and attract additional visitors.

In our follow-up, we found that McMichael established selection criteria to assess and select the exhibitions it will display. Examples of the selection criteria include assessing the projected attendance and revenue potential, and whether the exhibition is aligned with McMichael's core mission and strategic goals that are set out in its business plan.

Recommendation 14

To improve the cost-effectiveness of its exhibitions, we recommend that the McMichael Canadian Art Collection:

- *establish targets for attendance, revenues, costs and the profit or loss it expects each exhibition to achieve; and*
- *where targets on exhibitions are not met, analyze the results to identify the reasons, and apply lessons learned to targets set for future exhibitions.*

Status: Little or no progress.

Details

In our 2020 audit, we found that McMichael does not consider the cost-effectiveness of the exhibitions it chooses to display. It does not examine why it exceeds

its budgeted exhibition costs and it does not establish the profit or loss it expects each of its exhibitions to achieve. We found that over the last five fiscal years, McMichael exceeded the costs it budgeted in 33% of the exhibitions it displayed. We also found that McMichael does not set attendance targets for any of its exhibitions, in part because it does not charge its visitors surcharges to view its exhibitions.

In our follow-up, we found that McMichael had not taken steps to establish specific targets for attendance, revenues, costs and the profit or loss it expects each exhibition to achieve.

Recommendation 15

To enhance the effectiveness of its exhibitions in increasing the public's understanding of a given subject and improving visitor experience, we recommend that the McMichael Canadian Art Collection:

- *evaluate all key exhibitions, including their design and the early stages of their implementation; and*
- *put in place processes to review lessons learned from evaluations of past exhibitions, and apply them to plans to select and design exhibitions in the future.*

Status: Little or no progress.

Details

In our 2020 audit, we found that McMichael had not evaluated any of the 50 exhibitions it had held over the last five years to determine if the exhibitions had met their intended goals.

In our follow-up, we found that since our audit in 2020, McMichael had yet to complete a full evaluation of an exhibition. In addition, McMichael had not determined the complete approach that would be needed to evaluate an exhibition, such as the steps to be undertaken at the design and early stages of an exhibition's implementation. For example, a process was not established that sets out what steps should be taken to evaluate an exhibition at the beginning, midway, and after closing.

Education Programs

Recommendation 16

So that its education programs meet their goals and the learning expectations of those who participate in them, we recommend that the McMichael Canadian Art Collection:

- *put in place a policy that defines when programs should be evaluated and the method by which they should be evaluated;*

Status: Fully implemented.

Details

In our 2020 audit, we found that McMichael rarely completed evaluations of its education programs to assess their effectiveness. In addition, we found that McMichael did not have a policy in place outlining the process it should follow to evaluate its education programs. We reviewed a sample of McMichael's education programs and found that for 20% of the programs we reviewed, it had not carried out any part of the evaluation process to determine whether its programs were effective in achieving its goals. For the remaining programs we reviewed, we found that McMichael had carried out only the data collection part of the evaluation process.

In our follow-up, we found that in July 2021, McMichael implemented a policy outlining the evaluation process for its educational programs, including the evaluation methods to be used. The policy requires McMichael to annually evaluate educational programs to assess their relevance, effectiveness, and efficiency, to determine their impacts, and to measure achievement against expected outcomes. The policy also requires that an annual evaluation plan be prepared for each program area such as school programs, and public exhibition tours.

- *produce evaluation reports on its individual education programs that can be used to identify and address areas that require improvement.*

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

Details

In our follow-up, we found that McMichael had adopted survey tools in February 2022 that it indicated would enable it to capture and record survey results for each of its individual education programs. McMichael indicated that it intends to use its survey tools to evaluate and report on individual education programs by June 2023.

Self-Generated Revenues

Recommendation 17

To help increase its revenues and sustain its operations, we recommend that the McMichael Canadian Art Collection compare its attendance revenue-generating initiatives with those of other museums and galleries to identify and implement promising attendance revenue-generating initiatives.

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

Details

In our 2020 audit, we found that admission revenues, which are one of McMichael's key sources of revenue to sustain its operations, were proportionately, significantly lower than the Royal Ontario Museum (ROM), impacting its ability to meet its financial goals. We also found that McMichael could not demonstrate that it had compared its attendance revenue-generating activities to other galleries and museums such as the ROM to identify opportunities to increase attendance revenues. We analyzed McMichael's attendance data by type of ticket purchased and found that just 24% of visitors to tour McMichael in 2019/20 were adults who paid the full price of admission.

In our follow-up, we found that McMichael gathered information from other museums and galleries in Canada on how they are growing attendance revenue for adult full-price tickets. As a result of information gathered, McMichael identified both short-term and long-term initiatives to undertake in order to increase its revenue. McMichael plans to implement these initiatives by May 2023.

Recommendation 18

To help meet its targets and increase membership sales, we recommend that the McMichael Canadian Art Collection:

- *collect data from its members on their demographics and interactions with the gallery;*

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

Details

In our 2020 audit, we found that McMichael does not collect demographic data from its members to better understand who they are, and does not collect information on their interactions with the gallery to improve McMichael's ability to raise revenues from sales of memberships to new members. As a result, McMichael cannot develop targeted strategies to better serve its members and increase membership sales and attendance by members. We also found that McMichael's strategies to increase revenue from memberships are limited and McMichael does not collaborate with other institutions to share information in order to increase membership sales.

In our follow-up, we found that in November 2021, McMichael conducted a survey of its members to gather demographic information such as age and annual household income, as well as information about their interactions with the gallery, and their preferred method of communicating with McMichael. Based on the results of the survey, McMichael identified an opportunity to grow its social media channels such as Facebook to reach younger audiences. McMichael told us it plans to survey its members again in 2023 to obtain additional demographic information including their family size, spending, and lifestyle habits.

- *review its strategies and implement changes that can help improve their effectiveness in increasing membership sales.*

Status: Little or no progress.

Details

In our follow-up, we found that McMichael had not made progress toward implementing this recommendation.

Operating Expenses

Recommendation 19

To monitor and improve the effectiveness of its staff, and meet the requirements of the Ministry of Heritage, Sport, Tourism and Culture Industries, we recommend that the McMichael Canadian Art Collection review and strengthen its procedures to ensure that it evaluates the performance of all of its staff.

Status: Fully implemented.

Details

In our 2020 audit, we found that McMichael did not evaluate the effectiveness of the vast majority of its staff as required by the Memorandum of Understanding with the Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries). While McMichael informed us that it has a performance review system in place for its executive leadership team consisting of five staff, as well as its other 105 staff, when we requested copies of performance reviews for the last five years, we found that few had been completed. We found that McMichael's Human Resources department did not set deadlines for the completion of the performance evaluations, and did not take action to ensure they were completed. We also found that objectives are not set for new staff when they first join McMichael against which their performance can be evaluated.

In our follow-up, McMichael advised us that it reviewed the performance of all of its staff in both 2021 and 2022.

Chapter 1

Section 1.13

Ministry of Tourism, Culture and Sport

Follow-Up on 2020 Value-for-Money Audit: Museums and Galleries: Ministry of Tourism, Culture and Sport

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		2	1		
Recommendation 2	2	1	1			
Recommendation 3	2	2				
Recommendation 4	1		1			
Total	8	3	4	1	0	0
%	100	38	50	12	0	0

Overall Conclusion

The Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries), as of September 26, 2022, has fully implemented 38% of actions we recommended in our *2020 Annual Report*. The Ministry of Tourism, Culture and Sport (Ministry) has made progress in implementing an additional 50% of the recommendations.

The Ministry has fully implemented the recommendation to require the Art Gallery of Ontario (AGO), the Royal Ontario Museum (ROM) and the McMichael Canadian Art Collection (McMichael) to submit action plans on how they will address the recommendations in their individual audit reports in 2020. In addition, the Ministry has included a requirement in its agreement with the AGO that it put in place and maintain appropriate and meaningful conflict-of-interest policies for its Board members and the AGO revised its conflict of interest policy so that its Board members are

prohibited from participating in decisions to approve their own donations.

At the time of our follow-up, the Ministry was in the process of implementing recommendations such as completing an initial review of the observations in the 2020 audit report to identify which aspects of the AGO, ROM and McMichael's activities would be beneficial to monitor more closely. The Ministry was also in the process of implementing a continuous follow-up process to monitor the AGO, ROM and McMichael's implementation of the recommendations in our 2020 audit.

However, the Ministry has made little progress on one (12%) of the actions we recommended. The Ministry has not worked with the AGO, ROM and McMichael to set and report on performance indicators and targets to facilitate improvement in areas the Ministry has identified would be beneficial to monitor more closely.

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

Background

The Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries) provides funding to museums and art galleries to support the culture sector and the Ministry of Tourism, Culture and Sport's (Ministry) overall objective to improve the quality of life of Ontarians and promote economic growth.

In 2021/22, the Ministry provided a total of \$52 million (\$52 million in 2019/20) in operating funding to the Art Gallery of Ontario (AGO), the Royal Ontario Museum (ROM) and the McMichael Canadian Art Collection (McMichael). Each of these organizations is governed by its own legislation that establishes its mandated activities. Consistent with the traditional role of museums and galleries, these activities include collecting objects and artwork, displaying them, providing education programs related to their collections, and generating public interest in their collections and exhibitions. In 2021/22, these three institutions had approximately 449,000 visitors, which was down significantly from more than 2 million visitors in 2019/20 because of public health restrictions during the COVID-19 pandemic.

The AGO, ROM and McMichael are accountable to the Ministry—the ROM and McMichael are board-governed provincial agencies, while the AGO is a transfer payment recipient. The Ministry's role is to inform them of its broad expectations for their performance and to oversee that they fulfill their legislative mandates and comply with applicable government policies, direction and agreements.

Overall, we found that the Ministry could have been more effective in its oversight of the museum and galleries. We found that the performance indicators and targets that the AGO, ROM and McMichael reported on to the Ministry did not cover the full range of their significant activities, limiting the Ministry's ability to monitor how effectively they delivered on their mandates. Based on our observations, we found a number of areas where the Ministry could have requested additional performance indicators and targets to improve its monitoring of these institutions' delivery of their mandates, and to identify areas where it may need to

discuss or work with them to require improvements that support continued taxpayer funding.

Regarding the AGO, the Ministry could not demonstrate why it provides \$21 million in annual funding to the AGO—which is a transfer payment recipient—or what the Ministry's specific objective was in providing that funding, beyond generally assisting the AGO to fulfill its mandate. We also identified weaknesses in the AGO's Board governance processes where Board members donated artworks to the AGO, but there was no evidence that they declared their conflict of interest or excused themselves during the vote to approve their donations.

We made four recommendations, with eight action items, to address our audit findings. We received commitment from the Ministry that it would address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the Ministry that effective November 11, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Ministry Oversight is Insufficient

Recommendation 1

To monitor whether the Art Gallery of Ontario (AGO), the Royal Ontario Museum (ROM) and the McMichael Canadian Art Collection (McMichael) are fulfilling their mandates and achieving desired government priorities, we recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries:

- *review the observations in this report to identify which aspects of the AGO, ROM, and McMichael's activities would be beneficial to monitor more closely;*

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

- *work with the AGO, ROM and McMichael to set and consistently report on targets and performance indicators to facilitate improvement in these areas;*
Status: Little or no progress.

Details

In our 2020 audit, we found that the performance indicators and targets reported on to the Ministry by the AGO, ROM and McMichael do not measure the full range of their significant activities, and therefore limited the Ministry's ability to monitor the delivery of their mandates. We found that over the last three years, the performance indicators reported on by the AGO, ROM and McMichael have been limited to measures such as total attendance and membership growth, and have not included performance indicators relating to other areas of their mandates such as their collections or education programs.

In our 2020 audit, we noted that based on the observations pertaining to the AGO, ROM and McMichael, there are a number of areas in which the Ministry could request additional performance indicators and targets to enhance its monitoring of their delivery of their mandates, including with respect to their collections, exhibitions and education programs.

In our follow-up, we found that the Ministry had completed an initial review of the observations in our 2020 Annual Report, including the recommendations made to the AGO, ROM and McMichael, to identify areas that would be beneficial to monitor more closely. The Ministry noted that it would complete its review and identify areas that would be beneficial to monitor using performance indicators by March 2023. Thereafter, the Ministry plans to work with the AGO, ROM and McMichael to set performance indicators and targets in those areas.

- *require that the AGO, ROM, and McMichael set reasonable performance targets, including for the upcoming three years, and take corrective action, such as requiring the submission of remedial action plans where targets are not met.*
Status: In the process of being implemented by December 2023.

Details

In our 2020 audit, we found that the performance indicators reported to the Ministry by the ROM and McMichael had been inconsistent between different years or had not included targets for the upcoming three years as required in order to illustrate trends in their performance. As a result, the Ministry did not have the information it needs to assess or hold the ROM and McMichael accountable for their performance. We also found that the Ministry allowed the AGO to set its performance indicator targets lower than the results achieved in prior years, thereby significantly increasing the probability that the AGO will meet or exceed its annual targets.

In our follow-up, the Ministry advised us that it had reviewed the reasonableness of the performance targets set by the AGO, ROM and McMichael, taking into consideration the impact of the COVID-19 pandemic, including closures, on their operations. The Ministry told us that it plans to compare the AGO, ROM and McMichael's performance results for the 2022/23 fiscal year to the targets they had set in the fall of 2023, and to identify corrective action where necessary by December 2023.

Recommendation 2

We recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries (Ministry) require that the Art Gallery of Ontario, the Royal Ontario Museum and the McMichael Canadian Art Collection:

- *submit action plans, including timelines, on how they will address the recommendations in their individual reports;*
Status: Fully implemented.
- *report annually to the Ministry on their progress in implementing the recommendations.*
Status: In the process of being implemented by December 2023.

Details

In our follow-up, we found that the AGO, ROM and McMichael had submitted action plans to the Ministry in 2021 on how they would address the

recommendations made to them in our 2020 audit. The Ministry told us that the AGO, ROM and McMichael have also been submitting quarterly reports on their progress to the Ministry. The Ministry indicated that it plans to implement a continuous follow-up process by December 2022 to assess the AGO, ROM and McMichael's progress in implementing the recommendations made in our 2020 audit. In addition, the Ministry advised us that in December 2023, it will determine if the AGO, ROM and McMichael have completed the implementation of the recommendations in our 2020 audit in full, and identify the need for corrective action where they have not.

Recommendation 3

We recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries:

- *require as part of its transfer payment agreement with the Art Gallery of Ontario (AGO) that the AGO put in place rigorous conflict-of-interest policies that prohibit its Board members from participating in decisions to approve their own donations;*

Status: Fully implemented.

Details

In our 2020 audit, we found weaknesses in the AGO's governance processes where Board members donated artworks to the AGO, but there was no evidence that they declared their conflict of interest or excused themselves during the vote to approve their donations. For example, we found that one Board member, who donated a collection of artworks to the AGO was also the Chair of the Curatorial Working Committee responsible for approving the AGO's acquisitions in this collecting area. There was no indication in the committee minutes that the Chair of the committee declared their conflict of interest or excused themselves during the vote to approve the donation.

In our follow-up, we found that the Ministry had included a requirement in its 2021 transfer payment agreement with the AGO for the AGO to put in place and maintain appropriate and meaningful conflict-of-interest policies for its Board members. We also found

that the AGO had revised its conflict-of-interest policy to address conflicts of interest involving its Board members. During the course of our follow-up, the AGO also implemented further amendments to its conflict-of-interest policy in fall 2022 to clarify that Board members are prohibited from participating in decisions to approve their own donations.

- *review the legislation of the AGO and make recommendations to the provincial government to include reasonable term limits for the AGO's Board members.*

Status: Fully implemented.

Details

In our 2020 audit, we found that contrary to other comparable galleries and best practices, many of the AGO's Board members serve lengthy terms. We found that 50% of the AGO's Board members had served on the Board for more than 10 years. In addition, nearly 10% of the AGO's Board members had served on the Board for more than 30 years. One had served as long as 42 years. We compared the tenure of the Board members at the AGO to those of other comparable museums and galleries and found that Board members with the longest service typically serve between 10 and 15 years.

In our follow-up, we found that the AGO had changed its bylaws in fall 2022 to set a limit of 15 years as the consecutive number of years that a Board member can serve on the Board. The AGO indicated that Board members already serving for longer than 15 years will be transitioned off the Board by June 2025.

Recommendation 4

To achieve value for money from its transfer payment agreement with the Art Gallery of Ontario (AGO), we recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries ensure that there is an assessment of need and clearly documented rationale for the amount of future funding provided to the AGO.

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

Details

In our 2020 audit, we noted that the annual funding the Ministry provides to the AGO is discretionary. We found that the Ministry has provided the AGO with approximately \$21 million in annual funding for at least the last 10 years. According to the government's Transfer Payment Accountability Directive, the Ministry must have and keep appropriate documentation to show its rationale for its funding decisions. However, the Ministry was unable to demonstrate how it determined the specific amount of funding it provides to the AGO, or its specific objectives for the funding provided beyond generally assisting the AGO to fulfill its mandate.

In our follow-up, we found that the Ministry determined that due to the impact of the COVID-19 pandemic on the AGO's operations and attendance, the Ministry would continue to provide the AGO with \$21 million in annual funding to ensure that the AGO can continue to meet its mandate. The Ministry plans to reassess the AGO's financial needs annually, and by December 2023, the Ministry will set specific objectives for the funding it provides to the AGO prior to the start of each fiscal year.

Chapter 1

Section 1.13

Ministry of Tourism, Culture and Sport

Follow-Up on 2020 Value-for-Money Audit:

Museums and Galleries: Royal Ontario Museum

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		1			
Recommendation 4	2	2				
Recommendation 5	3		1	2		
Recommendation 6	2	2				
Recommendation 7	3		3			
Recommendation 8	2			2		
Recommendation 9	2		2			
Recommendation 10	3	1	1	1		
Recommendation 11	2	2				
Recommendation 12	1	1				
Recommendation 13	2	2				
Recommendation 14	2		2			
Recommendation 15	2		1	1		
Recommendation 16	1		1			
Total	31	11	14	6	0	0
%	100	36	45	19	0	0

Overall Conclusion

The Royal Ontario Museum (ROM), as of September 26, 2022, has fully implemented 36% of actions we recommended in our *2020 Annual Report*. The ROM has made progress in implementing an additional 45% of the recommendations.

The ROM has fully implemented recommendations such as updating its policies so that the processes it conducts to establish the provenance of items it acquires are completed, documented and reviewed. This includes implementing processes to conduct due diligence if an object lacks documented evidence of its legal and ethical provenance. In addition, the ROM implemented a policy for deleting item records from

its collection management system, including segregating the responsibilities for deleting records, approving the deletion of records, and accessing the ROM's vaults where items are stored. The ROM also implemented a policy to perform an annual inventory audit of its collections by randomly selecting and checking a sample of 500 objects and artefacts recorded in its collection management system.

The ROM has also established a documented assessment process that it now uses to select the exhibitions that it will display. In addition, the ROM rolled out a new system to evaluate its exhibitions that now includes steps both before they begin and in their early stages of implementation. The new system also requires the ROM to identify key learnings from its evaluation of exhibitions.

The ROM has made progress in implementing recommendations such as developing a conservation policy to assess and document the condition of objects before and after exhibiting or lending them, and to review and approve treatments to objects and artefacts proposed by conservators. In addition, the ROM has established a task force to assess whether the access it provides to its collections is sufficient, and to recommend steps to improve access. We also noted that the ROM was in the process of implementing a performance feedback program for its staff.

However, the ROM has made little progress on 19% of the recommendations, including deaccessioning items already identified as candidates for deaccessioning in its collection development plan, and providing items it plans to deaccession as gifts to other public institutions in Ontario. The ROM has not reviewed items in its collection without an assigned value to determine if they should be valued and update its insurance coverage accordingly.

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

Background

The Royal Ontario Museum (ROM) is a museum of art, culture and natural history located in Toronto. It is a provincial agency and receives approximately \$27 million in annual funding from the Ministry of Tourism, Culture and Sport (formerly the Ministry of Heritage, Sport, Tourism and Culture Industries). Its legislation, the *Royal Ontario Museum Act* (Act), sets out the ROM's mandate. Consistent with the traditional role of museums and galleries, its mandate includes collecting objects of artwork, cultural artefacts and natural history specimens, displaying them, providing education programs related to its collections, and generating public interest in its collections and exhibitions. In 2021/22, the ROM had approximately 343,000 visitors, which was down significantly from approximately 1,160,000 visitors in 2019/20 because of public health restrictions during the COVID-19 pandemic.

The ROM is governed by a Board of Trustees (Board) consisting of 21 members, 15 of whom are appointed by the provincial government. As a charitable corporation, the ROM prepares a balanced budget each year, where budgeted revenues equal budgeted expenses.

Overall, we found that the ROM did a good job of safely storing its objects and artefacts in its collections in line with best practices. It had adequate environmental controls and kept its storage vaults at appropriate temperature and humidity levels. It also offered to the public a variety of education programs related to its collections.

However, we found that the ROM did not routinely estimate the financial valuation of its collections to ensure it maintained sufficient insurance coverage. In addition, we found that the ROM did not have an electronic record for the majority of its natural history collection, and it did not have a policy in place to conduct regular inventory checks to verify the existence of the objects and artefacts in its collections. We also found that the ROM's acquisitions were not always in line with its collection development plan, and it could not always demonstrate that the acquisitions it made were needed to meet its collection objectives.

While management at the ROM indicated that it is important to have successful exhibitions in order to draw attention and attendance to their institution, we found that it could not demonstrate how it selected exhibitions that were most likely to be successful because it lacked a documented assessment and selection process.

We made 16 recommendations, with 31 action items, to address our audit findings.

We received commitment from the Royal Ontario Museum that it would address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the ROM that effective November 11, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Collections Management

Recommendation 1

We recommend that the Royal Ontario Museum implement processes so that the steps required by its policies to establish the provenance of objects and artefacts it acquires are completed, documented and reviewed.

Status: Fully implemented.

Details

In our 2020 audit, we found that the ROM approved the acquisition of items that did not always meet the requirements of its policies to establish provenance. We reviewed a sample of items acquired by the ROM between 2017/18 and 2019/20 through purchases and donations, and found that one-third of these acquisitions did not fully address the requirements of its policies to establish the provenance of the items so that it could prove ownership, establish authenticity, and ensure the items were not illegally obtained.

In our follow-up, we found that the ROM researched the international provenance practices of other jurisdictions, specifically using work conducted by the Canadian Art Museum Directors Organization, which references guidelines developed by the Association of Art Museum Directors and the American Association of Museums. The ROM then updated its provenance policies, forms, and expectations, including a requirement to document the due diligence steps that were conducted to establish provenance where an object lacks documented evidence of its legal and ethical status. The ROM also included in its policy a process for its registration department to monitor compliance with its provenance requirements.

Recommendation 2

So that it acquires objects and artefacts that best meet its collection priorities and needs, and so as not to incur unnecessary storage and conservation costs, we recommend that the Royal Ontario Museum put in place processes to:

- *determine and document whether proposed acquisitions of objects and artefacts match the priorities of its collection development plan; and;*
- *require written justification be prepared and reviewed for approval where items that do not match the priorities of its collection development plan are proposed for acquisition.*

Status: In the process of being implemented by January 2024.

Details

In our 2020 audit, we found that the reason the ROM acquired many of the items we reviewed was not clear, as they either did not match the ROM's collection development plan (drafted in 2012) or were deemed low priority under the plan. We compared a sample of the ROM's acquisitions between 2017/18 and 2019/20 to its collection development plan, and found that nearly half were in areas where the plan noted that the ROM's collection was already sufficient or should only accept special items or certain types of items. Documentation supporting these acquisitions did not make clear that they met the plan's criteria.

In our follow-up, we found that the ROM was in the process of updating its 2012 collection development plan. The ROM was also in the process of revising its acquisition approval policy. When implemented, the revised approval policy will require a documented determination of whether proposed acquisitions match the priorities of the ROM's collection development plan. And, if they do not match, written justification will be required for review and approval by the Deputy Director for Collections and Research. The ROM expects to complete the update of its collection development plan and implement its revised acquisition approval policy by January 2024.

Recommendation 3

So that it can make the best use of its Natural History Collection and improve its accessibility for research, we recommend that the Royal Ontario Museum develop and execute a plan to catalogue specimens in the collection, including their location.

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

Details

In our 2020 audit, we found that the size and location of the ROM's Natural History Collection are not clearly documented. The ROM estimates that it has almost 11 million specimens in its Natural History Collection. Although it is not standard practice to catalogue every specimen in a natural history collection, we found that the ROM has approximately 1.5 million records in its electronic records management system, The Museum System (TMS), comprising about 3.5 million specimens—or only 32% of all the specimens in its collection. In addition, we found that out of these 1.5 million records, fewer than 340,000 have a location recorded. We also found that the ROM does not have a common practice in place to track the majority of the specimens that are electronically uncatalogued, estimated at about 7.5 million.

In our follow-up, we found that the ROM is in the process of cataloguing specimens in its Natural History Collection (including their size and location) for which it had records that were not in TMS, specifically the Entomology and Invertebrate Zoology collections,

where a bulk of the specimens were not catalogued. The ROM expects to complete cataloguing the specimens in these two collections and to add them to TMS by June 2023. The ROM also began conducting inventory checks of randomly selected samples of specimens from its Natural History Collection in July 2022 and indicated that it plans to conduct such checks annually.

Recommendation 4

So that the items in the collection of the Royal Ontario Museum (ROM) are secured, we recommend that management:

- *segregate the responsibilities for deleting records, approving the deletion of records, and accessing the ROM's vaults;*

Status: Fully implemented.

Details

In our 2020 audit, we found that items could be deleted from the ROM's collection management system (TMS) without authorization. We were advised that 11 individuals at the ROM had the necessary level of access rights to delete items, including two individuals who also had access to the ROM's vaults. At our request, ROM's IT department extracted a report of deleted item records that showed that since 2016, approximately 2,700 item records had been deleted. We reviewed this list and found that some of these records had been deleted by individuals who also had access to ROM's vaults, raising security concerns about the ROM's inventory of items.

In our follow-up, we found that in 2021 the ROM introduced a policy for deleting item records in TMS. This policy segregates the responsibilities for deleting records into those who will compile requests to delete records, those who will approve the deletion of records, and those who will delete the records from TMS. None of these individuals will have access to ROM's vaults.

- *periodically review the list of deleted item records, and ensure that items were deleted only for authorized purposes.*

Status: Fully implemented.

Details

In our 2020 audit, we found that items could be deleted from the ROM's collection management system (TMS) without authorization, and there was no process in place at the ROM to review deleted records to ensure that they were deleted only for authorized purposes.

In our follow-up, we found that the ROM's new policy on deleting item records from TMS (described in the first action item in **Recommendation 4**) also indicates that the ROM's Manager of Collections and Information Systems will compile a quarterly report that lists all items that have been deleted during the quarter. For each deleted item, the report is to include the date of deletion, the reason for deletion, the name of the individual who requested the deletion, and the name of the individual who approved the deletion. The ROM told us that it began producing and reviewing reports on deleted items in August 2021.

Recommendation 5

So that the Royal Ontario Museum knows the financial value of its collection and can assess whether its insurance coverage is sufficient, we recommend that it:

- *review items that do not have a value assigned to determine which items should be valued;*

Status: Little or no progress.

Details

In our 2020 audit, we found that over 95% of the items in the ROM's arts and culture collection did not have a value assigned to them in TMS.

In our follow-up, we found that the ROM had begun planning to address this recommendation. The ROM developed a policy that outlines the steps it will take to review items in its arts and culture collection that do not have an assigned value in TMS. It plans to review 250 items without a value in TMS every two years, beginning in July 2023, and determine a value for these items. However, the ROM had not yet determined when it expects to have reviewed all items in its arts and culture collection with no assigned value and assign values where appropriate.

- *implement a process to periodically update the valuation of its most valuable items;*

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

Details

In our 2020 audit, we found that the ROM does not routinely estimate the financial value of the vast majority of objects and artefacts in its arts and culture collection, and does not periodically review and revise valuations for the items it has valued. Where valuations did exist, the majority were not based on a recent, routine appraisal, but instead were assigned by curators for insurance purposes only when objects and artefacts were loaned out to other institutions.

In our follow-up, we found that the ROM had developed a policy to continuously update the value of the most valuable items in its arts and culture and natural history collections on an annual basis. The ROM will do so by assigning lists of items from its collection to the responsible ROM curator, who will then update the item's value as required. The financial value of the 10 highest-valued items will be used to determine ROM's annual insurance requirements. The ROM expects to implement this policy by July 2023.

- *assess the risks of potential loss of its collection and obtain the level of insurance deemed necessary based on the updated valuation of the collection.*

Status: Little or no progress.

Details

In our 2020 audit, we found that without a more complete and up-to-date valuation for its collection, including its most valuable items, it is unclear whether the ROM's insurance coverage is sufficient relative to the commercial value of its collection.

In our follow-up, we found that the ROM had made limited progress toward implementing this recommendation. The ROM indicated that it was planning to initiate an open competitive process to secure an insurance broker in late 2022. The ROM noted that once an insurance broker is selected, it will work with the insurance broker to ensure the ROM's insurance coverage is sufficient based on the updated valuation of its

collection. The ROM anticipates that it will update its insurance coverage by July 2023.

Recommendation 6

To safeguard the objects and artefacts in its collection, we recommend that the Royal Ontario Museum:

- *establish a policy for carrying out inventory checks that includes the frequency and methodology for such checks;*

Status: Fully implemented.

- *perform inventory checks in accordance with this policy.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ROM conducts inventory checks on an ad hoc basis to verify the existence of the objects and artefacts in its collection, but does not have a formal policy in place to conduct inventory checks on a regular basis for all its collection areas.

In our follow-up, we found that the ROM established a policy to perform an annual inventory audit of its collections by randomly selecting a sample of 500 objects and artefacts from its collections in TMS to check. The policy establishes a segregation of duties between those who perform the inventory audit and those who are responsible for the storage of the collection, as well as those responsible for the review and approval of the inventory audit. In accordance with the requirements of its new policy, the ROM conducted its first annual inventory audit in July 2022.

Recommendation 7

So that objects and artefacts that require restoration receive appropriate conservation treatments, we recommend that the Royal Ontario Museum put in place processes to:

- *assess and document the condition of objects and artefacts before and after exhibiting and lending them;*

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

Details

In our 2020 audit, we tested a sample of exhibitions and outgoing loans of items to determine whether condition assessments were undertaken and documented. Rather than regularly surveying its collections, the ROM told us it focuses its conservation work on items that it displays or loans to other institutions. We found that the ROM did not complete a written condition assessment for items prior to exhibiting them within the ROM; therefore, we could not determine if the assessment took place. In addition, we found that for 17% of the items loaned to other institutions, the ROM could not produce documentation demonstrating that a condition assessment was completed after the loaned items were returned.

In our follow-up, we found that the ROM was in the process of developing a conservation management policy to assess and document the conditions of objects before and after exhibiting or lending them, and treating them when required. The policy will require the conservator to complete a new Treatment Proposal report summarizing their assessment of the object or artefact before and after exhibiting or lending it. Once this policy is completed, the ROM intends to train its conservators on the policy's requirements, including completing the new Treatment Proposal report. The ROM indicated that it expects to implement its conservation management policy by January 2023.

- *where appropriate, review and approve the conservation treatments proposed by conservators before they are applied; and*
- *assess the quality of the treatment work after it is applied.*

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

Details

In our 2020 audit, we found that the ROM does not have a process in place to track the number of conservation treatments it completes, nor does it have a process to review the treatments completed by conservators to restore objects and artefacts. Neither the responsible ROM curator nor the manager of conservation reviews or approves conservators' treatment plans,

nor is the quality of the treatment work reviewed after it is applied.

In our follow-up, we found that the ROM is in the process of developing a conservation management policy, which includes a requirement for the ROM to review and approve treatments proposed by conservators. The draft policy will highlight the processes that conservators must follow if an item requires treatment. These include submitting a Treatment Proposal report for curatorial review and approval that summarizes the conservator's assessment of the object or artefact, the purpose of the treatment, the proposed treatment, and the estimated hours to complete treatment.

The ROM noted that its conservation management policy will also include a requirement to assess the quality of treatment work after it is applied. To implement its new conservation management policy, the ROM told us that in September 2021, it hired a permanent manager for the conservation unit. The new manager will be responsible for reviewing treatment work once the policy comes into effect. The ROM indicated that it expects to implement its conservation management policy by January 2023.

Recommendation 8

To refine and improve the quality of its collections, and improve access for Ontarians—particularly to Canadian and culturally significant objects and artefacts—we recommend that the Royal Ontario Museum:

- deaccession items identified as candidates for deaccessioning in its collection development plan; and
- consider providing items it plans to deaccession as gifts to other public institutions in Ontario.

Status: Little or no progress.

Details

In our 2020 audit, we found that despite identifying many items for deaccessioning in its 2012 collection development plan, the ROM has deaccessioned few items from its arts and culture collection since that time.

In our follow-up, we found that the ROM had made limited progress toward implementing these recommendations. The ROM indicated that it has reviewed

and updated its Board Collections Policy, which includes its ability to deaccession items. However, the ROM advised us that it has not otherwise taken steps to begin implementing these recommendations because it is waiting for its new Deputy Director of Collections and Research (who will be responsible for the area of deaccessioning) to begin working at the ROM. Thereafter, the ROM advised us that it will develop a list of items and artefacts to be deaccessioned. Tasks for planning, budgeting, and scheduling will then begin, as well as evaluating resources required to execute the deaccession of these items in the 2023/24 fiscal year.

Recommendation 9

So that it meets the needs of Ontarians for access to its collections, we recommend that the Royal Ontario Museum:

- review and assess the sufficiency of the access it provides to its collections; and
- take action to improve access, as needed.

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

Details

In our 2020 audit, we found that the ROM has not assessed whether the access it provides to its collection of objects and artefacts meets the needs of those who require it, including with respect to adequacy of access to all items requested, the length of time it takes to gain access, and the sufficiency of access time once it is granted.

In our follow-up, we found that the ROM has put in place a task force, led by the ROM's Office of the Deputy Director of Collection and Research, to review the access it provides to its collections and assess whether it is sufficient, and to recommend how it should improve access. The task force consists of various staff members, including curators and technicians from the ROM's Arts and Culture and Natural History divisions, and other executive management members. In addition, the ROM noted that it is working toward increasing the number of collections available in its online portal, including items from its Canadian Indigenous Heritage and Canadian Natural History

collections. Furthermore, the ROM indicated that it will engage with stakeholders to identify priorities for expanded access, and develop a plan to implement this expanded access, incorporating the initial costs and potential sources of funding to do so, by December 2022.

Recommendation 10

To improve access to its collection for Ontarians—and particularly to Canadian objects and artefacts—we recommend that the Royal Ontario Museum:

- *identify opportunities to better publicize its loan program to other institutions in Ontario;*

Status: In the process of being implemented by January 2024.

Details

In our 2020 audit, we found that although the ROM has a policy that permits other institutions to borrow items from its collection, it does not publicize its loan program.

In our follow-up, we found that the ROM had updated its public website to include information and guidelines about requesting loans from the ROM. In addition, the ROM had also promoted its loan program at both national and international museum conferences, including conferences held by the Ontario Museum Association, Canadian Museum Association and American Alliance of Museums. The ROM indicated it was undertaking research and expects to identify more opportunities to better publicize its loan program by January 2024.

- *promote the lending of items that it is not likely to display, because it has better and more representative items, to other Ontario institutions;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the ROM lends few items to other institutions even though it has a large collection of objects and artefacts, and other museums and galleries appear to be interested in borrowing items from the ROM. The ROM has over 525,000 items

in its arts and culture collection, but completed just 34 loans, consisting of a total of about 780 items, to other institutions between 2017/18 and 2019/20. In addition, we found that approximately 99,000 objects and artefacts, or 19% of the ROM's arts and culture collection, had been idle for more than 20 years—that is, they had not been displayed, loaned to other institutions, or accessed for research or other purposes. We surveyed small- and medium-sized museums and galleries across Ontario, and 76% indicated that they would be interested in borrowing objects and artefacts from the ROM.

In our follow-up, we found that the ROM continued to lend very few items to other museums and galleries relative to the number of artefacts that have remained idle for a long period of time. Since our audit in 2020, the ROM has only lent out 89 objects and artefacts across six different exhibitions. The ROM noted that it expects to identify more opportunities for promoting the lending of items from its collection once its new Deputy Director for Collections and Research begins work at the ROM.

- *review the fees it charges other Ontario institutions to borrow items from its collection, and identify opportunities to reduce those fees to increase the number of items loaned to such institutions.*

Status: Fully implemented.

Details

In our 2020 audit, we surveyed small- and medium-sized museums and galleries across Ontario, and 76% indicated that they would be interested in borrowing objects and artefacts from the ROM. However, of those expressing interest, approximately 60% indicated that the cost to borrow items from the ROM can be prohibitively high. Over 40% of the institutions that responded to our survey noted they had an annual budget of \$400,000 or less.

In our follow-up, we found that the ROM has conducted research on the loan fee charged by various provincial and federal galleries and museums, including the Royal British Columbia Museum, the National Gallery of Canada, and the Boston Museum of Fine Arts. The ROM noted it reviewed its own loan fees,

and determined that its practice is consistent, or lower, than that of other museums. We also found that during the course of our follow-up, the ROM implemented revisions to its loans policy that allow it to waive, reduce, or adjust the loan administration fee it charges other institutions to borrow items from the ROM in cases where it is a significant financial barrier to the borrower.

Exhibitions

Recommendation 11

So that it designs and selects exhibitions that best meet its goals and attract visitors, we recommend that the Royal Ontario Museum:

- *establish a documented assessment process based on industry best practices, and use that process to assess and select the exhibitions it will display;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ROM does not have a documented assessment process in place to evaluate proposed exhibitions in order to select those that are most likely to meet the ROM's goals and attract additional visitors.

In our follow-up, we found that in October 2021, the ROM established a documented process that it now uses to assess and select the exhibitions that it will display. The assessment process includes the criteria that it will use to select future exhibitions, including relevance, innovation, budget and feasibility, and expected revenue. The assessment process also requires considering and documenting the potential risks and challenges involved with the proposed exhibition.

- *determine and assign appropriate weight to the results of its exhibition topic assessments in the selection of exhibitions.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the ROM has a good process in place to annually assess audience interest

in potential exhibition topics. However, it is not always evident that the ROM considers the results of these assessments to reach its final decision on which exhibitions to display. In addition, in the absence of a documented assessment process for exhibitions, it is unclear how much weight is, or should be placed, on these assessments.

In our follow-up, we found that the ROM, as part of its new documented assessment process for selecting exhibitions, also created a documented guideline that it will use to weigh the results of its audience interest assessments when selecting exhibitions to display. The ROM will consider both quantitative and qualitative measures against the criteria established as part of its new documented assessment process, and will weigh these measures accordingly in order to make its overall selection on which exhibitions to display.

Recommendation 12

Where targeted profits on exhibitions are not met, to improve the cost-effectiveness of its exhibitions, we recommend that the Royal Ontario Museum analyze the results to identify the reasons, and apply lessons learned to targets set in future exhibitions.

Status: Fully implemented.

Details

In our 2020 audit, we reviewed a sample of the ROM's exhibitions over the previous three years for which it charges a separate admission fee, and found that the ROM missed its targets for the profit it expected to achieve in 50% of the exhibitions in our sample. In these cases, the ROM made between \$13,000 and \$1,351,000 less than it budgeted. However, we found that in these cases, the ROM had not analyzed the results to identify why it had missed its targets.

In our follow-up, we found that the ROM developed report templates to capture details of results and key findings identified from its exhibitions that have already taken place. The ROM began using these templates in September 2021 for each of its exhibitions to report specific information such as the selection rationale for the exhibition, its overall revenue, its attendance and the demographics of those who visited it, and

to note any observations, actions, and key learnings where the exhibition underperformed compared to the ROM's expectations.

Recommendation 13

To enhance the effectiveness of its exhibitions in increasing the public's understanding of a given subject and improving visitor experience, we recommend that the Royal Ontario Museum:

- *evaluate all key exhibitions, including their design and the early stages of their implementation;*
Status: Fully implemented.
- *put in place processes to review lessons learned from evaluations of past exhibitions, and apply them to plans to select and design exhibitions in the future.*
Status: Fully implemented.

Details

In our 2020 audit, we found that the ROM had evaluated 87% of the exhibitions it held in the previous five years. However, our review of a sample of exhibitions found that all but one were evaluated only after the conclusion of the exhibition. In contrast, over 60% of the exhibitions we reviewed at the Art Gallery of Ontario included an evaluation of the design of the exhibition shortly after it was launched to ensure it met the needs of the intended audience, and to make adjustments where it did not.

In our follow-up, we found that in September 2021, the ROM developed and implemented a new system to evaluate its exhibitions. The ROM advised us that its new evaluation system is designed to identify, budget and schedule evaluation activities before exhibition development begins, and to provide remediation opportunities when required, including at the exhibition's early stages of implementation. The new evaluation system also requires that the ROM identify key learnings from its evaluation of its exhibitions, which the ROM plans to apply when selecting and designing its future exhibitions.

Education Programs

Recommendation 14

So that its education programs meet their goals and the learning expectations of those who participate in them, we recommend that the Royal Ontario Museum:

- *put in place a policy that defines when programs should be evaluated and the method by which they should be evaluated; and*
- *produce evaluation reports on its education programs that are sufficiently detailed to be used to identify and address areas that require improvement.*

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

Details

In our 2020 audit, we found that the ROM does not always evaluate the effectiveness of its education programs, and where it did evaluate its programs, in some cases it could not demonstrate how it used those results to identify and address areas requiring improvement in each program. In addition, we found that the ROM did not have a policy in place outlining the process it should follow to evaluate its education programs.

In our follow-up, we found that the ROM had reviewed its existing program evaluation frameworks, schedules, practices, and tools. The ROM's review identified differences in the way data was collected, which evaluation tools were used, and how the data was analyzed across different departments, teams and programs. Following its review, the ROM developed a plan to implement an updated evaluation model and policy by January 2023, which it indicated will address the issues identified in its review by, for example, defining when and by which method programs should be evaluated, and applying the evaluations consistently across all departments.

In our follow-up, we also found that the ROM had reviewed its evaluation reports for existing education programs and established additional categories and criteria to be used in future evaluations, including whether program objectives have been met, areas for improvement and/or expansion, return on investment,

and program quality and relevance. The ROM indicated that these new categories and criteria will be used in evaluations once the ROM's new evaluation policy (described in the first action item in **Recommendation 14**) is implemented in January 2023.

Self-Generated Revenues

Recommendation 15

To help meet its revenue targets and increase membership sales, we recommend that the Royal Ontario Museum:

- *seek to collect and use data from its members on their demographics to refine its initiatives for membership sales;*

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

Details

In our 2020 audit, we found that the ROM does not collect demographic data from its members to better understand who they are and improve the ROM's ability to raise revenues from sales of memberships to new members.

In our follow-up, we found that the ROM has implemented, or is in the process of implementing multiple methods to collect data from its members and visitors to support membership growth and drive increased visitation. These methods include the following:

- **ROM audience segmentation.** This will involve affiliating each member, visitor and donor record with a ROM-categorized audience segment to provide insights, such as on their ethnicity, age, family composition, geography, attitudes and media consumption. The ROM expects to implement this process by January 2023.
- **Visitor behaviour data and profiling.** The ROM has implemented a ticketing system that allows for the collection of data related to visitor and member attendance, including visitor preferences, family profile, frequency, and history/behaviour of program visits and museum spending over time.
- **Member surveys.** The ROM surveyed its member households in 2021 to collect

individual-level demographic data. The ROM indicated that it will continue to perform surveys of its member households annually to collect data to append to audience records.

As the ROM collects more complete demographic data, it plans to use the information to refine its initiatives for membership sales.

- *integrate its plans to increase membership sales and visits by members with its plans to improve the process to select its exhibitions.*

Status: Little or no progress.

Details

In our 2020 audit, we found that memberships had declined in the previous year and visits to the ROM by its members had also declined in the previous two years. The ROM's management attributed this decline to exhibitions that did not attract the interest of its members, and to some extent the impact of the COVID-19 virus.

In our follow-up, we found that the ROM has made some progress toward implementing this recommendation. The ROM advised us that it has initiated some email and telemarketing communication strategies to drive membership sales based on the visitor profiles and demographic data it has collected to date. As described in the first action item in **Recommendation 15**, the ROM is still in the process of implementing methods to collect member demographic data that it will subsequently use to refine its initiatives to increase membership sales.

Operating Expenses

Recommendation 16

So that it can monitor and improve the effectiveness of its staff, and meet the requirements of the Ministry of Heritage, Sport, Tourism and Culture Industries, we recommend that the Royal Ontario Museum prepare and implement a performance review system for all its staff.

Status: In the process of being Implemented by March 2024.

Details

In our 2020 audit, we noted that salaries and benefits accounted for at least 45% of the ROM's annual operating expenditures in each of the previous five years. However, we found that with the exception of the executive leadership team and its curators, the ROM does not have a process in place to evaluate the performance of its nearly 350 full-time staff.

In our follow-up, we found that the ROM is in the process of implementing a performance feedback program called "Performance Conversations," which gives managers a means of providing structured feedback, support and guidance to an employee through continuous two-way dialogue on a regular basis. As part of the process to implement this program, the ROM is providing training to the ROM's employees and managers on how the program is expected to work, including how management is expected to provide support, coaching and counselling to their staff members as needed, and identifying the frequency (quarterly) in which check-ins with staff are expected to be completed. To date, the ROM has launched the first phase of the program to its non-union staff members, and is currently working toward launching the program for all of its unionized staff members by March 2024.

Chapter 1

Section 1.14

Treasury Board Secretariat

Follow-Up on 2020 Value-for-Money Audit: Business Case Development in the Ontario Public Service

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	2			2		
Recommendation 3	2	2				
Recommendation 4	3	2		1		
Recommendation 5	3	1		2		
Recommendation 6	3		1	2		
Recommendation 7	1			1		
Recommendation 8	4	1	2	1		
Recommendation 9	2	1	1			
Recommendation 10	3			3		
Recommendation 11	2	1		1		
Recommendation 12	1		1			
Recommendation 13	4	2		1	1	
Recommendation 14	4		2	2		
Recommendation 15	2	1		1		
Recommendation 16	2			2		
Recommendation 17	4		1	3		
Recommendation 18	2				2	
Recommendation 19	4			4		
Total	52	11	10	28	3	0
%	100	21	19	54	6	0

Overall Conclusion

The Treasury Board Secretariat (Secretariat), as of September 30, 2022, has fully implemented 21% of the actions we recommended in our *2020 Annual Report*. The Secretariat has made progress implementing an additional 19% of the recommendations.

The Secretariat has fully implemented recommendations such as updating the business case guidance to include cross-cutting issues, where applicable, such as data governance, intellectual property and environmental impacts, and to set guidelines for flexibility in length and content of business cases, proportionate to the level and likelihood of risks associated with the request. The Secretariat also updated guidance

provided to Secretariat analysts developing assessment notes, including requiring assessment notes to clearly identify what information is missing from the business case and assessing the impact on decision-making. The Secretariat has also implemented or plans to implement training sessions on conducting cost/benefit analysis, risk assessments and performance measurement.

However, the Secretariat has made little progress on 54% of the recommendations, including, for example, providing training to preparers of business cases on options analysis, conducting consultation and applying the results of consultation to business cases. The Secretariat has also not changed its process to require the earlier sharing of draft business cases, and still does not require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements before proceeding to the Treasury Board/Management Board of Cabinet, unless clear exemptions are provided. No changes have been made to improve sharing of information with Cabinet Policy Advisors, who may be reviewing Cabinet submissions with content similar to business cases. The Secretariat has informed our Office it will not implement 6% of our recommendations, including our recommendation to discontinue the practice of abstaining from providing the Board with a staff recommendation on high-risk requests. The Office of the Auditor General of Ontario continues to support the implementation of these recommendations.

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

Background

In the Ontario government, ministries are generally required to submit a business case to the Treasury Board/Management Board of Cabinet (Board), a committee of Cabinet, when they are seeking a change to operations, organization, activities and spending that goes beyond the scope of their annual business plan (which includes ministries' total approved annual expenditures).

In 2020/21, approximately \$4.99 billion (approximately \$3.4 billion in 2019/20) additional expenditures were approved outside of ministries' annual business plans through in-year business cases submitted to the Board. At the time of our follow-up, the Board included the President of the Treasury Board (Board Chair), Minister of Finance (Board Vice-Chair) and five other Cabinet Ministers. According to the Board's 2019 Terms of Reference, the Board "will take a strategic approach to expenditure management, enabled by thorough long-term planning, rigorous analysis, and consideration of key risks" and will "assess and test each item under consideration, to ensure decisions are defensible and evidence-based."

Business cases provide the information necessary for Board members to make informed, evidence-based decisions. They are a record of the decision-making process, and they can be key resources for a project/program's life cycle.

Given the financial significance of these decisions, the Board requires that all requests are accompanied by a "robust business case." This includes the following:

- an evaluation of alternative options;
- sufficient evidence in support of the proposed option;
- a clear identification and analysis of costs;
- an assessment of risks and proposed mitigation; and
- plans for implementation and performance measurement.

Inadequate or incomplete business cases can pose a serious risk to the Province in achieving value for money.

The Treasury Board Secretariat (Secretariat) provides ministries with guidance on preparing business cases. The Secretariat is also ultimately responsible for providing the Board with a critical assessment and advice on a recommended course of action. This advice is formally documented in an "assessment note" and is considered the Secretariat's official advice to the Board.

Typically, business cases are first developed by policy/program staff in a ministry. Policy/program staff work with their corporate division (the division

responsible for financial administration) to receive support and validation for financial components of the business case. The corporate division serves as the ministry's liaison with the Secretariat. It communicates directly with the Secretariat, fields questions about the business case, and solicits the approvals and sign-offs required before the business case is provided to the Secretariat and the Board, including those of the ministry's Chief Administrative Officer, responsible Assistant Deputy Minister, and ultimately Deputy Minister and Minister.

Our review found that improvements had been made in the previous few years to better define and support the decision-making processes; however, opportunities existed to improve ministries' business cases submitted to the Secretariat and the depth of analysis provided.

Specifically, our review of a sample of 15 business cases submitted by various ministries and the accompanying assessment notes highlighted the following areas for improvement:

- business cases needed to reflect more analysis in regard to the presentation of options, cost analyses, performance monitoring plans and, where applicable, the consideration of environmental impacts, intellectual property and data governance; and
- assessment notes needed to provide clearer advice to the Board on the feasibility of ministries' requests, adequacy of ministries' risk mitigation and performance monitoring plans, and the sufficiency of consultation. Greater attention to costing assumptions, external factors and the impact of the request on provincial debt is also required.

Business cases and assessment notes are not developed in isolation and are accompanied by discussions, briefings and, at times, additional submissions to the Board or Cabinet. However, the business case and assessment note are the key documents shared with the Board and serve as a record in the decision-making and options assessment processes. It is therefore of paramount importance that they are robust and evidence-based.

We made 19 recommendations, with 52 action items, to address our findings.

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

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and September 2022. We obtained written representation from the Treasury Board Secretariat that effective November 15, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Ministries Do Not Consistently Provide Decision-Makers with Complete Business Case Information

Recommendation 1

To provide decision-makers with sufficient and comprehensive information for decision-making in business cases, we recommend that the Treasury Board Secretariat provide training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases:

- *present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option;*

Status: Little or no progress.

Details

In our 2020 review, we found that business cases do not always consider alternative options and do not systematically compare options. Of the 15 business cases we reviewed, only two of the 15 met the Secretariat's requirement to assess three options as well as the status quo. One-third of the business cases did not provide any alternative options. Where business cases did not include alternative options, they did not provide a

rationale to explain why they did not do so, thereby leaving a gap in the business case rationale.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. However, these new resources and training do not include a focus on option analysis, including using consistent metrics, and processes have not been changed to ensure that ministries present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option.

We also found that in May 2022, the Secretariat provided ministries with updated business case and assessment note templates and guides. The updated business case template and accompanying guide recommends that ministries present and assess at least three options along with the status quo; however, the 2019 template (in place at the time of our 2020 review) did so as well. In the updated template and guide, it is mandatory to include the recommended option and rationale for why it was selected over other options in the Executive Summary. The actual options analysis is now located in an optional appendix, but ministries are required to complete a “completeness check” as part of the business case template where ministries are required to identify where the consideration of alternative options is located within the submission.

The Office of the Auditor General of Ontario continues to recommend that further work is needed by the Secretariat to provide more training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases present at least three options and the status quo using a consistent set of metrics that evaluate the benefits and drawbacks of each option.

- *provide a summary of options, where options related to the request have been previously presented to the Treasury Board/Management Board of Cabinet or Cabinet;*

Status: Little or no progress.

Details

At the time of our 2020 review, ministries told us that where options were not included in a business case, they may have been considered in previous business cases or Cabinet submissions, but we found instances where the business cases in our sample either did not have an accompanying Cabinet submission or the earlier business case also had an incomplete assessment of alternative options. As such, we recommended that a summary of past options considered be included in business cases.

In our follow-up, we found that there was no change to the updated business case template or accompanying guide to require ministries to provide a summary of options to the Board, when options had been previously presented to the Board. Further, as outlined earlier in this recommendation, planned training for ministries still did not include a focus on option analysis. The Secretariat informed us that it has no plans to implement this recommendation as options presented in other submissions may not be under active consideration. However, given that options analyses have historically been incomplete and inconsistent in business cases we have reviewed, the inclusion of a summary of options previously considered helps ensure business cases contain complete information. As such, for transparency to decision-makers and to ensure that business cases contain complete information on options assessed, the Office of the Auditor General of Ontario continues to recommend this recommendation be implemented.

- *identify whether a cost/benefit or cost-effectiveness analysis is required for the request, the scope of that analysis, and conduct cost analyses as needed;*

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

Details

In our 2020 review, we found that half of business cases reviewed made little or no attempt to analyze the benefits associated with a given proposal against costs, or explain if such analysis was not warranted. Complete cost analyses allow decision-makers to assess the

financial feasibility and sustainability of the proposal, providing transparency and accountability.

In our follow-up, we found that the Secretariat plans to develop and implement a voluntary training module on analyzing costs and benefits by December 2022. This training will provide guidelines and tips on choosing the appropriate type of cost analyses (for example, cost-effectiveness versus cost/benefit analysis) for a Business Case Submission. The training will be delivered by Secretariat staff in the Office of the Treasury Board and will be offered to all Ontario Public Service staff every three weeks.

- *systematically identify and assess key risks and mitigation strategies, including the risk of not proceeding with the proposed approach.*

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

Details

In our 2020 review, we found that 60% of the business cases we reviewed identified most of the key risks and identified strategies to mitigate the risks, but the remaining 40% typically failed to identify and assess all of the key risks and/or did not do so in a systematic way. For instance, risks were not always presented in the same section of the template, assessed for likelihood or frequency, or linked to mitigation strategies. Further, none of the 15 business cases assessed the risk of not proceeding with the proposed request.

In our follow-up, we found that the Secretariat plans to develop and implement a new voluntary training module on risk management frameworks and methodologies (for example, risk identifications, risk mitigation) for application in the context of business cases by December 2022. The training will be delivered by Secretariat staff from the Office of the Chief Risk Officer and will be offered to all Ontario Public Service staff on a quarterly basis.

Based on the business case template and guidance, risk assessments were mandatory components of business cases when we conducted our review in 2020. They remain mandatory.

We note that in the communications plan section of the 2022 updated business case template, ministries

are told to work with their communications staff. For ministry staff developing a business case that are less familiar with conducting cost analyses, risk assessments, and options analysis, similar guidance could be offered, encouraging program area staff to work with their corporate branches, staff from the Office of the Chief Risk Officer or other Secretariat staff with the necessary expertise to assist ministries in completing such sections of their business case.

Recommendation 2

To provide decision-makers with complete information on internal and external consultations, we recommend that the Treasury Board Secretariat provide training, coaching and mentorship opportunities to preparers of business cases, and proactively work with ministries to:

- *clearly identify who was consulted, when consultation took place, the subject and format of consultations, and the findings from the consultations;*

Status: Little or no progress.

- *summarize how the ministry proposes to address findings from the consultations.*

Status: Little or no progress.

Details

In our 2020 review, we found that business cases did not generally take a systematic approach to linking who was consulted with the specific details on the type of consultation, the objectives of the consultation and the feedback obtained.

In our follow-up, we found that the Secretariat does not have plans to develop training materials on conducting consultation or applying the results of consultation to business cases.

The Secretariat updated the business case template and guide to prompt ministries to include additional information on internal (within government) and external (public) consultations. New in the 2022 template, with respect to external consultations, submitting ministries are encouraged to identify who was consulted, when the consultation took place, the subject and format of the consultations and the

findings. For internal consultation, the ministry is encouraged to outline how the consultations (if at all) impacted the business case and recommended option and the impacts of the business case on other provincial activities.

However, while consultation was previously a mandatory component of business cases at the time of our 2020 review, the May 2022 updates include an optional appendix for ministries to highlight the outcomes from public or other consultations, if they do not discuss it elsewhere in their submission. The ministry has also introduced a completeness check where ministries are required to identify where the outcomes of both public consultations, and internal consultations are located within the submission. The Office of the Auditor General of Ontario continues to recommend that the Secretariat provide training, coaching and mentorship opportunities to preparers of business cases on how to incorporate findings from consultations into their business cases.

Recommendation 3

To strengthen performance monitoring plans in business cases, we recommended that the Treasury Board Secretariat provide training, coaching and mentoring opportunities to preparers of business cases, and proactively work with ministries to ensure that business cases:

- *include quantifiable performance indicators that relate to the objectives, outputs, outcomes and end-user impacts of a proposal;*

Status: Fully implemented.

- *provide a plan for performance monitoring and reporting that includes a description of the data that needs to be collected, data sources, the frequency of collection and reporting, and assigned responsibility for monitoring and implementing continuous improvements, as needed.*

Status: Fully implemented.

Details

Our 2020 review found that at least 80% of business cases we reviewed did not provide adequate

performance monitoring plans, including details of performance data to be collected, the sources of performance data and assigned responsibilities for continuous improvement. At the time of our 2020 review, the Secretariat offered training on performance measurement upon a ministry's request, but we found that in 2019/20, only four ministries participated in performance measurement training.

In our follow-up, we found that while the Secretariat implemented new training on performance measurement for Secretariat analysts in June 2022, there is currently no additional ongoing training planned for performance monitoring for line ministry staff completing business cases. However, the Secretariat has informed us that it intends to provide more specific training on performance measurement in the future.

However, in spring and summer 2022, the Secretariat conducted two outreach sessions with all line ministries. The first session covered key concepts in performance measures and how to identify and set performance measures in business cases. This is useful training, and could be expanded to include training on developing plans for performance monitoring and reporting that includes a description of the data that needs to be collected, data sources, the frequency of collection and reporting, and assigned responsibility for monitoring and implementing continuous improvements. In addition to expanding the scope of the training, we encourage the Secretariat to provide this to ministries on an annual basis.

The updated 2022 business case template asks ministries to describe available data for monitoring performance, and if not available, identify the plans for establishing ongoing data collection and reporting, this was also required in the 2019 template. While the 2019 and 2022 business case templates are very similar, the 2022 template also specifies that the performance measures should have a baseline, trend data, target values, and dates.

Recommendation 4

To provide decision-makers with concise business cases, we recommend that the Treasury Board Secretariat:

- *enforce the page limit for executive summaries for business cases;*

Status: Little or no progress.

Details

At the time of our 2020 review, we found that the business cases in our sample were long and repetitive. The average length of the 15 business cases reviewed was 42 pages, ranging from 13 to 136 pages. While there was no guidance on overall page length, the Business Case User-Guide (2019) required ministries to limit their executive summary to two pages. The 2022 Guide now states that “a strong summary will be as concise and precise as possible, including all key information and facts necessary for effective decision making, while not exceeding one (1) page (exceptions allowed for multi-ministry, joint, and multi-initiative submissions).”

During our follow-up, the Secretariat indicated that it would not return a business case if it was too lengthy, but instead provide feedback to the ministry throughout its formal briefing process. Based on 16 business cases completed using the new template from May 2022 to the time of this follow-up, the average page length was 33 pages, ranging from 13 to 92 pages. The average length of the executive summary was 2.3 pages, with the longest executive summary at seven pages. None of the 16 business cases noted above were multi-ministry submissions and only two were multi-initiative submissions.

The Secretariat has informed our Office no further action on this recommendation is proposed.

- *set guidelines for flexibility in length and content of business cases, proportionate to the level and likelihood of risks associated with the request;*
- *provide training, coaching and mentorship opportunities to preparers of business cases on how to make their business cases clearer and more concise.*

Status: Fully implemented.

Details

In our 2020 audit, we found that other jurisdictions restrict the length or allow for tailored submissions, depending on the nature of the request. For instance,

in its guidance to departments, the Treasury Board of Canada Secretariat outlines examples of submissions where sections of the template are not necessary. It recommends early consultation with Treasury Board analysts to discuss the requirements and obtain advice on what elements of the submission would need to be included.

In our follow-up, we found that in addition to the one-page limit for executive summaries, the 2022 update to the business case guide and template includes a new dedicated section on proportionality, which outlines the factors a ministry should take into consideration when determining the amount of content and evidence to include in the business case. The guide illustrates elements of a business case that would necessitate more details, such as significant resources (funding and/or staffing), high risk, large impact on Ontarians, or a new program. The template also includes guidance about the amount of detail and evidence to provide. Throughout the template and guide, ministries are encouraged to not duplicate information and be as concise as possible. The updated business case guide emphasizes the importance of a clear and concise business case, including for example that a “strong summary will be as concise and precise as possible, including all key information and facts necessary for effective decision making, while not exceeding one page.”

Starting in August 2021, the Secretariat launched a general introductory business case session. The training emphasizes writers should be succinct.

Secretariat's Business Case Template Includes Most Key Criteria for a Robust Business Case but Omits Some Important Elements

Recommendation 5

To strengthen its business case template to allow greater scope for decision-makers to make informed decisions or to defer a decision where appropriate, we recommend that the Treasury Board Secretariat:

- *update the business case template and guidance to require that: data gaps be clearly identified and the impact on decision-making explained;*

Status: Little or no progress.

Details

In our 2020 review, we found that over half of the business cases we reviewed either made a limited attempt or failed to identify data gaps and/or explain the impact of the missing information on decision-making.

In our follow-up, we found that the 2022 updated business case template and guidance does not require ministries include information on data quality or data gaps and their impact on decision-making. Additional guidance has been added to the business case template encouraging ministries to describe the data currently available for monitoring performance, or the plans for establishing an ongoing data collection and reporting where data is not available. The template also asks ministries, as part of a completeness check, to identify what section in the business cases contains “evidence and data supporting the proposal.” However, the completeness check does not prompt ministries to identify data gaps, particularly in sections other than performance monitoring, such as options and cost analysis, and clearly explain the impact on decision-making.

- *cross-cutting issues be considered, where applicable, including data governance, intellectual property, and environmental impacts;*

Status: Fully implemented.

Details

In our 2020 review, we found that the Secretariat’s business case template did not require ministries to consider the impacts related to data governance, intellectual property rights or the environment. Our past audits related to cross-cutting issues, such as intellectual property (the rights surrounding a methodology, design or other creation), data governance (the management of data to ensure its quality and security), and the environment have demonstrated a need to systematically include such considerations in government decision-making processes.

The updated 2022 business case template includes environmental impacts, data governance, and intellectual property on the completeness checklist, and a new section for ministries and analysts “to ensure that all key aspects of the business case have been captured.” There is also an optional appendix in the template and information in the business case guide on environmental impacts, prompting the preparer of the business case to describe how and to what extent the proposal will impact the environment. Preparers are asked to consider greenhouse gas emissions, pollution, resource depletion, etc. while also assessing the alignment of the proposal with broader government environmental priorities.

- *provide guidance and training to preparers of business cases on how to incorporate such issues into decision-making.*

Status: Little or no progress.

Details

As noted in our 2020 review, our past audits related to cross-cutting issues, such as intellectual property rights, data governance, and the environment have demonstrated a need to systematically include such considerations in government decision-making processes.

In our follow-up, we found that while the business case template and guide have been updated to reflect environmental impacts, data governance and intellectual property, the Secretariat has no future plans to offer training to ministries on how to incorporate the consideration of such issues into business cases.

Limited Opportunities for Business Case Training and Sharing of Best Practices

Recommendation 6

To strengthen the ability of preparers of submissions to develop robust, evidence-based business cases, we recommended that the Treasury Board Secretariat (Secretariat):

- *incorporate business case training into ministry staff learning and development plans;*

Status: Little or no progress.

Details

In our 2020 review, we found that the Secretariat's policy/program staff draft the majority of business cases; however, we have found that they attended fewer Secretariat training sessions than corporate division staff.

In January 2021, the Secretariat discussed the findings from our review with Finance Directors and Managers from across ministries and highlighted the importance of continuous staff learning and the need for ministries to integrate training into staff learning development plans. However, to date, there has been no formal instruction to include business case training into ministry staff learning and development plans across the Ontario Public Service. Further, the Secretariat could not provide any evidence that this has been done in any line ministries or in the Secretariat.

The Secretariat informed our Office that it will not be instructing ministries to include business case training in learning and development plans across the Ontario Public Service as the staff involved in developing business case submissions is constantly in flux, and will instead rely on voluntary participation in training.

- *share best practices in business case development among initial preparers of business cases;*

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

Details

In our 2020 review, through surveys of ministry staff, we found that 46% of all respondents (53% of corporate and 41% of policy/program respondents) highlighted training on business case development as an area for improvement. In their responses, multiple staff flagged that they would like regular training sessions (monthly or quarterly) on the in-year business case process and the Secretariat's expectations on business cases. Such training could improve the quality of business cases.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. This includes a general introductory business case session, intended for "members of the Ontario Public Service with little or no experience in writing or reviewing such submissions" (launched in August 2021), as well as, new training on cost/benefit analysis (to be implemented in December 2022) and risk identification and mitigation (to be launched in December 2022).

However, as noted in **Recommendations 1, 2 and 5**, the training modules developed are missing important elements including option analysis, consultation, and how to consider cross-cutting issues such as environmental impacts, data governance and intellectual property rights in business cases. The Office of the Auditor General of Ontario continues to recommend that this type of training would be beneficial to provide to initial preparers of business cases.

- *consider identifying Secretariat staff as "business case champions" to proactively assist ministries in the development of business cases.*

Status: Little or no progress.

Details

In our 2020 review, we found that the initial preparers of business cases do not routinely interact with Secretariat staff directly and may not receive all of the information or advice shared by the Secretariat, resulting in a missed opportunity to share feedback on the quality of business cases or expectations for what constitutes a robust business case. Further, while there are avenues for sharing best practices among management in corporate divisions (such as the Business Planning Managers Committee, the Finance Business Management Council for directors in corporate divisions and the Chief Administrative Officer's Forum), similar opportunities are not available for policy/program staff or management. In contrast to Ontario, New Zealand's Treasury has a team that meets quarterly with government and broader public sector staff to respond to questions and share information and updates about the business case process. Attendees are

expected to share updates and lessons learned with their colleagues.

The Secretariat informed our Office that it has not identified business case champions or initiated the creation of communities of practice for program and policy staff related to business cases, but that ministries could establish such communities on their own.

The Office of the Auditor General of Ontario continues to support the implementation of this recommendation. This recommendation would support the objectives outlined in the Secretariat's 2021/22 Published Plans and Annual Report, to provide "leadership and advisory services that support evidence-based decision making, prudent financial management and transparent public reporting across the public sector in Ontario."

Business Case Development Process and Decisions Not Publicly Available

Recommendation 7

To promote transparency and government accountability, we recommend that the Treasury Board Secretariat publish overview information about key government decision-making processes, including Cabinet and Treasury Board/Management Board of Cabinet approval processes, and guidance on the development of business cases.

Status: Little to no progress.

Details

Ontario does not publicly communicate information about the Board or Cabinet processes, including committee memberships, mandates, responsibilities or other details. With the exception of transfers of financial resources between voted appropriations (referred to as Treasury Board Orders) and amendments to legislation/regulations, details about other Board items, such as business cases and accompanying templates or guidance are not made public.

By contrast, other jurisdictions such as the federal government and the government of Nova Scotia publicly communicate information about these government decision-making processes and publish business case templates and guidance material on

their public-facing websites. New Zealand not only posts information about government decision-making, including Cabinet committee memberships and business case processes for the general public, but, starting January 2019, also publicly shares the final results of government decision-making via Cabinet minutes that are not classified as highly sensitive or confidential.

At the time of our follow-up, the Secretariat concluded that it was comfortable publishing a high-level overview of the in-year business case process, similar to what was included in our *2020 Annual Report*, including the roles and responsibilities of key players, and displaying the process in a visual format. Upon finalizing this follow-up report, the Secretariat informed us that it was not ready to publish this information and instead would continue to internally evaluate the appropriate information that can be publicly shared.

The Office of the Auditor General of Ontario recommends the Secretariat publish information on the process beyond what is already publicly available in our 2020 report, including guidance on business cases. Providing such guidance would be beneficial for provincial agencies and broader public sector organizations, who do not have access to internal government training on business cases, to provide them with greater context on the process and information expected as the ministries develop business cases on their behalf.

Assessment Notes Do Not Always Contain Sufficient Critical Analysis of Business Cases

Recommendation 8

To help ensure that business cases receive sufficient due diligence and critical assessment, we recommended that the Treasury Board Secretariat provide staff who prepare assessment notes with analytical skill-building opportunities (such as training, mentoring, coaching) in the following areas:

- assessing costing assumptions and considering impact of internal and external factors on revenue and expenditure projections, and the impact on provincial debt;

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

- *critically evaluating risks of proposed initiatives and the sufficiency of the proposed mitigation plans;*

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

- *evaluating the sufficiency of consultation conducted and implications on decision-making;*

Status: Little or no progress.

- *evaluating ministry implementation plans and performance monitoring plans including performance indicators, data collection, oversight, and continuous improvement.*

Status: Fully implemented.

Details

As part of our 2020 review, we reviewed the 15 Secretariat's assessment notes that accompanied the business cases in our sample to assess the level of due diligence and assurance documented in these assessment notes. Overall, we found that elements of the financial analysis of the request were consistently missing from assessment notes; the majority of assessment notes did not provide clear advice on the sufficiency of ministries' risk assessments and mitigation strategies; assessment notes did not provide an adequate assessment of the feasibility of ministry proposals; and the majority of assessment notes did not evaluate the implementation and performance monitoring plans in the business cases.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. This includes training on the updated components of the assessment note (launched in June 2022), as well as new training on cost/benefit analysis (to be implemented in December 2022), risk identification and mitigation (to be launched in December 2022), and performance measurement (launched in June 2022). At the time of our follow-up, we found that there is no training planned for analysts focused on evaluating the sufficiency of

consultation conducted and implications on decision-making. As stated in **Recommendation 2**, the Office of the Auditor General of Ontario continues to believe that additional training for ministry and Secretariat staff on consultation would be beneficial in ensuring robust business cases.

Recommendation 9

To provide decision-makers with a clear and concise analysis of requests, we recommend that the Treasury Board Secretariat (Secretariat):

- *reassess the length and contents of the assessment notes; and*

Status: Fully implemented.

- *require compliance with assessment note length and content requirements.*

Status: In the process of being implemented.

Details

In our 2020 review, we found that assessment notes were not concise and often repeated content of the submissions. Of the 15 assessment notes we reviewed, the average length was 25 pages, ranging from six to 48 pages.

In our follow-up, we found that, in May 2022, the Secretariat revised the assessment note template and it is now nearly half the length of the previous 2019 template that was in place during our review. A major reason why the new assessment note template is more concise is because important explanatory information related to the content of the assessment note is now located in a new guide, which accompanies the template. Similar to the 2019 template, there is no overall page limit for the assessment note in the 2022 revision.

According to the Secretariat, feedback on the length of the assessment note will be provided throughout the internal briefing meetings. However, based on 21 assessment notes completed using the new template from May 2022 to the time of this follow-up, the average page length was 21 pages, ranging from seven to 88 pages. The average length of executive summaries was 1.3 pages with the longest at three pages. Given the length of assessment notes using the new template,

we recommend the Secretariat continue to work with its analysts to develop more concise assessment notes.

Timing and Format of Business Case Review Limit Opportunity to Add Value

Recommendation 10

To support the development of robust business cases, we recommend that the Treasury Board Secretariat (Secretariat) work with the Secretary of the Cabinet to:

- *revise current review and approval processes of business cases to require the review of business cases by the Secretariat prior to ministries obtaining final Deputy Minister and Minister sign-offs;*

Status: Little or no progress.

Details

In our 2020 review, we found that business cases are often far along in approvals process before Secretariat analysis is received. Having already received these approvals may limit the ministries' willingness to make the Secretariat's suggested improvements to their business cases as additional re-approvals may be required.

In our follow-up, we found that, in May 2022, the Secretariat revised the assessment note template to state "ministries are encouraged to share drafts of their submissions with TBS as early as possible, [and Secretariat] analysts should endeavour to share their draft [assessment] note with the ministry. Together, this helps ensure the development of both stronger business cases, and more accurate assessment notes." Likewise, the new business case guide states that drafts should be shared with Secretariat analysts to allow for "robust discussion, advice, analysis, and assessment."

However, ministries are still not required to submit draft business cases to the Secretariat and Secretariat analysts are not required to share their draft assessment notes. The Office of the Auditor General of Ontario continues to believe this is a significant recommendation and continues to recommend structural changes be made to the process to ensure Secretariat feedback can be provided while the business case is still in draft form.

- *require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements before proceeding to the Treasury Board/Management Board of Cabinet, unless clear exemptions are provided;*

Status: Little or no progress.

- *define and provide examples of clear exemptions to this review and approval process in guidance materials for the Secretariat and ministries.*

Status: Little or no progress.

Details

In our 2020 review, we noted that compared to Ontario, other jurisdictions have a more structured review process. For instance, the Treasury Board of Canada Secretariat's practice is to conduct a preliminary quality review to assess whether Treasury Board submissions made by federal departments contain all required elements. If the submission does not meet the quality criteria, the department is to receive feedback and is expected to revise its submission accordingly before it proceeds to the Treasury Board of Canada. If the submission meets the quality criteria, the Treasury Board of Canada Secretariat will complete a substantive review by subject-matter experts and Treasury Board analysts. The process may entail multiple rounds of reviews and edits before the submission is assessed as ready to go to the Treasury Board of Canada. Final sign-offs by senior management and the Minister are not done until after this substantive review is complete. While exceptions are made for urgent submissions, the two-phased process provides federal departments with the opportunity to incorporate feedback into submissions prior to final senior management and Minister approvals.

As noted above, at the time of our follow-up, no changes have been made to the process to require ministries to update business cases based on the Secretariat's assessment and comply with mandatory business case requirements, and no exemptions to this process have been clearly defined.

Further, as noted in our Highway Planning and Management audit, we continue to identify instances where key components of business cases are missing

and ministries do not update the business cases before proceeding to the Board. For instance, in its December 2021 submission, contrary to the Business Case Guide, the Ministry did not provide an analysis of the option to keep the current tolls; did not identify all key risks of removing tolls and the related mitigation strategies; and did not include a monitoring and evaluation plan for the recommended option to remove tolls. Similarly, in the Ministry of Transportation's February 2022 business case to eliminate licence sticker fees, the business cases did not present the status quo and related analysis as an option and did not identify significant risks. In both cases, where the above components were missing, the Ministry did not update the business cases before they went to the Board.

Recommendation 11

To support the development of robust business cases, we recommend that the Treasury Board Secretariat (Secretariat):

- *clearly identify in the assessment note if required information is missing from the business case and the impact on decision-making; and*

Status: Fully implemented.

Details

In our 2020 review, we found that assessment notes consistently did not identify non-compliance with the business case template. Out of the 15 business cases sampled, only one had all of the required components based on the Secretariat business case template. The other 14 had at least one component of the template missing (for example, analysis of at least three options and the status quo, a cost/benefit or cost-effectiveness analysis, risk assessment or performance monitoring plan). The assessment notes that accompanied these business cases did not analyze the impact of the missing content, and only one assessment note included a recommendation to report back to the Secretariat on the missing information.

In our follow-up, we found that as part of the update to the assessment note template in May 2022, the Secretariat added a new section requiring analysts include the rationale for their recommendations. As

part of the rationale they are requested to provide an overview and impact of any information gaps related to elements of the business case such as the implementation plan, performance measures or financial data, that could warrant a report back to the Board.

The newly created assessment note guide also asks Secretariat analysts to flag data gaps identified by the ministry and any identified by the Secretariat to the Board. The guide notes the importance of assessing the impact of these information gaps on the decision-making process.

- *establish a formal mechanism to allow the Secretariat to monitor and provide feedback to ministries on compliance with business case requirements, timeliness and quality.*

Status: Little or no progress.

Details

In our 2020 review, we found that outside of the assessment note, there was no formal way of communicating feedback on the quality of business cases to ministries. In contrast, Treasury Board of Canada Secretariat reports back to all departments twice-yearly regarding the number of business cases that met or did not meet the criteria for the initial quality review, and the timeliness of analysts in conducting the reviews.

At the time of our follow-up, the Secretariat was still considering other options to deliver feedback to ministries.

The Office of the Auditor General of Ontario continues to recommend that the Secretariat establish a formal mechanism to allow the Secretariat to monitor and provide feedback to ministries on compliance with business case requirements, timeliness and quality.

Secretariat Analysts Flag Need for Increased Training

Recommendation 12

To ensure that its analysts have a consistent understanding of what is required in the development of assessment notes, we recommend that the Treasury Board Secretariat provide analysts with on-going training, guidance, mentorship and coaching opportunities in conducting

evidence-based critical analyses of business cases.

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

Details

In our 2020 review, we found in our survey of Secretariat analysts that close to half (45%) responded that they did not have access to the necessary training and resources to carry out their duties in relation to in-year business cases. Staff turnover was flagged as a challenge in our interviews and survey of Secretariat staff.

In our follow-up, we found that the Secretariat is in the process of establishing a new learning catalogue of training and resources for ministries and Secretariat analysts who work on business cases. This includes training on the updated components of the assessment note, as well as new training on cost/benefit analysis (to be implemented in December 2022), risk identification and mitigation (to be launched in December 2022), and performance measurement (launched in July 2022). There currently is no training planned for analysts focused on evaluating the sufficiency of consultation conducted and implications on decision-making. Similar to **Recommendation 2**, the Office of the Auditor General of Ontario continues to believe that additional training for both ministry and Secretariat staff on consultation would be useful in ensuring robust business cases.

Secretariat Abstains from Making Staff Recommendations on High-Risk Requests

Recommendation 13

To provide the Treasury Board /Management Board of Cabinet with impartial evidence-based recommendations and promote transparency, we recommend that the Treasury Board Secretariat:

- *update training and guidance materials to clearly outline when different types of recommendations should be used;*

Status: Fully implemented.

Details

During the course of our 2020 review, we identified a number of instances where the Secretariat abstained from providing the Board with a staff recommendation relating to high-risk requests. This limits the Secretariat's opportunities to provide impartial advice and to assist in promoting transparency in the advice provided to decision-makers.

According to the Business Case User-Guide (2019), Board judgment is used "when there is not enough information or the business case is insufficient, or there was inadequate time for Secretariat staff to develop a recommendation." This suggests that we would have found Board judgment to be used in instances where not all risks or costs were known or there had not been adequate time for the Secretariat to conduct the due diligence necessary to provide a recommendation. However, in practice, Board judgment has been used where the public service has conducted due diligence, but was not comfortable recommending the approval of a particular request because of the high risk associated with the request or because it was a government-driven request.

In our follow-up, we found that the Secretariat updated guidance provided to Secretariat analysts, including the creation of an assessment note guide with explanations on when types of recommendations should be used. These descriptions are not, however, included in the updated business case guide provided to line ministries. Doing so would help increase transparency with ministries on the Secretariat's recommendations.

- *require that assessment notes include a clear rationale for all staff recommendations;*

Status: Fully implemented.

Details

In our 2020 review, we noted that Board judgment was used in situations that did not align with the intended use.

In our follow-up, we found that as part of the updated assessment note template in May 2022, the Secretariat added a new mandatory section requiring analysts include the rationale for their

recommendations, and in the executive summary a rationale for Board judgment (as required).

- *eliminate the use of Board judgment as an option available for staff recommendations;*

Status: Will not be implemented.

Details

In the course of our 2020 review, we found that in practice, Board judgment was used where the public service was not comfortable recommending the approval of a particular request because of the high risk associated with the request or because it was a government-driven request. In our 2020 review, we surveyed Secretariat analysts and found that 69% of respondents had recommended Board judgment in the past. When asked the main reason for using Board judgment, the top two responses the analysts provided were that the business case is considered high-risk (45%) or is driven by a government choice (40%). One respondent indicated Board judgment would be used if they did not think the business case should be approved but there was government pressure to approve it.

During our follow-up, the Secretariat informed us that “After careful consideration, [the Secretariat] maintains that the use of Board judgment remains a valuable option for analysts and this recommendation will not be implemented at this time. [The Secretariat] continues to have strong processes and protocols in place to make evidence-based recommendations.”

As noted in **Recommendation 17**, the Secretariat does not track staff recommendations and therefore cannot monitor the consistency of their use. At the time of our 2020 review, there were approximately 14 business cases that received board judgments each fiscal year between 2014/15 and 2019/20. In the most recent fiscal year since our 2020 report, there were 16 business cases.

The Office of the Auditor General of Ontario continues to recommend that the use of Board judgment as an option available for staff recommendations be eliminated. Having an option to abstain from making a staff recommendation is not conducive to supporting analysts in providing impartial, evidence-informed advice and speaking truth to power. Further, other

jurisdictions, such as the federal government and the United Kingdom, do not have the option to abstain from providing a staff recommendation on Treasury Board submissions.

- *require and encourage Secretariat staff to provide recommendations based on their analysis that are fiscally sustainable and that support prudent financial management and the effective and efficient delivery of public services.*

Status: Little or no progress.

Details

In our 2020 review, we noted that in contrast to Ontario, other jurisdictions have processes in place to safeguard the documentation and provision of evidence-informed advice, even in instances where it may conflict with political direction. For instance, the United Kingdom HM Treasury’s handbook, *Managing Public Money*, sets out four standards by which all public money must be handled: regularity (compliance with legislation or agreed-upon budgets), propriety (meeting the high standard of public conduct, including robust governance and transparency), value for money (achieving a good-quality outcome for the cost) and feasibility (likelihood of successful implementation). If a situation arises where a Minister decides to pursue a course of action that the accounting officer (comparable to a Deputy Minister) believes does not meet at least one of the above criteria, the accounting officer is required to write to the Minister expressing concern and requesting written direction to proceed. Upon receipt of a ministerial direction, the accounting officer is required to comply. A copy of the letter is shared with the Treasury, the Comptroller and Auditor General, Parliament’s Public Accounts Committee, and, starting in 2011, the public. In practice, a draft of the direction may accompany the Treasury submission, or may be issued after the decision is made.

As part of our follow-up, we reviewed the 20 instances of Board judgment issued since our 2020 review. Based on this review, we found evidence to suggest the Secretariat does not require Secretariat staff to provide recommendations based on their analysis that are fiscally sustainable and that support prudent financial

management and the effective and efficient delivery of public services.

For example, in February 2022, the Secretariat provided a Board judgment on a business case to eliminate licence plate stickers and to issue cheques to refund fees paid from March 1, 2020 onwards. The assessment note identified a number of high risks associated with requests in the business case, including the forecasted loss of non-tax revenue of \$1.1 billion annually and that the use of cheques to provide refunds is costlier than issuing refunds through electronic funds transfer. Despite the high risks flagged in the submission, the Secretariat refrained from providing a recommendation and deferred to the Board, using Board judgment, instead of other recommendations available, such as to approve or to not approve.

Insufficient Time Provided for Adequate Due Diligence of Ministries' Business Cases

Recommendation 14

To provide the Treasury Board Secretariat (Secretariat) with sufficient time to review and conduct adequate due diligence, we recommend that the Secretariat:

- *require the sharing of draft business cases with the Secretariat in situations where approvals from the Assistant Deputy Minister and Deputy Minister may not be possible within required timelines;*

Status: Little or no progress.

Details

In our 2020 review, we noted that the assessment notes in our sample were generally of better quality the more time that was provided to review the initial drafts of the business cases. When Secretariat analysts were asked about areas for improvement, 62% of the survey respondents flagged adherence to timelines and sufficient time to review business cases as primary areas of concern.

According to the Board's Terms of Reference, since September 2018, Assistant Deputy Minister-approved business case drafts must be provided to the Secretariat no later than three weeks before the planned Board

meeting date; Deputy Minister-signed drafts must be provided to the Secretariat no later than two weeks before the planned Board meeting date; and Minister-signed final business case must be provided to the Secretariat no later than one week before the planned Board meeting date. Based on our sample of 15 business cases at the time of our review, from September 2019 and March 2020, we found that 67% did not meet at least one of the Secretariat's required timelines for senior management approval.

In our follow-up, we found that while the Secretariat continues to highlight the importance of receiving draft submissions in a timely manner from line ministries, it has not made any significant changes to the process to enforce the requirement to the share drafts since the time of our 2020 review.

- *centrally track compliance with required timelines for business cases;*

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

Details

In our 2020 review, we noted that the Secretariat did not centrally track or monitor compliance with timeline requirements for business cases.

In our follow-up, we found that the Secretariat has started to monitor the number of submissions that meet the two-week (Deputy Minister-signed) and one-week (Minister-signed) timelines (two of the three deadlines outlined in the Board's Terms of Reference). The Secretariat has tracked this information from April 13, 2021 to August 25, 2022 and found that only 14% of the 724 submissions submitted met the two-week deadline and 24% met the one-week deadline. At present, the Secretariat is not tracking compliance with the three-week (Assistant Deputy Minister-signed) deadline, but intends to start tracking this by December 31, 2022.

While the information system collects the dates submissions were received, the Secretariat is currently only monitoring which submissions met the deadlines, but not the timing the submissions were received. Therefore, the Secretariat is not monitoring the timeliness for submissions that did not meet the deadlines.

The Secretariat is currently updating the information used by ministries to submit business cases to generate and present timeliness data automatically. New data metrics on submission reporting requirements (i.e., signature status of submissions, urgency, exemption requests, and types of report-backs), are being designed to track submission timeliness through a live interactive dashboard. This is expected to be completed by the end of 2022.

- *centrally track exemptions from timelines and reasons for the exemption;*

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

Details

In our 2020 review, we found that the Secretariat did not track exemptions for the timelines and was unable to provide a complete listing of exemptions requested or provided in the last fiscal year. According to the Board's Terms of Reference, any request for exemptions to the timelines must be submitted to the offices of the Board Chair and Board Secretary and should include a strong rationale to support the request, with information on the risk to government if the business case does not proceed. (Responding to emergencies where public safety is at risk is one such rationale.)

The Secretariat has started to centrally track the exemptions, but does not currently track the reason for the exemption request. As such, it is still unable to monitor if exemptions are complying with the Terms of Reference. The Secretariat informed our Office that although it does not track the reason for the exemption request, the Secretariat collects the incoming memos and correspondence pertaining to the exemptions sought by ministries.

However, based on our review of the exemptions, the bulk of those business cases that missed the deadlines did not seek an exemption request. According to the Secretariat, 18 business cases were provided exemptions from April 1, 2021 to March 31, 2022, yet based on the Secretariat's timeliness tracking, between 491 and 556 business cases did not meet at least one of the deadlines. This demonstrates the majority of ministries do not meet the required timelines, but do not seek exemptions.

The Secretariat informed our Office that it is targeting updates to its information system used to track business cases to incorporate tracking of exemption requests. Completion is targeted for the end of the 2022/23 fiscal year. In addition to tracking exemptions, we recommend the Secretariat work with ministries to ensure they are requesting exemptions, where appropriate.

- *based on this information, make operational improvements.*

Status: Little or no progress.

Details

In our follow-up, the Secretariat informed us that it communicated the findings from its timeliness tracking to directors, managers and team leads in the Secretariat and Ministry of Finance for the first time on March 17, 2022. On August 31, 2022, a memo was shared with all ministry Chief Administrative Officers to reiterate the deadlines are outlined in the Board's Terms of Reference. In its response to our Office, the Secretariat committed to deliver updates on a quarterly basis for Secretariat staff to communicate performance gaps to line ministry counterparts, but has not identified a date for this to start.

No operational improvements have been made to date based on this tracking.

Late and Incomplete Reporting to the Board Reduces Accountability and Creates Inefficiencies

Recommendation 15

To strengthen the quality and timing of reporting to the Treasury Board/Management Board of Cabinet (Board), and to reduce the need for multiple business cases for the same item, we recommend that the Treasury Board Secretariat:

- *require that report-backs include required information before they are submitted to the Board, where feasible; and*

Status: Little or no progress.

Details

The Board may request ministries to report back to it with additional information if a business case is missing key components or to provide further information or updates on a project or program. In our 2020 review, we found that report-backs often contained incomplete information, which would lead to subsequent report-backs. Of the 185 report-backs received by the Board in 2019/20, 42 (or 23%) led to subsequent report-backs. In a sample of 30 report-backs reviewed by the Secretariat and submitted to the Board, we found that 40% did not meet the requirements, and in 11 of those cases the Board directed the ministry to report back again with the same information.

In our follow-up, the Secretariat informed us that it has started to maintain a comprehensive listing of all ministry report-backs and intend to use this list to identify potential process improvements. Further, in the updated Business Case Guide ministries are asked to indicate how the submission satisfies the report-back requirements. However, no changes have been made to the process to require that report-backs include all required information before they are submitted to the Board. For instance, Secretariat analysts will continue to document what is missing from report-backs in their assessment notes, but will not require the report-back to be updated before proceeding to the Board.

- *require analysts to assess if report-backs meet the initial request and clearly indicate this in the assessment note.*

Status: Fully implemented.

Details

In our follow-up, we found that in May 2022, the Secretariat updated the in-year assessment note template and guide for analysts requiring analysts to highlight within the executive summary section of the assessment note whether report-back requirements are met and asks analysts to highlight any missing information, areas of uncertainty, and recommendations with respect to report-backs. Analysts are instructed to determine whether the report-back has been satisfied, including if all requested components have been provided, if the initiative has been fully implemented, if

the initiative has been modified/superseded by another decision and if the information in the requested report-back is being provided through a different reporting channel.

Reporting to the Board Inconsistent for Significant Projects

Recommendation 16

To ensure the Treasury Board/Management Board of Cabinet (Board) receives sufficient information on significant initiatives, we recommend that the Treasury Board Secretariat:

- *identify parameters for report-backs for all significant projects/programs, including both financially and publicly significant initiatives; and*

Status: Little or no progress.

Details

In our 2020 Review, we found that there are no formal guidelines for Secretariat analysts or the Board when deciding what type of report-back to recommend or request. Aside from large I&IT projects, major infrastructure projects and high risks in provincial agencies, there are no specific or regular quarterly reporting requirements for other significant projects or programs (for example, a large grant program or social assistance program). The Board would need to request report-backs for these types of projects/programs on an ad hoc basis via the minute, if desired. In contrast, the Treasury Board Secretariat of Canada introduced a new directive in 2019 that mandates reporting to the Office of the Controller General on scope, schedule, costs and risks for all projects over \$25 million. The directive also includes requirements in relation to reporting performance measures and reviewing lessons learned from other similar projects/programs.

In our follow-up, we found that the Secretariat updated its quarterly reporting template to support Treasury Board Secretariat analysts in assessing whether report-backs remain relevant or should be discontinued in remaining quarters. The template asks ministries if the report-back is for a significant project/

program and/or a financially/publicly significant initiative (defined as above \$20 million).

However, no additional requirements or policies have been implemented to ensure ministries are providing Treasury Board/Management Board of Cabinet (Board) sufficient information on significant initiatives. It continues to be left up to the Secretariat and Board to recommend or request report-backs for these types of projects/programs on an ad hoc basis.

- *provide additional implementation and operational details in the quarterly reporting for significant projects/programs.*

Status: Little or no progress.

Details

In our 2020 review, we found that the information in the quarterly reporting focuses primarily on financial risks. However, providing additional details to the Board, especially those related to operational and implementation risks, would provide the Board with key context on priority projects/programs. In our interviews with Board members, we found an interest in receiving more clarity on the types of projects that require a report-back and how often they are required. One Minister indicated interest in identifying key projects or priorities to receive more comprehensive and frequent report-backs, such as social assistance reform.

In our follow-up, the Secretariat informed us that the quarterly report process primarily includes “routine housekeeping report-backs” and it is “working to reduce the number of requested report-backs.” No changes have been made to the quarterly reporting process to provide the Board with additional implementation and operational details for significant projects/programs.

Secretariat Does Not Have Sufficient Systems or Performance Measures in Place to Monitor Business Case Process

Recommendation 17

To effectively assess the quality of business cases and the effectiveness of its submission process, we recommend that the Treasury Board Secretariat (Secretariat):

- *establish a performance measurement plan for the business case development process;*

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

Details

In our 2020 review, we found that the Secretariat did not have any performance measures to monitor and assess business case development, assessment notes or the in-year process overall. In addition, the Secretariat did not collect, track or monitor data that would be useful in assessing the efficiency and effectiveness of the in-year process, such as compliance with the timelines for the submission of business cases or ministries’ requests for exemptions, or the types of recommendations its staff make.

In our follow-up, the Secretariat informed us that it is in the process of developing a performance measurement framework to monitor the overall in-year submission process. It has identified and implemented two performance measures for the first phase of the framework to monitor the timeliness for submissions:

- % of Deputy Minister signed Board submissions within two weeks of the Board meeting date; and
- % of Minister signed in-year Board submissions within one week of the board meeting date (to be centrally reported to the Board as part of the Secretariat’s Key Performance Indicators (KPIs)).

The Secretariat will review preliminary results for the above two measures by the end of 2022 and will communicate its findings to the line ministries.

Should additional KPIs be required, the Secretariat plans to implement them by December 2023.

While it is encouraging that the Secretariat has undertaken an initiative to develop a performance measurement framework, at present, there are no measures or performance measurement plans to monitor the outcome of these processes—the development of robust high-quality business cases. (For more information on performance measurement and reporting in ministries, see our 2022 Review on Measuring and Reporting on Performance.)

- *monitor ministries' performance in the development of robust business cases and communicate the results to ministries twice yearly;*

Status: Little or no progress.

Details

In our 2020 review, we found that aside from the individual assessment notes or discussions throughout the briefing processes, the Secretariat does not assess the overall quality of business cases or formally communicate its performance evaluations to ministries on an ongoing basis. Having a monitoring or continuous improvement plan for business case development across government would provide the Secretariat with the information needed to communicate performance evaluations to ministries, identify areas for improvement in business case development, and provide targeted support to ministries where needed. In contrast, the Treasury Board of Canada Secretariat reports back to all departments twice-yearly regarding the number of submissions that passed or failed its initial quality review (as discussed in **Recommendation 10**).

In our follow-up, the Secretariat informed us that it plans to communicate the results of the timeliness of performance measures to ministries twice a year. However, at present the Secretariat has not finalized any plans to monitor or communicate ministries' performance in the development of robust business cases.

- *monitor the quality of assessment notes and communicate results to Secretariat analysts twice yearly;*

Status: Little or no progress.

Details

In our follow-up, the Secretariat informed us that it will explore further data collection requirements to assess the quality of assessment notes, but no timelines or plans of action have been determined.

- *centrally track and review the types of Secretariat staff recommendations provided to the Board.*

Status: Little or no progress.

Details

As noted in **Recommendation 13**, our 2020 review found that the Secretariat did not centrally track the types of recommendations its staff make (Approve, Do not approve, Board judgment, and others), or their frequency and consistency of use.

At the time of our 2020 review, the Treasury Board Secretariat committed to develop a mechanism to centrally track all Secretariat recommendations provided to the Board. However, in our follow-up, we identified that the Secretariat continues to not track the types of recommendations its staff make, and there are currently no plans to do so.

The Office of the Auditor General of Ontario continues to recommend the tracking of staff recommendations to provide insight into the frequency and consistency of use. For instance, in our 2020 report we noted the use of “Board judgment” was inconsistent with the guidance on when and how to use the recommendation (as discussed in **Recommendation 13**).

Existing Practices Discourage Efficiency and Co-ordination with Other Approval Processes

Recommendation 18

To help ensure effective and efficient decision-making at the Treasury Board/Management Board of Cabinet (Board) by reducing the volume of less significant business brought before it, as appropriate, we recommend that the Treasury Board Secretariat:

- *reassess current thresholds and applications of thresholds and delegations of authorities pertaining to Board approvals;*

Status: Will not be implemented.

- *reassess the role of delegated committees in supporting the work of the Board.*

Status: Will not be implemented.

Details

In our 2020 review, the Secretariat responded to this recommendation stating: “the Secretariat accepts the recommendation and will work with the Minister’s Office to review the feasibility of reassessing existing thresholds and their application in the delegation of authorities pertaining to Board approvals. While the delegated committees have been suspended at this time, the Secretariat will discuss and assess the role they may serve once/if suspension is lifted. The Secretariat will reassess the use of existing delegated committees of the Board (for example, the Supply Chain Leadership Council and Infrastructure Delivery Leadership Council) and their approval thresholds.”

In our follow-up, we found that the Secretariat had not conducted any work to reassess the current thresholds and applications of thresholds and delegations of authorities pertaining to Board approvals or the role of delegated committees in supporting the work of the Board. The Secretariat informed us it will not implement this recommendation unless the elected government chooses to re-establish these or similar committees.

Room for Co-ordination between Business Case and Cabinet Submission Processes

Recommendation 19

To ensure effective and efficient decision-making in the Cabinet and Treasury Board/Management Board of Cabinet (Board) submission processes and to leverage existing analysis, we recommend that the Treasury Board Secretariat (Secretariat), working together with Cabinet Office:

- *improve sharing of information between Cabinet Office and the Secretariat relevant to the assessment of both Cabinet and Board submissions;*

Status: Little or no progress.

Details

During our interviews with Cabinet Office policy advisors as part of our 2020 Review, they stated that they could receive the assessment note from the Secretariat but would need to request a copy of the accompanying business case directly from the submitting ministry. Similarly, Cabinet Office policy advisors noted that they would share their Cabinet Office briefing note with their Secretariat colleagues if the item had fiscal implications. However, formalizing these processes to improve access of information would provide Secretariat analysts and Cabinet Office advisors with more context and definitive information about previous approvals to support their assessment of the proposed request.

Since our 2020 report, no formal changes have occurred to improve the sharing of information between Cabinet Office and Secretariat staff relevant to the assessment of both Cabinet and Board submissions. For instance, there is no central repository of Secretariat Assessment Notes and Cabinet Briefing Notes, and Cabinet and Secretariat staff do not have access to information systems used to share respective submissions.

- *co-ordinate the review and assessment of submissions for requests seeking both Cabinet and Board approval;*

Status: Little or no progress.

Details

As noted in our 2020 review, given the similarities in the processes and information required, there may be opportunities to improve co-ordination and information sharing. The Secretariat and Cabinet Office could co-ordinate their review to avoid potential duplication, in particular among items seeking approval by the Board and a Cabinet committee at the same time. A more interconnected process may provide an opportunity to reduce gaps in information during government decision-making processes, for instance, to ensure that financial costs are considered during policy approval processes. In other jurisdictions such as Nova Scotia, Cabinet and Board submissions are reviewed jointly by

a financial analyst at the Department of Finance and Treasury Board as well as a Cabinet policy advisor.

As of the time of our follow-up, the Secretariat had not pursued any changes to address this recommendation.

- *review how they can eliminate duplication in their work and co-ordinate/streamline their processes;*

Status: Little or no progress.

Details

As of the time of our follow-up, the Secretariat had not reviewed the business case and cabinet submission processes to identify ways to eliminate duplication and streamline the processes. No changes have been pursued to address this recommendation.

- *consider having Board representation on all Cabinet policy and legislative committees to facilitate the sharing of information in government decision-making processes.*

Status: Little or no progress.

Details

In our 2020 review, we found that there are opportunities to improve co-ordination through Cabinet Committee membership. At the time of our 2020 review, there were six other Cabinet committees, three of which review Cabinet submissions. Based on our interviews with Board members, those who sit on other Committees have the opportunity to review some requests as both a Cabinet submission and a business case. In these instances, the Minister benefits from reviewing both submissions and receiving analyses from both Cabinet Office and Treasury Board Secretariat. Based on the 2020 membership of Cabinet committees, two Board members sat on the Economic and Resource Policy Committee. However, there were no Board members on the Health and Social Policy Committee or Legislation and Regulations Committee—the two other committees that review Cabinet submissions.

At the time of our follow-up, no formal changes have occurred and there is still no requirement for Board members to sit on other Policy Committees or

the Legislation and Regulations Committee. Based on our review of current memberships, only one Board member sat on another Cabinet Committee (Legislation and Regulations Committee). There was no Board representation on the other two policy committees that review Cabinet submissions. The Secretariat has not made a recommendation to Cabinet to consider cross appointment of Board members to Cabinet policy committees.

Chapter 1

Section 1.15

Ministry of Finance and Treasury Board Secretariat

Follow-Up on Value-for-Money Audit, *2020 Annual Report*

The Public Accounts of the Province of Ontario

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	1		1			
Recommendation 3	1		1			
Recommendation 4	2		2			
Total	8	4	4	0	0	0
%	100	50	50	0	0	0

Overall Conclusion

The Ministry of Finance and Treasury Board Secretariat, as of October 21, 2022, have fully implemented 50% of the actions we recommended in our *2020 Annual Report*. The ministries have made progress in implementing the remaining 50% of the recommendations.

The ministries have fully implemented recommendations such as ensuring that sufficient staff with appropriate knowledge of agency operations are retained to assist with wind-up processes and the timely reporting of financial information, as part of the final set of financial statements that are audited and released when an agency is being wound-up.

The ministries are in the process of implementing 50% of the recommendations, including consolidating the Children's Aid Societies into the Public Accounts by March 31, 2023 and reviewing contaminated sites

annually to determine whether liabilities need to be updated.

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

Background

The declaration of a global pandemic for the novel coronavirus (COVID-19) in mid-March 2020 created challenges for our audit of the Province's consolidated financial statements. However, after performing expanded work to address and respond to the additional estimate and reporting risks resulting from the pandemic, we were able to issue an unqualified opinion on the Province's 2019/20 consolidated financial statements. This was the third consecutive year where the statements had been fairly presented and free from material errors.

Items of note from our audit of the Province's 2019/20 consolidated financial statements and other financial statement work were as follows:

- We have a responsibility to report on certain government reporting requirements under the *Fiscal Sustainability, Transparency and Accountability Act, 2019* (Act). The government met all reporting deadlines as of October 2020 with the exception of that for the *2020 Ontario Budget*. Due to COVID-19, the Province was unable to issue a budget by March 31, 2020 as set out in the Act. The Province issued an economic update in March 2020 but this update did not meet the budget requirement of including a multi-year fiscal plan for the next three years. As a result of this, by law, the Minister of Finance and the Premier were subject to a 10% penalty on their respective salaries. This penalty was paid by the Premier and the Minister of Finance on April 30, 2020.
- In 2018/19, the Province made the decision to discontinue printing Volume 2, which contained individual financial statements of the provincial corporations, boards and commissions whose activities are included in the Province's consolidated financial statements. It opted instead to establish a website with links to the financial statements of each consolidated entity. In 2018/19, we noted delays in the posting of entities' audited financial statements compared with the previous years when only one or two entities were missing from the printed version of Volume 2. The government demonstrated significant improvement with the release of the 2019/20 Public Accounts, in which 91% of the other government organizations and 99% of the broader-public-sector organizations made their audited financial statements available by the date of release of the Public Accounts.
- We performed an audit of the wind-up of the Financial Services Commission of Ontario (Commission) during the year. As part of the audit, our Office experienced audit difficulties because there was a lack of Commission planning to

enable the timely reporting of the wind-up of this organization. Most notably, there was insufficient Commission staff with knowledge of the Commission's operations available to support the financial statement preparation process, which led to numerous delays in our Office being able to start and complete our work. In addition, the wind-up process did not consider that other government services, such as access to financial systems and payroll records, would be required subsequent to the wind-up. Ultimately, we were eventually able to complete the audit and issue an unqualified opinion on the Commission's financial statements.

- Over the past several years, we have recommended to the Province that the Children's Aid Societies be consolidated into the Public Accounts. As a result of its ability to impact the operational and financial decisions of the Children's Aid Societies, the Province controls these entities requiring that their financial positions and results should be formally consolidated into the Public Accounts.
- We noted that processes for updating contaminated sites annually and identifying new sites differed among ministries. We recommended that the Province conduct additional work in this area.
- The Province's growing debt burden also remained a concern, as it had been since we first raised the issue in 2011. In 2020, as in the past, we focused on the critical implications of the growing debt for the Province's finances. We maintain the view that the government should provide legislators and the public with long-term targets for addressing Ontario's current and projected debt. We noted at the time of our 2020 report that the level of debt significantly increased due to COVID-19 expenditures.

We made four recommendations, consisting of eight action items, to address our concerns.

Standing Committee on Public Accounts

On March 31, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our Chapter 1–Public Accounts of Ontario report. In February 2022, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations, and made five additional recommendations. The Ministry reported back to the Committee in June 2022. The Committee’s recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.07** of our *2022 Annual Follow-up Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and October 2022. We obtained written representation from the Ministry of Finance and Treasury Board Secretariat that effective November 3, 2022, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Financial Services Commission of Ontario Wind-up

Recommendation 1

Should the government decide that other agencies will be wound-up in the future, we recommend that the applicable ministry and the Office of the Provincial Controller Division, in conjunction with the agency being wound-up, work together to ensure that:

- *sufficient staff with appropriate knowledge of the agency’s operations be retained to assist with the wind-up process;*

Status: Fully implemented.

Details

In our 2020 audit, we found that there were insufficient Financial Services Commission of Ontario’s (Commission) staff with applicable knowledge of the Commission’s operations to support the financial statement preparation process upon its wind-up. The audit was delayed numerous times to accommodate the Commission’s need for additional time and resources to prepare the financial statements and related audit support. Some staff at the Financial Services Regulatory Authority of Ontario (Authority), the entity that replaced the Commission, were new to the organization and did not have prior knowledge of the Commission’s operations. The audit was eventually completed and the financial statements were approved on May 22, 2020, which was almost one year after the Commission’s June 7, 2019 wind-up date.

The Office of the Provincial Controller’s Division developed guidance material that was widely distributed within the provincial government and made available via the provincial intranet site. The purpose of this guidance is to support the preparation/planning of restructuring within ministries and agencies. The guidance provided template checklists for agencies and ministries to follow for areas such as planning, accounting, legal, human resources, information technology, communications and record keeping. The templates include responsibilities, target dates, completion dates and steps to follow along the way.

In our follow-up, we found that there has been only one subsequent wind-up that occurred within the Province; this was between the Ontario Mortgage and Housing Corporation and the Ministry of Municipal Affairs and Housing (Ministry) on March 31, 2021. The Ontario Mortgage and Housing Corporation was dissolved on this date and the assets, liabilities, rights, obligations and responsibilities were transferred to the Ministry. As part of the wind-up, Ministry staff that historically supported the Ontario Mortgage and Housing Corporation’s functions were actively involved in planning and executing the wind-up. The Ontario Mortgage and Housing Corporation’s financial statements were reviewed and signed off by the former Ontario

Mortgage and Housing Corporation Chief Executive Officer and by the former Chair.

- *access to other supporting government services previously used by the agency, such as payroll and financial services, be available subsequent to the agency's wind-up to enable an efficient and effective financial reporting process;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the wind-up of the Commission did not consider that other provincial government services were needed subsequent to the wind-up. The financial reporting system was not available to the Authority, significantly delaying both the preparation of financial information needed to produce the financial statements and the audit. The payroll system, which included information on salaries, severance and payments in lieu of notice, was not available to staff at the Authority to enable the preparation of complete and accurate financial information for the Commission.

In our follow-up, we found that the Ministry of Municipal Affairs and Housing staff responsible for the preparation of the Ontario Mortgage and Housing Corporation's financial statements prior to dissolution supported the financial reporting process during and after dissolution. The accounting system and banking information continued to be accessible to Ministry staff.

- *responsibilities of all parties involved in preparing information used for financial reporting be clearly communicated;*

Status: Fully implemented.

Details

In our 2020 audit, we found that there was a lack of planning to enable timely financial reporting of the wind-up of the organization. Unionized employees, who previously worked at the Commission and were then transferred to work at the Authority, were initially unwilling to discuss topics related to the Commission in connection with our audit. This unwillingness to

co-operate resulted in delays in both preparing financial information and the audit process.

In our follow-up, we found that the Ministry of Municipal Affairs and Housing staff responsible for the preparation of the Ontario Mortgage and Housing Corporation's financial statements laid out responsibilities for all staff involved and held regular discussions within the Ministry. Work plans were developed and tasks were executed as part of the work plan.

- *timely reporting of financial information continues until the final set of financial statements are prepared, audited and released.*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Commission audit was completed almost one year after the June 7, 2019 wind-up date, when the financial statements were approved on May 22, 2020.

In our follow-up, we found that timely reporting occurred for the Ontario Mortgage and Housing Corporation's financial statements. The March 31, 2021 financial statements were issued on June 17, 2021 and the financial statements were publicly posted to the provincial website on September 24, 2021.

Consolidation of Children's Aid Societies

Recommendation 2

We recommend that for transparency and consolidation completeness that starting in the 2020/21 fiscal year, the Ministry of Finance and the Treasury Board Secretariat, in co-ordination with the Ministry of Children, Community and Social Services, consolidate the Children's Aid Societies into the Public Accounts and reflect this in the listing of consolidated entities presented as a schedule to the consolidated financial statements.

Status: In the process of being implemented by March 31, 2023.

Details

We found in our 2020 audit that the Children's Aid Societies (Societies) were controlled by the

government and recommended that their financial information should be consolidated into the Public Accounts. Even though the government cannot appoint the majority of the Children's Aid Societies' directors, control exists due to the government's ability to direct the use of the assets by appointing a supervisor, having the ability to dissolve the Societies, approving annual funding, issuing directives and appointing some board members.

Children's Aid Societies have now been reflected in Schedule 8 of the March 31, 2021 consolidated financial statements of the Province with a footnote that the Province is working toward consolidating the Children's Aid Societies in the March 31, 2023 Public Accounts. The Ministry of Children, Community and Social Services (Ministry) has developed a detailed implementation plan including a process to identify potential issues related to financial reporting and accounting systems used by the various Societies. Regular meetings are taking place between the Ministry, the Office of the Provincial Controller Division and the Office of the Auditor General of Ontario to ensure the 2023 consolidation is on schedule. System updates, manual reporting templates and training will be provided to the Children's Aid Societies in anticipation of consolidation as at March 31, 2023.

Recommendation 3

We recommend that in order to have a consolidation process that is orderly and timely, the Ministry of Children, Community and Social Services (Ministry) should work with the Children's Aid Societies to have their financial statement audits completed and submitted to the Ministry within the required reporting timelines.

Status: In the process of being implemented by March 31, 2023.

Details

We found in our 2020 audit that a third of the Children's Aid Societies either completed their 2019/20 financial statements after the July 2020 deadline for submission to the Ministry or had not provided statements by September 30, 2020. These Societies

represented about \$150 million in total assets and about \$135 million in total liabilities.

In our follow-up, we found that the Ministry is working with the Children's Aid Societies to ensure that their financial statements are completed by the annual agency deadline for inclusion in the Public Accounts. In order for the timely completion of the Public Accounts, the Children's Aid Societies will need to provide the Ministry with financial information and financial statements within the same timelines as other consolidating entities. The Ministry has identified the timing of completion of Children's Aid Society financial statement audits and preparation of financial statements as a key area that they are working on addressing with them by March 31, 2023.

Liability for Contaminated Sites

Recommendation 4

We recommend that the Treasury Board Secretariat work with the ministries that have contaminated site liabilities to:

- *implement a uniform approach across all ministries to ensure that all identified contaminated sites are evaluated consistently across the province; and*

Status: In the process of being implemented by March 31, 2023.

Details

We found in our 2020 audit that ministries have different mechanisms in place to update contaminated sites liabilities annually as well as identify new sites. For instance, to identify new sites, one ministry did not perform assessments on all sites, but instead waited for reports that were completed as part of other activities such as dispositions, transfers and easements to determine their eligibility to be contaminated sites and estimated liabilities for those sites. However, another ministry established a robust identification process that included reviewing engineering reports and studies in order to identify new sites.

In our follow-up, we found that the Office of the Provincial Controller Division (OPCD) is working with ministries to strengthen processes in order to establish

a uniform and consistent approach to evaluating contaminated sites across the province. OPCD and the ministries developed a checklist to help ministries in assessing individual contaminated sites liabilities carried forward from prior years. Ministries are working toward adopting this checklist for the assessment and evaluation for the liabilities in accordance with Canadian Public Sector Accounting Standards (Canadian PSAS). Ministries and OPCD will work together to clarify and clearly define categories of contaminated sites with a view to implement consistent practices for similar categories of sites and the undertaking of critical site reassessments by March 31, 2023.

- *review contaminated sites annually to determine where new detailed environmental assessments need to be completed or where estimated liabilities need to be updated to reflect changes in cost estimates, technology, remediation strategies, site conditions, environmental standards or other relevant factors.*

Status: In the process of being implemented by April 1, 2023.

Details

We found in our 2020 audit that the Canadian PSAS requires ministries to review the carrying amount of any liability for remediation at each financial statement reporting date. We noted that ministries' processes include reviewing each site annually; however, our findings indicated only a few sites were assessed in detail in the 2020 fiscal year.

In our follow-up, we found that the checklist developed by OPCD and the ministries requires ministries to answer a series of questions about changes to the contaminated sites (for example, changes to laws, identification of new contaminants on existing sites, and changes in cost estimates). If the answer to one or more of the questions is yes, then the specific ministry may be required to recalculate its estimate for the contaminated site. The checklist is expected to be broadly utilized as part of the March 31, 2023 Public Accounts.

We also found that the OPCD is working with the ministries to ensure that the Environmental Contamination Financial Management Guidelines are reviewed and updated to provide additional and evolving information to clarify cost-effective methods for and frequency of reassessments and discounting considerations. These guidelines are expected to be updated and in place by April 1, 2023 for application as part of the 2023/24 Public Accounts.

Chapter 2

Section 2.01

Treasury Board Secretariat

Follow-Up on 2020 Value-for-Money Audit:

COVID-19 Preparedness and Management Special Report

Chapter 1: Emergency Management in Ontario – Pandemic Response

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	8	2	6			
Recommendation 4	2		2			
Total	12	2	10	0	0	0
%	100	17	83	0	0	0

Overall Conclusion

The Provincial Emergency Management Office (EMO) within the Treasury Board Secretariat (Secretariat), as of November 4, 2022, has fully implemented 17% of actions we recommended in our 2020 Special Report. EMO has made progress in implementing an additional 83% of the recommendations.

EMO has fully implemented the recommendations requiring it to put a process in place to ensure emergency response plans are reviewed annually and updated, and to implement a province-wide IT system for emergency management.

Although progress to fully implement the recommendations has been slow to date, a number of critical developments have recently occurred at EMO, as noted below. These developments are expected to have a significant impact on implementing the recommendations

in the future, and on the emergency management program in Ontario:

- In January 2022, staffing at EMO was increased based on a staffing review that was conducted in 2021, adding 69 positions, which is an increase from 79 at the time of the special audit in 2020. During the 2022/23 fiscal year, additional funding of \$500,000 was provided for four new positions, along with an additional \$3 million which EMO stated was for 46 additional staff, prorated for the last six months of the fiscal year. As of September 30, 2022, a total of 136 positions were filled at EMO and recruiting efforts were continuing for the remaining positions.
- In April 2022, a new Deputy Minister/Commissioner of Emergency Management position was created and filled. This new role provides dedicated leadership to Ontario's emergency management system.

- Also in April 2022, amendments were made to the *Emergency Management and Civil Protection Act* through the new *Pandemic and Emergency Preparedness Act*. The changes require that the Secretariat establish an accountability and governance framework that sets out the roles and responsibilities of EMO's partners during an emergency. The changes also require the Secretariat to develop and publish a provincial emergency management plan.
- In June 2022, the new Deputy Minister/Commissioner and EMO were transferred from the Ministry of the Solicitor General to the Secretariat, which is a more centralized placement for the office in the government.
- In July 2022, a new organizational structure was rolled out for EMO, which includes the new Deputy Minister/Commissioner and three Assistant Deputy Ministers that each head up divisions (previously there was only one division).

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

Background

This report was one in a series of reports undertaken by our Office on the Province's response to COVID-19. Our 2020 audit, *Outbreak Planning and Decision-Making*, focused on the COVID-19 response of Ontario's health sector, while this report focused on the Provincial Emergency Management Office's (EMO) role and participation in the COVID-19 response for non-health-sector issues, with a focus on provincial co-ordination.

At the time of our special audit in 2020, EMO was part of the Ministry of the Solicitor General; however, the office was transferred to the Treasury Board Secretariat (Secretariat) in June 2022.

EMO is responsible for the Provincial Emergency Response Plan for Ontario, while the Ministry of Health is responsible for the health-related response plans. In response to COVID-19 specifically, the Ministry of Health led critically important public health measures,

while EMO was responsible for co-ordinating the many other aspects of emergency response, such as liaising with its stakeholders in the province (for example, ministries, municipalities, the federal government and First Nations). This includes providing information updates, holding discussions and identifying emerging issues.

Overall, we found that, given a significant change-over in leadership at EMO (prior to COVID-19), its outdated emergency plans and a lack of sufficient staff, the Province was not in a good position to activate the provincial response structure in its emergency response plan when the COVID-19 pandemic arrived in Ontario. The Province responded to the crisis by hiring an external consultant to create a new structure. The Secretary of Cabinet believed there was a need to create a whole-of-government approach. In contrast to Ontario, other provinces activated their existing response structures and emergency plans.

We also found that EMO had not undertaken detailed planning for subsequent waves of the pandemic. For example, it had not yet planned or had discussions with municipalities about planning for winter events like ice storms, extended power failures and other winter hazards which could have impacted the COVID-19 response due to the potentially large number of individuals displaced and also the need for individuals to quarantine.

The following were some of our significant observations:

- Continuing lack of progress in implementing our 2017 audit recommendations exposed the Province to increased risks in its handling of emergency situations in Ontario. Almost three years after our 2017 audit on *Emergency Management in Ontario*, the Ministry of the Solicitor General had implemented only four or 11% of our 36 recommended actions it was responsible for. No additional recommendations had been implemented since our two-year follow-up was done in 2019.
- The Provincial Emergency Response Plan's provisions for governance were not followed effectively. According to the Provincial Emergency Response Plan, the Cabinet Committee on

Emergency Management (Cabinet Emergency Committee) is the main governance body for emergency management in Ontario. One of its main roles is to develop the overall provincial emergency management response strategy. The Cabinet Emergency Committee met for the first time in many years in November 2019. This was only an introductory meeting where EMO provided an overview of its role and mandate and of emergency management in Ontario. During the first wave of the pandemic, the Cabinet Emergency Committee met three times.

- EMO was not positioned to operate effectively and in a focused manner with province-wide jurisdiction. At the time of our audit, EMO was part of the Ministry of the Solicitor General, with the Commissioner of Emergency Management also being the Deputy Solicitor General of Community Safety. As such, he split his time between emergency management and other community safety programs of the Ministry, including the Ontario Provincial Police and the Office of the Fire Marshall. The lack of a dedicated Commissioner of Emergency Management was one factor keeping EMO from full effectiveness in provincial emergency management.
- Critical response plans were not updated (even when world conditions were signalling a potential pandemic risk) and available to be used as a guide during the COVID-19 declared emergency.
- EMO lacked a staffing strategy for responding to lengthy, large-scale emergencies. As a result, during the COVID-19 emergency, EMO did not have a viable plan to quickly ramp up its staffing to assist in its Provincial Emergency Operations Centre—for example, by hiring more staff, using experienced volunteers, or training other staff in the province to assist. This limited its ability to assist municipalities and ministries, and also put most of the program work at EMO (such as preparing for nuclear emergencies or training emergency management staff in municipalities) on hold.

We made four recommendations, consisting of 12 action items, to address our audit findings.

We received commitment from the Ministry of the Solicitor General that it would take action to address our recommendations, and the Cabinet Office supported the Ministry's responses to our recommendations.

Standing Committee on Public Accounts

On April 14, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our Emergency Management in Ontario – Pandemic Response special report. In February 2022, the Committee tabled a report in the Legislature resulting from this hearing. The Committee endorsed our findings and recommendations, and made six additional recommendations. The Treasury Board Secretariat reported back to the Committee in August 2022. The Committee's recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.08** of our *2022 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between May 2022 and August 2022. We obtained written representation from the Treasury Board Secretariat (Secretariat) that effective November 4, 2022, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

EMO Not Prepared to Address COVID-19—EMO's Continuing Lack of Progress on Recommendations from Office of the Auditor General of Ontario's 2017 Audit Report

Recommendation 1

For the province to better prepare for subsequent waves of COVID-19 and other future emergencies, we recommend that the Ministry of the Solicitor General make a concerted effort to expediently and fully implement the recommendations from our 2017 audit report.

Status: In the process of being implemented by December 2025.

Details

While we were conducting our work for this special audit in 2020, we reviewed the status of the recommendations made to the Provincial Emergency Management Office (EMO) in our 2017 value-for-money audit report titled *Emergency Management in Ontario*. We noted that in almost three years, EMO had implemented only four or 11% of 36 recommended actions it was responsible for. During our 2019 follow-up, EMO had committed to fully implement another eight recommended actions by March 2020. It did not meet this commitment.

From our work on the audit in 2017 and the two-year follow-up in 2019, we noted that EMO had a history of starting and later stopping projects and work groups, and of drafting plans, discussion papers and project charters that were never implemented or finalized. In addition, EMO developed an “Ontario Emergency Management Action Plan” just days ahead of our 2017 report tabling. It was intended to demonstrate that EMO was responding proactively to our recommendations. The action plan included a detailed plan for implementing actions that would address recommendations in several recent reports, including our 2017 report. It stated that “Ontario is committed to an emergency management system that is effective, responsive and able to adapt to the unique circumstance of communities across the province.” However, most of our recommendations had still not been implemented by the start of the COVID-19 pandemic, and it

was evident that this inaction affected Ontario's readiness to deal with the pandemic.

During the follow-up, EMO told us that it has balanced making progress on the recommendations, many of which are multi-year undertakings, with engaging in various emergency planning and response activities including the ongoing provincial response to COVID-19.

We again reviewed the status of the recommendations in the 2017 value-for-money audit report and noted that EMO had fully implemented nine (25%, up from four or 11% in 2020) recommended actions of the 36 it was responsible for. In addition, 24 (67%, up from 18 or 50% in 2020) recommended actions were in the process of being implemented. There had been little or no progress on one (3%, down from 12 or 33% in 2020) recommended action. (EMO previously told us that it would not be implementing two of the 36 recommended actions.) Under the new organizational structure described above, EMO plans to implement all outstanding recommended actions by December 2025.

Lack of Preparedness Impacted the Response to the COVID-19 Emergency

Recommendation 2

To ensure emergency management and, in particular, the Provincial Emergency Management Office (EMO), is given the importance needed to properly safeguard the people of Ontario from future emergencies, we recommend that the Ministry of the Solicitor General, in conjunction with the province, review the placement of EMO in the government and province, and put appropriate governance structures and oversight processes in place, including an effective leadership and staffing structure.

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

Details

Our 2017 audit noted that although EMO's intended function is to oversee a province-wide emergency management program, the lower priority and importance given to this important role affected the level of services it provided and weakened its function. Several factors related to the governance and oversight of EMO

contributed to this situation. We reviewed each of these factors again during the 2020 special audit and noted there was little change with regards to the governance and oversight of the province-wide emergency management program:

- EMO continued to be positioned within a ministry, with continuing turnover in its leadership roles (Commissioner and Chief) that made it more challenging for EMO to make changes, implement recommendations, and adopt and implement best practices.
- The Province had still not established a government-wide executive-level committee, such as at the Deputy Minister level, to discuss emergency management in the province, as other provinces had done.
- The Deputy Solicitor General of Community Safety was also the Commissioner of Emergency Management, thus splitting his attention between emergency management and the Ministry of the Solicitor General's community safety programs, including police and fire services.
- The Cabinet Committee on Emergency Management rarely met, even though it was supposed to be the main governance body over emergency management in Ontario. In November 2019, it met for the first time in many years to get an overview of its role and mandate from EMO. Then, during the first wave of the pandemic, it met just three times despite its key role of developing the strategy for Ontario's overall emergency management response.

During the follow-up, we found that in April 2022 a new Deputy Minister/Commissioner position for Emergency Management was created and filled. This new role provides dedicated leadership to Ontario's emergency management system. We also found some continuity in the Chief (Assistant Deputy Minister) position, which had retained the same individual since February 2020. In addition, the new Deputy Minister/Commissioner, along with EMO, was transferred to the Treasury Board Secretariat (Secretariat) in June 2022, giving the office a more central placement in the

government. These changes also resulted in an expansion of the office from one division to three divisions.

The Secretariat reviewed EMO's staffing needs in 2021 and identified additional staff required to address gaps in certain areas. As a result, in January 2022, EMO added 69 staffing positions, up from 79 at the time of the special audit in 2020, with a large increase in the field services area. During the 2022/23 fiscal year, additional funding of \$500,000 was provided for four new positions, along with \$3 million which EMO stated was for 46 additional staff, prorated for the last six months of the fiscal year. EMO has restructured accordingly; as of September 30, 2022, a total of 136 positions were filled at EMO and recruiting efforts were continuing for the remaining positions.

However, we found that Ontario still did not have an executive-level committee for emergency management like many of the other provinces do, but plans to implement one by December 2022. This will give emergency management a province-wide focus because it will involve Deputy Ministers from several ministries. At the time of our follow-up, EMO was reviewing the *Emergency Management and Civil Protection Act* (Act) and was developing an updated emergency management governance and oversight structure which will include implementing the new executive-level committee and reassessing the role of the Cabinet Committee on Emergency Management. EMO plans to implement this recommendation by March 2023, including obtaining government approval for an updated governance and oversight structure.

As part of this review process, amendments were made to the Act through the new *Pandemic and Emergency Preparedness Act*, which was proclaimed in April 2022. These changes require the Secretariat to establish an accountability and governance framework that sets out the roles and responsibilities of EMO's partners during an emergency. These changes also require the development and publication of a provincial emergency management plan, which will be a separate document from the Provincial Emergency Response Plan.

Recommendation 3

In order to ensure effective emergency management programs are in place in the province, including at ministries and municipalities, to enable the province to be properly prepared for any type of emergency, we recommend that the Ministry of the Solicitor General:

- *ensure response plans are reviewed annually and updated;*

Status: Fully implemented.

Details

In our 2020 audit report, we noted that the four critical response plans relevant to the COVID-19 emergency had not been recently updated. The Provincial Emergency Response Plan, which is intended to be used to co-ordinate the overall provincial response to any type of emergency, was updated in November 2019, but had not been finalized when the COVID-19 pandemic began because it was pending translation and coding for accessible formats, and was not publicly available. The previous plan was dated 2008, even though EMO's internal guidelines require it be fully updated every four years. The Provincial Co-ordination Plan for Influenza Pandemic, which supports the Provincial Emergency Response Plan, had also not been updated since 2006. In addition, the Ministry of Health had two plans that were relevant for COVID-19—its Ministry Emergency Response Plan and its Ontario Health Pandemic Influenza Plan. Neither of these plans had been updated since 2013.

Outdated plans have limited usefulness because they do not reflect, for example, changes in roles and responsibilities of relevant parties, program changes, best practices based on recent events or advances in technology and communications solutions; this could cause delays or confusion in response efforts, such as how and where to find critical information. The failure to annually review and update the legislated emergency response plans (the Ministry of Health emergency response plans) as needed contravened the requirements of the *Emergency Management and Civil Protection Act*.

In our follow-up, we found that EMO finalized and publicly published the updated Provincial Emergency

Response Plan in December 2020. EMO also added new requirements in its 2021 compliance review guidance document (for the review conducted in 2022) which asked ministries to update their response plans based on recent emergency events, practice tests (exercises), best practices and lessons learned. EMO followed up on these new requirements as part of its 2021 compliance review of ministry emergency management programs that was completed in May 2022, and asked for an explanation if a ministry's plan was not updated. EMO is also now recommending that ministries' response plans are updated for changes in technology, processes and resources, as well as lessons learned from emergencies and incidents, including COVID-19.

In addition, EMO has requested that ministries add a "Last Reviewed/Revised History" table to their response plans in order to document annual reviews and/or updates, to avoid confusion and reinforce the need to review and update plans.

- *implement a provincial multi-year strategy to test emergency response plans, with a focus on the critical emergency response plans in the province*

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

Details

During the 2020 special audit, we revisited a recommendation from our 2017 audit report that EMO develop and implement a multi-year strategy for practice tests (exercises) in accordance with best practices for the province. This included focusing on high-risk events, with the tests increasing in complexity and scale year by year. This recommendation had not been implemented.

We then reviewed practice tests undertaken by EMO and the Ministry of Health since our 2017 audit and noted that neither organization had undertaken any tests pertaining to the four emergency response plans that were relevant to COVID-19 (the Provincial Emergency Response Plan, the Provincial Co-ordination Plan for Influenza Pandemic, the Ministry of Health Emergency Response Plan, and the Ontario Health Plan for an Influenza Pandemic). This is despite Ontario's

Hazard Identification and Risk Assessment program noting an apparent increase in many infectious diseases, including newly circulating ones, and that high-density populations, especially with a growing and mobile population and global reach, were at high risk for the introduction of infectious diseases into the population.

The failure to practice-test pandemic or other provincial-emergency scenarios meant the province was not well prepared for responding to COVID-19. The practice tests would also have allowed relevant parties to work together and get to know each other, building professional relationships, trust and confidence, which are critical during an emergency.

During our follow-up, we noted that in June 2021, EMO had finalized a Provincial Exercise Program Framework for Ontario that it expects to form the foundation for a provincial multi-year strategy to test provincial emergency response plans. The strategy is based on a four-year cycle, with a full-scale provincial test being conducted every other year. However, EMO told us that the strategy has been delayed by the provincial response to both the COVID-19 pandemic and the 2021 wildfire season.

Despite the delays, EMO plans to begin implementing the initial phase of this strategy by the end of 2022. It also plans to conduct two full-scale nuclear exercises in 2022, in conjunction with some provincial partners, which will test two provincial plans. EMO also recently increased its staffing and created a new dedicated Exercise unit. EMO plans to implement this recommendation by March 2023.

- *revise the annual oversight process for ministries' and municipalities' emergency management programs to include an assessment of the quality of the programs;*

Status: In the process of being implemented by December 2025.

Details

During the 2020 special audit, we revisited a recommendation from our 2017 audit that EMO expand its oversight beyond reviewing self-assessment compliance checklists from ministries and municipalities

every year. We found that it had not implemented our recommendation, even though the self-assessments were insufficient to show whether ministries and municipalities were appropriately prepared to respond to the pandemic. For example, EMO's limited oversight failed to identify inaccurate statements in the Ministry of Health's 2019 self-assessment that it had reviewed its emergency response plans and updated them if needed; our review noted that its two plans relevant to COVID-19 had not been updated since 2013.

At the time of our follow-up, EMO told us that it continues to improve its compliance review processes and plans to include new qualitative assessment criteria as part of its review process. In addition, the 2021 compliance package for ministries added some recommended practices—such as analyzing staffing needs and increasing emergency management expertise by, for example, hiring specialized professionals—to improve the quality of their emergency management programs. As part of the 2021 compliance review process (which was completed in May 2022), EMO followed up to see if ministries adopted these recommended practices to improve the quality of their programs.

EMO also told us that it has begun a procurement process to seek advice on developing and incorporating further qualitative assessment processes for ministry and municipal emergency management programs. It plans to implement this recommendation by December 2025.

- *undertake a comprehensive review of the staffing needed at the Provincial Emergency Management Office and in the Provincial Emergency Operations Centre, including plans for surge capacity and specialized teams to be used during an emergency;*

Status: In the process of being implemented by March 2024.

Details

In our 2020 special audit, we noted EMO still lacked trained staff to assist the Provincial Emergency Operations Centre (Operations Centre) during a lengthy emergency response, an ongoing issue since our 2017 audit as well. Because EMO did not have a viable

plan to quickly ramp up its staffing with more hires or experienced volunteers, or to train other staff in the province to assist, some EMO program staff and some select staff from the Ministry of the Solicitor General were brought in to help at the Operations Centre during the pandemic. This, in turn, limited EMO's ability to assist municipalities and ministries, and ultimately to fulfill its role of provincial co-ordination during the pandemic. It also put most of the program work at EMO (such as preparing for nuclear emergencies and training emergency management staff in municipalities) on hold.

We noted during our follow-up that the Treasury Board Secretariat completed a staffing review to determine the staffing levels needed for EMO's operations. Based on this review, in January 2022, EMO added 69 staffing positions, which is an increase from 79 at the time of the special audit in 2020. During the 2022/23 fiscal year, additional funding of \$500,000 was provided for four new positions, along with an additional \$3 million which EMO stated was for 46 additional staff, prorated for the last six months of the fiscal year. As of September 30, 2022, a total of 136 positions were filled at EMO and recruitment was under way for the remaining positions.

However, we noted that EMO had not developed a surge capacity plan as a way of increasing staffing in the Operations Centre during an emergency; instead, it planned on using its existing staff. It told us that the additional staff approved gave it a far greater capability to meet the demands during an emergency. Our concern with this approach is that the review recommended staffing levels needed for EMO's day-to-day operations, but did not include additional surge staffing to respond to lengthy, large-scale emergencies. This approach could result in not enough surge staffing being available to assist in the Operations Centre. It could also limit EMO's other program operations, such as nuclear preparedness, training, compliance reviews and public education, for example, if staff are taken from these areas to assist in the Operations Centre.

EMO also has not yet implemented the All Hazards Incident Management Team, which it told us during our 2017 audit and 2019 follow-up that it planned to

implement to assist in the Operations Centre and in other ministries' emergency operations centres during emergencies. EMO told us that any further development of this specialized team will depend on future growth in EMO under the new organizational structure. EMO plans to implement this recommendation by March 2024.

- *determine the critical resources needed for all types of emergencies and then enter into agreements for those resources with preestablished rates;*

Status: In the process of being implemented by December 2025.

Details

During our 2020 special audit, we found that ministries still lacked agreements for goods and services that might be needed during an emergency, which we recommended in our 2017 audit. Such agreements could reduce delays in obtaining resources and also could help contain costs at a critical time by including fixed prices. Most of the ministries we reviewed in our 2017 audit had not even determined what types of resources they might need during an emergency. This had major repercussions at the beginning of the COVID-19 pandemic, when many municipalities were significantly short of personal protective equipment (PPE).

We also found that the Ministry of Health's stockpile of mostly expired PPE that we identified in our 2017 audit had worsened to include even more expired supplies that the Ministry of Health was paying to store. By comparison, our review of other provinces found that Alberta and Manitoba had obtained sufficient inventories of PPE and were able to send some supplies to Ontario, and that the emergency management offices in all of the provinces we reviewed had also helped obtain PPE for their provinces' non-health sectors (such as seniors' homes) and municipal emergency operations centres.

In our follow-up, we found that some amendments were made to the *Emergency Management and Civil Protection Act* through the new *Pandemic and Emergency Preparedness Act, 2022* in relation to our recommendation. The changes require ministries to identify the goods, services and resources needed to respond to

the risks and hazards they are responsible for, and to provide this information to EMO annually and upon request.

In addition, the Ministry of Public and Business Service Delivery (formerly the Ministry of Consumer and Government Services) introduced the *Personal Protective Equipment Supply and Production Act, 2022*. This Act requires the Province to maintain a stockpile of PPE and critical supplies and equipment. Further, the legislation requires the Minister to report on the status of the stockpile and the origin of the products in the stockpile annually.

Also, a terms of reference document has been developed for a new working group involving EMO, the Ministry of Public and Business Service Delivery and Supply Ontario to develop a supply chain and logistics program that addresses preparedness of resources, goods and services needed during an emergency. Supply Ontario is a new Crown agency that was established to transform and modernize Ontario's supply chain.

EMO told us that it expects to fully implement this recommendation by December 2025 after ministries have identified the resources needed to respond to the risks and hazards they are responsible for, as required by the new legislation, and then enter into agreements for those resources.

- *implement an effective IT system for province-wide use;*

Status: Fully implemented.

Details

In our 2020 special audit, we found that EMO had still not implemented a province-wide information technology (IT) system for emergency management, as we recommended in our 2017 audit. It had procured a new system and was in the early stages of implementing it, but it had not yet been rolled out province-wide. In the absence of such a system, EMO communicated inconsistently with stakeholders during the COVID-19 pandemic. This resulted in challenges in areas such as information-sharing, and identifying trends and issues.

In the follow-up, EMO told us that the new IT system for emergency management was being used

extensively in the Provincial Emergency Operations Centre. The system is designed to improve the tracking, reporting and management of emergencies. It allows information to be accessed by users across the province and can be used to communicate with other parties. It also includes a repository for critical information.

In addition, EMO has provided training and access to the system to EMO staff, to all ministry staff involved in emergency response, to some municipal staff (for example, those that were involved in recent flood and wildfire evacuation operations) and to other partners such as some federal government staff, First Nations, and Red Cross volunteers.

- *update continuity of government operations plans annually and implement a process to co-ordinate this work through the Secretary of Cabinet's Deputy Minister Council;*
- *maintain and update a prioritized listing of time-critical services in the province and related contact information.*

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

Details

In our 2020 special audit, we found that EMO did not have a prioritized list of Ontario's time-critical services when the Treasury Board Secretariat (Secretariat) asked for one to help allocate limited resources at the start of the COVID-19 pandemic. This is despite our 2017 report noting the importance of maintaining such a listing, and of ministries having continuity of government operations plans, where these time-critical services are prioritized. (In our 2019 follow-up, EMO told us it would not implement the recommendation for it to develop and maintain a listing of all time-critical services in the province.) Following the Secretariat's request, EMO prepared a list of time-critical services from information it requested from ministries, and it provided a final version to the Secretariat more than two weeks after the provincial emergency declaration was made.

In our follow-up, EMO told us that ministries are required to update their continuity of government operations plans on an annual basis in accordance with

the *Emergency Management and Civil Protection Act*. EMO receives these plans in January each year, reviews them and provides feedback to ministries as part of its annual compliance review process. In addition, EMO's 2022 Compliance Review guidance document, which it shared with Assistant Deputy Ministers in June 2022, reiterates the importance of continuity planning for government operations. However, a process had not yet been implemented to co-ordinate the annual update of these plans through the Secretary of Cabinet's Deputy Minister Council. This is because this process is intended to be within the scope of the planned executive-level (Deputy Minister level) committee for emergency management, which is expected to be implemented by December 2022.

EMO asked ministries to submit a list of their time-critical services, including related contact information, as part of their 2021 Compliance Review report submission. However, EMO has not yet compiled a prioritized listing of these time-critical services in the province. It is currently working on a framework for prioritizing this information based on the nature of the emergency, and it plans to have it completed by December 2022. EMO also needs to implement a process to ensure the prioritized listing is updated regularly.

Recommendation 4

To enable an effective and co-ordinated provincial emergency response for subsequent waves of COVID-19 and future emergencies, we recommend that the Ministry of the Solicitor General:

- *adopt the best practices noted in other jurisdictions, such as ensuring all parties are engaged and working together in the provincial emergency operations centre, providing direct support to municipalities, and providing timely information;*

Status: In the process of being implemented by March 2024.

Details

In our 2020 special audit, we found best practices in other provinces' actions during the first wave of COVID-19 that could be adopted by Ontario and EMO to improve their response in subsequent waves and

future emergencies. We identified specific areas of concern where these best practices could be applied, such as the response structure, the operations of the Provincial Emergency Operations Centre, staffing, staff wellness, support provided to stakeholders, and co-ordination of the response.

In our follow-up, we found that EMO regularly participates in Federal/Provincial/Territorial forums related to emergency management. These forums provide an opportunity to learn from and work with other jurisdictions to share information on approaches and best practices. However, EMO has not yet reviewed the best practices that we identified in other provinces in the special report, with a goal of adopting those that could improve the emergency management program in Ontario.

EMO previously committed to undertaking a full review of Ontario's emergency management system post-COVID-19 in order to assess areas for improvement and to build upon successes and learnings from the COVID-19 emergency. In November 2021, it began examining Ontario's emergency management program through an internal review of its legislation. As part of this review, it will look at best practices and lessons learned from the pandemic, with a goal of making improvements to Ontario's emergency management program. It expects to complete the review of best practices noted in other provinces and the review of its legislation, and adopt best practices, by March 2024.

- *determine the changes needed to make its provincial response structure as effective as possible, and implement them.*

Status: In the process of being implemented by December 2024.

Details

During our special audit in 2020, we noted that the provincial response structure outlined in the Provincial Emergency Response Plan was not followed during the COVID-19 pandemic. Instead, the Secretary of Cabinet urgently procured a consultant's services to establish a crisis response strategy, which included a new response structure that was put in place more than three weeks after the Province declared a state of emergency.

However, we found that the new structure was much more complicated than the response structure outlined in the Provincial Emergency Response Plan. It included many tables and sub-tables that caused confusion among emergency management representatives in ministries and municipalities because they weren't familiar with it. The structure they were familiar with and trained for was based on the Incident Management System (IMS), which is arranged specifically to reduce the risk of miscommunication, to avoid confusion and to enhance the efficiency of the overall response.

In our follow-up, EMO told us that the Province has regularly reviewed the response structure used for COVID-19 and believes it is effective for an integrated and cross-government response to the pandemic. It said that the response structure has been modified over the past year to ensure continued effectiveness.

EMO also told us that as part of the broader emergency management governance and oversight structure being developed, changes to the provincial response structure will be determined by building on existing approaches, including the response structure used for the pandemic. The changes identified will then be approved by the government.

Our concern with this approach is that if this response structure is to be used going forward, then the Provincial Emergency Response Plan should be updated accordingly so that all stakeholders are aware of the intended provincial approach. The related ministry response plans should also be updated to reflect this new structure, as we noted in our 2020 special report that the Ministry of Health's Ministry Emergency Response Plan and Ontario Health Pandemic Influenza Plan had not been updated since 2013, and the Provincial Co-ordination Plan for Influenza Pandemic had not been updated since 2006—and they had still not been updated at the time of our follow-up. Therefore, these plans are not in line with the response structure being used for the pandemic.

In addition, EMO has still not undertaken a full review of Ontario's emergency management system, which it committed to doing post-COVID-19 to assess areas for improvement and to build upon successes and learnings from the pandemic. At the time of our

follow-up, it was examining Ontario's emergency management program through an internal review of legislation that was initiated in November 2021. Any improvements noted in the response structure as a result of this review should be updated in the Provincial Emergency Response Plan. The Treasury Board Secretariat expects to implement this recommendation by December 2024, after the Provincial Emergency Response Plan is updated to reflect the Province's response structure.

Chapter 2

Section 2.02

Ministry of Health

Follow-Up on 2020 Value-for-Money Audit:

COVID-19 Preparedness and Management Special Report Chapter 2: Outbreak Planning and Decision-Making

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	2		2	1	
Recommendation 2	2	1		1		
Recommendation 3	2	1		1		
Recommendation 4	3	3				
Recommendation 5	5	4			1	
Recommendation 6	4	4				
Recommendation 7	2		2			
Recommendation 8	2			2		
Recommendation 9	4	4				
Total	29	19	2	6	2	0
%	100	65	7	21	7	0

Overall Conclusion

The Ministry of Health (Ministry) and Secretary of Cabinet, as of November 4, 2022, have fully implemented 65% of the actions we recommended in our 2020 Special Report. These actions include streamlining and refreshing the structure of the Health Coordination Table (called the Health Command Table at the time of our audit) and its sub-tables; designating the Chief Medical Officer of Health (CMOH) as a co-chair of the Health Coordination Table; supporting Health Coordination Table members and key decision-makers in applying and following the precautionary

principle—the need to act where there is reasonable evidence of impending threat to public harm— as the guiding principle going forward; following timely public health advice and recommendations from Public Health Ontario and the Testing Strategy Expert Panel going forward; and making the CMOH a permanent member of the Central Coordination Table.

The Ministry and Secretary of Cabinet have made progress in implementing a further 7% of our recommendations, which include reviewing, improving and updating the existing health emergency plans—the Ministry of Health and Long-Term Care Emergency Response Plan and the Ontario Health Plan for an Influenza Pandemic on an annual basis.

However, the Ministry and Secretary of Cabinet have made little progress in implementing 21% of our recommendations, including reviewing the role of Public Health Ontario in the Province's COVID-19 response to determine which activities it should take over; modifying the *Ontario Agency for Health Protection and Promotion Act, 2007* to identify under what circumstances Public Health Ontario's scientific and technical advice should be made public; providing the CMOH with the same authority as that of its equivalent positions in British Columbia and Quebec; resuming the review and reform of public health in Ontario; and incorporating information gathered from consultations and surveys into the Ministry's modernization of public health.

The Ministry and Secretary of Cabinet have indicated that they will not implement 7% of our recommendations, including establishing local Medical Officers of Health from the public health units as co-chairs of the Regional Steering Committees; and documenting key decisions made at Health Coordination Table meetings as a means to improve future decision-making.

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

Background

This report, Chapter 2: Outbreak Planning and Decision-Making, was one in a series of audits in our *2020 Special Report* on the Province's response to the COVID-19 pandemic. It focused on the response by Ontario's health sector from January 2020 (when the first COVID-19 case in Canada was confirmed in Toronto) to August 2020.

COVID-19 spread quickly around the world after the first outbreak emerged in Wuhan, China, in December 2019. Information on the virus was shared by the Canadian federal government with provincial and territorial governments through the Pan-Canadian Public Health Network starting in early January 2020.

Overall, we found that Ontario's response to COVID-19 in winter and spring 2020 was slower and

more reactive than that of other Canadian jurisdictions. This was partly due to an overall command structure in Ontario that evolved to include hundreds of participants at multiple tables and sub-tables, leading to inefficiencies and duplication of work. The command structure also did not have appropriate levels of expertise—specifically, key public health officials were not in the top leadership roles and did not fully exercise their powers.

We also found that the Province did not implement key lessons identified in the aftermath of Severe Acute Respiratory Syndrome (SARS) over 15 years ago prior to or during Ontario's COVID-19 response. For example, the SARS Commission's final report identified the precautionary principle as the most important lesson of SARS. This principle identifies that where there is reasonable evidence of an impending threat to public harm, reasonable efforts to reduce risk need not await scientific proof. However, this principle was not followed in a timely way, as evidenced by delays in establishing a COVID-19 emergency response structure, alerting Ontarians to avoid unnecessary travel, acknowledging community transmission, and requiring long-term-care facilities to take necessary precautions.

The following were some of our significant observations:

- The Health Command Table took on an increasingly complex structure during the pandemic with hundreds of participants involved. The Ministry set up the table on February 28, 2020, with 21 members. By June, 90 participants (comprising 33 members and 57 attendees) were involved. As of August 31, the table had 83 participants (32 members and 51 attendees) and had added on 25 sub-tables to provide specific subject matter expertise, bringing the number of people involved to more than 500. To further supplement the command structure, Ontario Health set up five Regional Steering Committees to discuss local issues related to COVID-19. This structure was vastly larger than the one used in British Columbia.
- The Ministry informed us that the Chief Medical Officer of Health (CMOH) and the CEO of

Ontario Health were made “functional co-chairs” of the Health Command Table on March 6, 2020. However, we found that the CMOH did not lead Ontario’s response to COVID-19. Some Health Command Table members we spoke with were unaware that the CMOH had this role. We also learned that the CMOH did not chair any of the meetings, and the table’s terms of reference were never updated to reflect the CMOH as a co-chair. The CMOH was also not identified as a member of the Central Coordination Table, although he attended meetings when agenda items required it.

- There was a delay in requiring long-term-care home staff to wear personal protective equipment. On March 18, 2020, the first COVID-19 outbreak at an Ontario long-term-care home occurred. That same day, an Associate Medical Officer of Health at one of the public health units in Ontario emailed the CMOH that requiring long-term-care home workers to wear masks at all times while in the facility was an urgent priority. However, no immediate province-wide action was taken. It was not until well over two weeks later, on March 30, that the CMOH revised the directive for long-term-care homes to require them to follow the same directive as hospitals regarding the use of personal protective equipment for the care of residents suspected or confirmed to have COVID-19. A directive requiring all long-term-care home workers to wear masks throughout their entire work shifts was not issued until April 8. At that time, the number of long-term-care home outbreaks had spread to 69 facilities, involving 857 cases and 88 deaths. This represented almost 15% of all cases reported in Ontario and 44% of all COVID-19 deaths at that time.

We made nine recommendations, consisting of 29 action items, to address our audit findings.

We received commitment from the Ministry of Health and Secretary of Cabinet that they would take action to address our recommendations.

Standing Committee on Public Accounts

On March 10, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on Chapter 2: Outbreak Planning and Decision-Making of our COVID-19 Preparedness and Management Special Report. In November 2021, the Committee tabled a report in the Legislature resulting from this hearing, endorsing our findings and recommendations. The Ministry of Health (Ministry) and Secretary of Cabinet reported back to the Committee in March 2022. The Committee’s recommendations and our follow-up on its recommendations are found in **Chapter 3, Section 3.09** of our *2022 Annual Report*.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2022 and August 2022. We obtained written representation from the Ministry of Health and Secretary of Cabinet that effective November 4, 2022, they had provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Ontario Created and Maintains a Complex Response Structure with Numerous Participants, But It Is Not Led by Public Health Experts

Recommendation 1

To operate with a simpler and clearer decision-making structure that can respond more quickly to subsequent waves of COVID-19 in Ontario, we recommend that the Secretary of Cabinet and Ministry of Health:

- *streamline and refresh the structure of the Health Command Table and its sub-tables to identify and*

retain the members and experts who are most critical and appropriate to provide advice to the government;

Status: Fully implemented.

Details

In our 2020 audit, we found that the Health Command Table (now called the Health Coordination Table) took on an increasingly complex structure during the pandemic with numerous participants involved. As of August 31, 2020, the command structure included 83 participants and 25 sub-tables with over 500 people. To further supplement the command structure, Ontario Health set up five Regional Steering Committees to discuss local issues related to COVID-19. This command structure in Ontario became cumbersome and was vastly larger than the one used in British Columbia, leading to inefficiencies and duplication of work.

In our follow-up, we found that subsequent to our 2020 audit, the Ministry has updated the membership, terms of reference and processes of the Health Coordination Table. Since then, the Ministry has continued to review and evaluate the structure of the table and its sub-tables on a regular basis, including their respective mandates and memberships, and the frequency of meetings. Such revisions have been made to reflect the sector's evolving needs throughout the pandemic and to ensure the overall structure aligns with operational requirements. At the time of our follow-up, the Health Coordination Table had been reduced significantly to 44 participants and 11 active sub-tables.

Since March 31, 2022, given the evolving nature of the Province's pandemic response, some tables were shut down after fulfilling their mandates (such as the Collaboration Table, the Provincial Critical Care Table, and the Ministers' Pandemic Response Leadership Table). Other tables were paused (such as the Health Coordination Table, the Provincial Primary Care Advisory Table, and the Public Health Measures Table). The tables that were closed or paused can be reconvened as needed.

These changes reflect the maturation of the Province's pandemic response systems. Essential resources and components of these tables have been retained,

should the need for their reactivation arise. The pandemic response structure will continue to be reviewed until it is no longer needed.

- *designate the role of Chief Medical Officer of Health, supported by Public Health Ontario and the Public Health Measures Tables, as a co-chair of the Health Command Table and formalize the leadership responsibilities of the Chief Medical Officer of Health in this role;*

Status: Fully implemented.

Details

In our 2020 audit, the Ministry informed us that the Chief Medical Officer of Health (CMOH) and the CEO of Ontario Health were made "functional co-chairs" of the Health Command Table on March 6, 2020. However, we noted that the CMOH did not lead Ontario's response to COVID-19. Some Health Command Table members we spoke with were unaware that the CMOH had this role. We also learned that the CMOH did not chair any of the meetings, and the table's terms of reference (created in February 2020) were never updated to reflect the CMOH as a co-chair.

In our follow-up, we found that the Health Command Table's terms of reference were updated to reflect the change in name from the Health Command Table to the Health Coordination Table.

As well, the CMOH's leadership responsibilities have been formalized. As one of the three co-chairs of the Health Coordination Table (the other two co-chairs are the Deputy Minister of Health and the CEO of Ontario Health), the CMOH shares the responsibility of leading the table in achieving its mandate by determining agenda items, facilitating the committee's discussions, and communicating priorities. Furthermore, the CMOH regularly presents updates on public health measures and emerging trends in the epidemiology of COVID-19. The CMOH has also been the policy lead of two key workstreams related to public health measures and surveillance.

- *review the role of Public Health Ontario as part of the COVID-19 response to determine activities it*

should take over (such as leading provincial public health surveillance, with support from Ontario Health for health-care system capacity);

Status: Little or no progress.

Details

In our 2020 audit, we noted that Public Health Ontario played a diminished role in leading provincial public health surveillance activities. While Public Health Ontario was specifically created after SARS to provide scientific and technical expertise during health emergencies, some tasks that had been identified as its responsibility were being done by Ontario Health. These tasks included consolidating and reporting provincial surveillance data to the Health Command Table and co-ordinating provincial laboratory testing for COVID-19.

In our follow-up, we found that public health leaders from Public Health Ontario have taken on key leadership roles at various health tables including the Science Advisory Table, the Integrated Data Review Working Group, the Evidence Synthesis Network and the Public Health Measures Table. These tables report into the Ministry's decision-makers by providing updates on emerging research, trends, modelling and advice. The Science Advisory Table also provides public updates through the memos it posts on the Ontario government website <https://covid19-sciencetable.ca/>. The functions of and responsibility for the Science Advisory Table were transferred to Public Health Ontario in April 2022.

Public Health Ontario has also played a leading role in broad provincial public health surveillance. For example, Public Health Ontario, in partnership with Ontario Health and the provincial government, screens positive COVID-19 specimens for potential variants of concern and performs full genomic sequencing of a large percentage of positive specimens. This partnership has made Ontario a national leader in the identification and surveillance of new variants of concern. Additionally, Public Health Ontario has been working with Ontario Health on improving surveillance and laboratory system capacity.

The review of Public Health Ontario's mandate is anticipated to be part of the Province's public health modernization initiative, which has been put on hold to allow the government to continue to deal with the COVID-19 pandemic. The Ministry said at the time of our follow-up that no schedule had been set to initiate the review. The review of Public Health Ontario's mandate is also anticipated to align with the appointment of its new CEO, who assumed his new role in July 2022.

- *modify the Ontario Agency for Health Protection and Promotion Act to identify under what circumstances (such as during public health emergencies) Public Health Ontario's scientific and technical advice should be made public;*

Status: Little or no progress.

Details

In our 2020 audit, we noted that as Public Health Ontario is an agency responsible for providing scientific and technical advice, there was value in its advice being made public during public health emergencies. We reasoned that the public might feel reassured seeing that Ministry and government decisions were aligned with Public Health Ontario's advice and that there was transparency when that advice was not being followed.

In our follow-up, we found that Public Health Ontario's scientific and technical advice, reports and guidance documents were being made public on <https://www.publichealthontario.ca/>. As mentioned, the Science Advisory Table is now housed within Public Health Ontario. The advice and research of the table, specifically their scientific briefs and modelling, continue to be made available to the public online (<https://covid19-sciencetable.ca/sciencebrief/>). Public Health Ontario will continue to publish its reports as appropriate, and the government will continue to assess the sharing of technical advice with the public.

However, the Ministry indicated that it has not determined whether it is necessary to amend the *Ontario Agency for Health Protection and Promotion Act, 2007* to support publishing such reports. This will be assessed as part of the review of Public Health

Ontario's mandate, which is anticipated to be part of future reviews of Ontario's pandemic response and the modernization of the public health system. The Ministry said at the time of our follow-up that no schedule had been set to initiate these reviews.

- *establish local Medical Officers of Health from the public health units as co-chairs of the Regional Steering Committees.*

Status: Will not be implemented. Although the decision was made to not appoint all local Medical Officers of Health from the public health units as co-chairs of their respective Regional Steering Committees, the Office of the Auditor General of Ontario continues to believe that having them as co-chairs would be beneficial for monitoring and responding to COVID-19 related activities.

Details

In our 2020 audit, we noted that local Medical Officers of Health participated in Regional Steering Committees established by Ontario Health to implement provincial policy. But Medical Officers of Health were not the leaders of these tables—instead, the tables were generally co-chaired by hospital CEOs and regional leaders who were Ontario Health staff. This hospital-sector leadership in place of public-health-sector leadership may not have been the most appropriate approach, given that almost 90% of people with COVID-19 as of August 31, 2020 were never hospitalized (although hospitals were involved in other aspects of the COVID-19 response, such as operating assessment centres and testing).

In our follow-up, we found that all local Medical Officers of Health have participated in their respective Regional Steering Committees, but not all them are co-chairs of the committees. The Ministry indicated that only one local Medical Officer of Health serves as a formal co-chair of a Regional Steering Committee, the Central Region Response and Recovery Table.

While not all local Medical Officers of Health are co-chairs of their respective Regional Steering Committees, they have been engaged with the regional COVID-19 response tables to monitor and respond to COVID-19-related activities, as indicated by the Ministry. They are under the guidance of the Chief

Regional Officers, who are directly accountable to the CEO of Ontario Health. For example, the local Medical Officer of Health from the Toronto public health unit is one of the leads of the Toronto Region Response and Recovery Table and has the following responsibilities:

- discussing current and emerging issues related to pandemic response and recovery;
- sharing cross-sector knowledge and expertise to advise and inform regional pandemic response and recovery planning; and
- sharing information discussed at the meetings with their respective sector.

As well, Ontario Health has been working closely with Public Health Ontario at the provincial level to ensure that information generated at the regional and local levels is aggregated and shared with the Office of the Chief Medical Officer of Health, as required.

Chief Medical Officer of Health Neither Led Nor Independently Used Full Powers as Part of COVID-19 Response

Recommendation 2

To empower public health leadership in the province, we recommend that the Central Coordination Table, co-chaired by the Secretary of Cabinet and the Chief of Staff to the Premier and Ministry of Health:

- *immediately assess the role and strength of the Chief Medical Officer of Health to lead Ontario's response in addressing subsequent waves of COVID-19;*

Status: Fully implemented.

Details

Our 2020 audit found that while changes were made to the role of the Chief Medical Officer of Health (CMOH) in response to SARS, not all recommended actions were taken to ensure the CMOH was operating independently during a health emergency. While his powers were discretionary, the CMOH did not exercise his full powers during Ontario's COVID-19 response, including not issuing orders on behalf of local Medical Officers of Health. In some cases, actions (such as requiring a masking mandate to be followed in each public

health unit) were eventually executed by the Premier and Cabinet.

In our follow-up, we noted that given the retirement of the previous CMOH, a new CMOH was appointed, effective June 26, 2021, to lead Ontario's response in addressing subsequent waves of COVID-19. The new CMOH previously served at Kingston, Frontenac, Lennox and Addington Public Health as the Associate Medical Officer of Health from 2011 to 2017 and as a Medical Officer of Health from 2017 to 2021.

Apart from exercising the legislated power under the *Health Protection and Promotion Act* and the *Reopening Ontario Act, 2020*, the CMOH commissioned the creation of the Ontario Immunization Advisory Committee (OIAC) in August 2021, which was tasked with advising Public Health Ontario on the implementation of immunization programs in the province, including COVID-19 vaccines.

The CMOH's advice and expertise has informed provincial actions to be responsive and proportionate to the shifting nature of COVID-19. These actions include:

- The issuance of Directive #6 (under Section 77.7 of the *Health Protection and Promotion Act*), which mandates hospitals and home and community care providers to have a COVID-19 vaccination policy for employees, staff, contractors, students and volunteers, and ambulance services for paramedics.
- The issuance of Instructions, under the *Reopening Ontario Act, 2020*, requiring higher-risk settings to establish and implement vaccination policies. These settings include post-secondary institutions, licensed retirement homes, women's shelters, congregate care group homes and day programs for adults with developmental disabilities, children's treatment centres and other services for children with special needs, licensed children's residential settings, publicly funded school boards, private schools, and licensed child care settings.
- The requirements for patrons to provide proof of being fully vaccinated to access certain businesses and settings (i.e., vaccine certificates).
- The development and release of A Plan to Safely Reopen Ontario and Manage COVID-19 for the Long Term (the Plan). The Plan outlined the Province's gradual approach to lifting remaining public health and workplace safety measures by March 2022, guided by the ongoing assessment of key public health and health-care indicators and supported by local or regional officials.

All public health and workplace safety measures under the *Reopening Ontario Act, 2020* had been lifted by April 27, 2022. Other measures under CMOH order and directives remained in place until June 11, 2022. The Ministry indicated that the CMOH would continue to assess the need for any future public health measures.

- *strengthen the powers of the Chief Medical Officer of Health to align the authority of the role with the equivalent positions in British Columbia and Quebec, such as more clearly defining in legislation the CMOH's role, and explicitly authorizing the role to issue directives to anyone during an emergency.*

Status: Little or no progress.

Details

In our 2020 audit, we noted that the Chief Medical Officer of Health (CMOH) issued five directives to health-care providers and entities, such as requiring the use of personal protective equipment and precautions to be taken by hospitals. However, he did not issue directives to local Medical Officers of Health to ensure public health units responded consistently to the COVID-19 pandemic, nor did he issue orders on their behalf. In British Columbia and Quebec, public health officers could issue directives or orders to any person for the purpose of having them take, or refrain from taking, action.

In our follow-up, the Ministry informed us that work related to strengthening the CMOH's powers will be reviewed as part of public health modernization review, which has been put on hold as noted in **Recommendation 1**. Therefore, no specific work has been started to address this recommendation and timing has yet to be confirmed.

Key Lesson from SARS—the Precautionary Principle—Could Have Prevented COVID-19 Spread, but Was Not Followed

Recommendation 3

To expedite making decisions during subsequent waves of COVID 19 and future health emergencies, we recommend that the Central Coordination Table and Ministry of Health:

- *request that Public Health Ontario immediately prepare guidance on the appropriate use of the precautionary principle, which was identified by the SARS Commission as the most important lesson of SARS and states that decision-makers cannot wait for scientific certainty before taking reasonable steps to reduce risk and protect the health of the Ontario population;*

Status: Little or no progress.

Details

In our 2020 audit, we found that the SARS Commission's final report identified the precautionary principle—the need to act where there is reasonable evidence of an impending threat to public harm—as the most important lesson of SARS. However, the Ministry did not fully apply this as a guiding principle to limit the impact of COVID-19 on Ontarians, while other provinces did.

In our follow-up, we found that the Ministry has not requested Public Health Ontario to review the guidance on using the precautionary principle. The Ministry indicated that it will look into this recommendation further as a part of its reviews of the Province's response efforts to the COVID-19 pandemic. As noted in **Recommendation 1**, the Ministry said at the time of our follow-up that no schedule had been set to initiate these reviews.

The Ministry indicated that its pandemic response efforts have been grounded in a cautious approach, ensuring that decisions have not been delayed by the absence of full scientific certainty in considering instances of potential risk or irreversible harm.

For instance, Directives #1, #4, and #5 from the Chief Medical Officer of Health (CMOH) were intended to protect health-care workers' health and safety in the use of any protective clothing, equipment or device. The guidance outlined in these directives was developed in close consultation with Public Health Ontario, and the CMOH had considered the precautionary principle in issuing these directives. In issuing a directive, the *Health Protection and Promotion Act* stipulates that the CMOH must consider the precautionary principle where in his/her opinion there exists or may exist an outbreak of an infectious or communicable disease and the proposed directive relates to workers' protective clothing or equipment.

The Ministry plans to continue to appropriately apply the precautionary principle to subsequent responses.

- *use and support Health Command Table members and key decision-makers in applying and following the precautionary principle as the guiding principle going forward.*

Status: Fully implemented.

Details

In our 2020 audit, we found that while the Health Command Table (now called the Health Coordination Table) listed the precautionary principle as a guiding principle in its terms of reference, we identified several areas where the table could have taken earlier action to reduce the spread of COVID-19 and associated deaths. These areas include a delay in advising Ontarians against nonessential travel, a delay in acknowledging community transmission of COVID-19, a delay in requiring staff at long-term-care homes to wear personal protective equipment and restricting them from working at multiple facilities, and a delay in issuing an emergency order for retirement homes.

In our follow-up, we found that the Ministry has supported Health Coordination Table members and key decision-makers in applying and following the precautionary principle as the guiding principle going forward. For example, the Health Coordination Table has provided a forum for key decision-makers and leaders to discuss pressing issues, including reviewing

recommendations regarding critical care capacity, COVID-19 treatments, seasonal planning, testing strategies, health human resources, variants of concern, outbreak management and increasing vaccination uptake. These discussions have also covered the importance of following the precautionary principle to ensure that decisions are not delayed by the absence of full scientific certainty in considering instances of potential risk or irreversible harm.

Expert Advice and Best Practices Were Not Always Followed

Recommendation 4

To better align policies and decisions made (including advice provided) with best practices and scientific and epidemiological evidence for the containment of COVID-19 in a cost-effective manner, we recommend that the Health Command Table, with the support of the Central Coordination Table:

- *follow timely public health advice and recommendations from Public Health Ontario and the Testing Strategy Expert Panel going forward;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the purpose of setting up the Health Command Table was to serve as a single point of oversight to provide executive leadership and strategic direction to guide the provincial health-care system's response to COVID-19. However, there were instances when decisions were not made based on expert advice. For example, testing was expanded to individuals with no symptoms and no known COVID-19 exposure even though such testing was not supported by evidence or expert advice.

In our follow-up, we found that the Ministry has followed public health advice and recommendations from Public Health Ontario and the Testing Strategy Expert Panel. For example, the Ministry has aligned its testing guidance with the panel's advice. Specifically:

- In September 2020, the Ministry discontinued asymptomatic testing of the general population and focused efforts on diagnostic testing for

symptomatic and high-risk persons, as well as on improving and maintaining provincial turn-around time targets. Since then, the Ministry has adjusted its testing strategy and guidance to be responsive to COVID-19 prevalence, risk and testing capacity. During the Omicron wave, diagnostic testing (including polymerase chain reaction, or PCR, tests and rapid antigen tests) were prioritized for higher-risk populations.

- Similarly, the deployment of rapid antigen tests was prioritized during the initial onset of the Omicron wave for the highest-risk settings, with broader deployment around mid-January 2022, followed by wide access for the general population in February 2022, in alignment with public health advice on the use of rapid antigen tests in a context of high COVID-19 incidence.
- Throughout 2021, the recommendations of Public Health Ontario and the Testing Strategy Expert Panel were reflected in the provincial testing guidance drafted by the Office of the Chief Medical Officer of Health. The Ministry of Health and partner ministries have used this guidance to inform testing strategies and initiatives, such as for rapid testing in schools and remote communities.

As the COVID-19 pandemic evolves, Ontario's recovery from the Omicron variant and responses to future variants will continue to be informed by the advice and recommendations from Public Health Ontario, the provincial Testing Strategy Expert Panel and other tables.

- *consistent with the Testing Strategy Expert Panel's advice, approve the removal of the requirement for long-term-care and retirement home visitors who are asymptomatic and with no known COVID 19 exposure to be tested for COVID-19 within 14 days of a visit;*

Status: Fully implemented.

Details

In our 2020 audit, we found that on July 5, 2020, the Testing Strategy Expert Panel sub-table recommended to the Chief Medical Officer of Health (CMOH)

that asymptomatic testing cease, and that visitors to long-term-care homes not be required to take a COVID-19 test in order to avoid burdening the laboratory system with more tests. The panel indicated that this testing requirement provided limited assurance because any visitor could still develop COVID-19 at any time after receiving a negative test result. Despite these recommendations, the testing criteria for the general public were not revised until September 25, 2020, and the testing criteria for visitors to long-term-care homes remained unchanged. In contrast, at the time of our 2020 audit British Columbia neither tested asymptomatic individuals with no known COVID-19 exposure nor required long-term-care home visitors to be tested for COVID-19 prior to visiting.

In our follow-up, we found that on July 16, 2021, the Ministry of Long-Term Care removed testing requirements for fully vaccinated individuals, consistent with the recommendation by the Testing Strategy Expert Panel. The Ministry of Long-Term Care did not remove the requirement for testing visitors with no known COVID-19 exposure, because the panel's advice had evolved with emerging scientific evidence.

The testing requirement update was made through a Minister's directive, COVID-19: Long-Term Care Home Surveillance Testing and Access to Homes. This directive indicated that effective July 16, 2021, individuals who are fully immunized will no longer be subject to asymptomatic surveillance testing requirements when attending a long-term-care home. If an individual chooses to not disclose their vaccination status, then the testing requirements remain as set out in the directive. As of December 17, 2021, in response to the Omicron variant and advice from experts, the requirements for testing all individuals were resumed (that is, removed the testing exemption for fully immunized individuals).

Since the public health advice regarding asymptomatic testing has been changing periodically, the Ministry of Long-Term Care will continue to work closely with the Office of the CMOH to update screening testing requirements for long-term care on an as-needed basis given the latest scientific evidence and other relevant risk factors.

- *continue to review and provide advice for changes needed to the Province's "COVID-19 Response Framework: Keeping Ontario Safe and Open" proposal, based on the advice of Public Health Ontario and feedback from the Public Health Measures Table and public health units.*

Status: Fully implemented.

Details

In our 2020 audit, we found that while Public Health Ontario was asked to provide advice on possible epidemiological indicators for the Province's draft COVID-19 Response Framework, the final version of the framework did not contain all the recommended indicators and was generally more lax than what Public Health Ontario had advised.

In our follow-up, we found that the Ministry has continued to review and adjust readiness plans and reopening steps while considering the emerging research, global trends, prevalence, vaccination rates, and severity of COVID-19. For example:

- In May 2021, the Ministry released Roadmap to Reopen, which was a three-step plan to guide the safe and gradual reopening of the province and the lifting of public health measures based on the province-wide vaccination rate and improvements in key public health and health-care system indicators. Ontario moved to Step 3 of the Roadmap on July 16, 2021, and subsequently introduced the following public health and workplace safety measures, based on the advice of the Chief Medical Officer of Health (CMOH):
- requiring patrons to provide proof of being fully vaccinated against COVID-19 to access certain businesses and settings (vaccine certificates); and
- lifting capacity limits and physical distancing requirements in certain settings, including for settings where proof of vaccination is required.
- In October 2021, the government released, in consultation with the CMOH, A Plan to Safely Reopen Ontario and Manage COVID-19 for the Long Term (the Plan). The Plan outlined the

Province's gradual approach to lifting remaining public health and workplace safety measures by March 2022, based on the CMOH's advice.

- On January 20, 2022, the government updated the Plan and indicated its intention to return to lifting most, if not all, public health and workplace safety measures by the end of March 2022 in a staged manner. Measures were lifted gradually through March 1, 2022.
- The CMOH advised on Ontario's plan to live with and manage COVID-19, which included lifting most public health and workplace safety measures by March 21, 2022, and lifting all measures under the *Reopening Ontario Act, 2020* by April 27, 2022.

Communications Were Not Fully Effective within the Health Command Table, Not Provided to Impacted Stakeholders in a Timely Manner and Not Clear to the Public

Recommendation 5

To improve the effectiveness, timeliness and transparency of communication in the provincial response to COVID-19, we recommend that:

- *all Health Command Table meetings be conducted through videoconferencing or in person (where appropriate physical distancing and public health measures can be followed) after its membership has been streamlined (see Recommendation 1);*

Status: Fully implemented.

Details

In our 2020 audit, we found that all meetings of the Health Command Table (now called the Health Coordination Table) were conducted via teleconference from late February to July 2020. It was only on July 14, 2020 that videoconferencing began. The number of Health Command Table participants eventually grew to 83 as of August 31, 2020, and advice to the Minister of Health, Premier and Cabinet was provided based on only verbal consensus rather than a formal vote.

In our follow-up, we found that all meetings of the Health Coordination Table have been conducted through videoconference since July 2020.

- *the Health Command Table prepare meeting minutes and document meeting attendees, key decisions made (such as on what advice to provide to the Minister of Health and Cabinet), timelines, deliverables and parties responsible for distribution and approval to support learning from past decisions and as a source of reference for future decisions;*

Status: Will not be implemented. Although decisions (including advice to the Minister of Health and Cabinet) are not included in Health Coordination Table's records because this is not a decision-making table, the Office of the Auditor General of Ontario continues to believe that documenting key decisions would be beneficial to support learning from past decisions and as a source of reference for future decisions.

Details

In our 2020 audit, we found that the discussions that took place at the Health Command Table (now called the Health Coordination Table) meetings were not documented in detail. Also, documentation to support any dissenting opinions was not provided. While key actions were recorded and distributed at each meeting, and meeting summaries were posted online, such summaries identified only the topics and themes of each meeting with no record of who attended, what was discussed and what opinions were put forth.

In our follow-up, we found that the Ministry has documented meeting attendees and detailed action items with identified leads and timelines. However, the Ministry indicated that since the Health Coordination Table is not a decision-making table, decisions (including advice to the Minister of Health and Cabinet) are not included in the table's records.

- *the Central Coordination Table develop a stakeholder communication strategy to reference who to inform prior to public announcements and provide*

sufficient time for stakeholders to immediately implement each decision announced;

Status: Fully implemented.

Details

In our 2020 audit, we found that public health units and other stakeholders were not always told about decisions that impacted their operations before those decisions were publicly announced, leaving these parties unprepared to act in a timely manner. Examples of these announcements included the beginning of asymptomatic testing for anyone who wanted a test and the reopening of certain day-care centres.

In our follow-up, we found that the Central Coordination Table has developed a stakeholder communication strategy to drive collaboration amongst ministries to ensure timely communication of information to stakeholders prior to public announcements. The communication strategy includes the following activities:

- Each ministry is responsible for alerting their key stakeholders in advance of public announcements. As such, the Central Coordination Table has encouraged ministries to actively engage their stakeholders at both regular and as-needed intervals to support those stakeholders in implementing government decisions.
- The Central Coordination Table has regularly reviewed and discussed COVID-19 response activities, including stakeholder or public communications plans and activities.
- Media advisories have been regularly issued to notify the media of briefings by the Chief Medical Officer of Health and other health-care system stakeholders, such as Ontario Health. Discussions with key stakeholders (e.g., public health units, hospitals) have been held by the Central Coordination Table before public announcements.
- The Collaboration Table, one of the sub-tables under the Health Coordination Table, has been used to inform stakeholders of developments in the province's vaccine distribution rollout prior to public announcements.

- *make the Chief Medical Officer of Health a permanent member of the Central Coordination Table;*

Status: Fully implemented.

Details

In our 2020 audit, we found that on March 25, 2020, the Secretary of Cabinet contracted a consulting firm to provide advice on the design of the organizational structure that would be used for COVID-19 decision-making. On April 11, 2020, this command structure, the Central Coordination Table, was set up. It was co-chaired by the Secretary of Cabinet and the Chief of Staff to the Premier and included the Deputy Minister of Health and the Deputy Ministers of eight other ministries. However, its permanent membership did not include key public health officials, such as the Chief Medical Officer of Health (CMOH) and key representatives of Public Health Ontario.

In our follow-up, we found that the CMOH was made a permanent member of the Central Coordination Table as of November 16, 2021. Other permanent members include the Premier's Chief of Staff, Secretary of Cabinet, Secretary of the Treasury Board and Management Board of Cabinet, Deputy Minister of Health, and two Deputy Ministers (Policy and Delivery, and Communications) of the Cabinet Office.

Prior to this, the CMOH and/or delegates and officials from Public Health Ontario and Ontario Health regularly attended Central Coordination Table meetings when agenda items required their expertise.

- *all advice to the Premier and Cabinet from the Chief Medical Officer of Health and the Public Health Measures Table on public health measures (such as advice on whether to impose or relax any public health measures in the province) be shared publicly.*

Status: Fully implemented.

Details

In our 2020 audit, we found that specific indicators and information used to make decisions to impose or relax public health measures were not clearly communicated to the public. On April 27, 2020, Ontario published the document *A Framework for Reopening Our Province*. However, a specific target had not been developed

for each of these indicators to identify when public health measures could be relaxed or should be further restricted.

In our follow-up, we found that advice to the Premier and Cabinet from the Chief Medical Officer of Health (CMOH) on public health measures has been shared publicly via different channels. For example:

- Information related to public health measures has been shared via news releases province-wide via the Ontario Newsroom website, summarizing the most recent developments pertaining to the Province's pandemic response efforts.
- Information related to public health measures has also been shared at CMOH media briefings.
- The CMOH has engaged the public directly via media briefings, which occurred on a daily, biweekly (twice a week), or weekly basis until March 2022. With most public health measures lifted in April 2022, CMOH briefings have occurred on an as-needed basis to keep the public informed about significant developments or issues related to the pandemic.

Analysis of Consequences and Risks Were Not Proactively and Sufficiently Performed as Part of Planning for the Provincial Response to COVID-19

Recommendation 6

To better prepare for subsequent waves of COVID-19 and protect the health of Ontarians in future, we recommend that the Ministry of Health and the Health Command Table:

- *continually monitor and assess hospital bed capacity and wait times for elective surgeries across the province and by region to help identify ways of reducing the backlogs of those surgeries;*

Status: Fully implemented.

Details

In our 2020 audit, we found that on March 19, 2020, the Chief Medical Officer of Health issued a directive to hospitals and other health-care providers requiring that all non-essential and elective services cease or be

reduced to minimal levels until further notice. This directive resulted in numerous patients being unable to access routine or elective medical services for about 10 weeks, which created substantial backlogs in the health-care system.

In our follow-up, we found that health-care system capacity measures, including hospital bed capacity and information about scheduled surgeries, have been reviewed at Health Coordination Table meetings.

The Ministry of Health has continued to monitor and assess hospital bed capacity and wait times for elective surgeries across the province and by region. It has been receiving twice-weekly data and updates on hospital bed capacity, weekly predictive modelling on hospital and intensive care unit (ICU) capacity, and weekly updates on wait times for surgeries across the province. This information has been used to develop a methodology for allocating hospital capacity based on wait times and the number of patients waiting outside of clinically recommended target times. The following surgical data has been monitored and assessed to identify ways of reducing backlogs of surgeries:

- cumulative surgical volume data comparing oncology, non-oncology, cardiac and paediatric surgery volumes during the pandemic and pre-pandemic periods;
- cumulative surgical volume data at the regional level during the pandemic and pre-pandemic periods;
- monthly trend of volumes and wait times by service area;
- weekly trends of backlogs, completed cases, 90th percentile wait times and percentage of cases completed within target;
- weekly trends of surgical volume by priority level and service area;
- monthly trend of operating room hours utilized; and
- weekly trend of wait list entries created in the Wait Time Information System, which is the provincial information system used to standardize wait-time tracking and reporting of surgical procedures and diagnostic imaging services such

as computed tomography (CT) and magnetic resonance imaging (MRI) scans.

The Ministry will continue to use the best available international evidence to inform modelling for Ontario regarding expected impacts on hospitalizations and ICU admissions during future waves of COVID-19.

- *assess the impacts of stopping or reducing elective surgeries to hospitals and patients and factor regional variations in hospital bed capacity and COVID-19 rates into future directives;*

Status: Fully implemented.

Details

In our 2020 audit, we found that stopping non-essential hospital services resulted in significant backlogs of elective surgeries. As hospital capacity differed throughout the province, we noted that there was an opportunity to bring back hospital services faster in some regions by deciding where and the extent to which non-essential medical services and elective surgeries needed to be deferred.

In our follow-up, we found that the impacts of stopping or reducing elective surgeries are being taken into account before decisions are made to stop non-emergency scheduled surgeries and procedures. These decisions have been based on the available modelling and projections on the number of beds needed for COVID-19 patients in addition to other patients who are critically ill.

Directive #2 by the Chief Medical Officer of Health, requiring the cessation of certain clinical activities (such as non-urgent and non-emergent surgeries and procedures), was issued or re-issued on a temporary basis three times during the pandemic (March 19, 2020; April 20, 2021; and January 5, 2022). Each time, the duration of Directive #2 was as short as possible and for the period of time needed to minimize the impacts of stopping or reducing elective surgeries. When it was in effect, Directive #2 provided guiding principles to clinicians on minimizing the risk of harm to patients and ensuring equity.

As a result of the emergence of the Omicron variant in December 2021, the Ministry of Health used the best available international evidence to inform modelling

for Ontario regarding expected impacts on hospitalizations and ICU admissions. Real-time data, projections and modelling of the anticipated strain on the health-care system from Omicron prompted the re-issuance of Directive #2 on January 5, 2022, with a recognition of its impacts on surgical recovery.

On February 10, 2022, the Province rescinded Directive #2. This decision was made through an assessment of health-care system and public health indicators, including but not limited to laboratory test positivity, outbreaks in the highest-risk settings and wastewater trends. The Province introduced a plan for the gradual resumption of surgeries and procedures in hospitals. This plan considers regional variations in hospital capacity and ensures continued equitable access to hospital care across the province by maximizing the use of available resources and load-sharing across regions.

The Ministry will continue to use the best available international evidence to inform modelling for Ontario regarding expected impacts on hospitalizations and ICU admissions of future waves of COVID-19.

- *regularly assess socio-economic data on COVID-19 cases to identify people with a higher risk of contracting COVID 19 and places with a higher risk of community transmission;*

Status: Fully implemented.

Details

In our 2020 audit, we found that marginalized or racialized populations in Ontario had been identified as having more cases of COVID-19 compared with other populations, as well as higher rates of hospitalization and death due to COVID-19. Despite recommendations by health leaders in April 2020, the Ministry of Health did not begin collecting provincial COVID-19 socio-demographic and race-based data until June 26, 2020.

In our follow-up, we found that the Ministry has regularly assessed at-risk communities or groups and provided them with appropriate support.

On December 21, 2020, the government introduced the High Priority Communities Strategy. Through this initiative, the Ministry has provided funding to local lead agencies to work in partnership with Ontario

Health, public health units, municipalities and other community partners to deliver key interventions for the province's hardest-hit neighbourhoods.

In addition, Regulation 569 of the *Health Protection and Promotion Act* stipulates that public health units collect specific socio-demographic data such as race, income, and language for confirmed cases of COVID-19.

The Ministry has also undertaken geographically targeted efforts in the following at-risk communities:

- areas with high hospitalization and low vaccination rates;
- areas with low pharmacy capacity;
- areas identified in the High Priority Communities Strategy (those with high rates of COVID-19, high ethnic concentration, and high material deprivation);
- public health units with low pediatric vaccine uptake; and
- communities with large Indigenous populations.

The Ministry also continues to work with community ambassadors hired through the High Priority Communities Strategy to translate guidance documents and distribute them as educational resources within at-risk communities. These documents include, but are not limited to, culturally relevant information about vaccines, clinics, testing and referrals to services.

- *implement education, testing, contact tracing and other initiatives that address the needs of people with a higher risk of contracting COVID-19.*

Status: Fully implemented.

Details

In our 2020 audit, we found that immigrants and people living in regions with higher ethnic concentrations were at higher risk of contracting COVID-19. However, since the Ministry did not begin collecting race-based information on individuals who tested for COVID-19 until June 26, 2020, it did not have sufficient information to bring forward measures to focus on the populations at greatest risk.

In our follow-up, we found that the Ministry has implemented the following initiatives to address the

needs of people with a higher risk of contracting COVID-19:

- On December 21, 2020, the Ministry announced the High Priority Communities Strategy, which provides funding to local lead agencies to work in partnership with Ontario Health, public health units, municipalities and other community partners to deliver key interventions to support the province's hardest hit neighbourhoods in Durham, Peel, Toronto, York, Ottawa and Windsor. Examples of these interventions include community outreach and engagement as well as increased access to testing and vaccination. These interventions are designed to support self-isolation for those who test positive, have been in close contact with COVID-19 patients or are awaiting test results, and to mitigate the negative impact of COVID-19 on vulnerable and marginalized communities. The High Priority Communities Strategy will also continue to support the highest-risk communities with recovery supports.
- As part of the Case and Contact Management (CCM) Initiative, the Ministry has continually assessed communities based on evolving needs to provide supports for people who are at higher risk of contracting COVID-19 due to living in a region that is experiencing a surge. The Ministry also provides surge support to public health units, which can access provincially funded case managers and contact tracers through a central pool or through direct assigned support.
- The Provincial Testing and Isolation Information Line (PTIIL) was launched in January 2022 to provide members of the public with information about recent guidance around testing and isolation requirements. The PTIIL phone number was also shared with public health units and the people they serve.
- The Contact Tracing Initiative, a collaboration between Statistics Canada and Public Health Ontario, operated between April 2020 and February 2022, when contact tracing was no longer done in Ontario. The Memorandum of

Understanding between Public Health Ontario and Statistics Canada remained active until December 31, 2022, in case a surge in cases required the Province to resume contact tracing.

- On February 9, 2022, the Ministry announced a targeted rapid antigen test distribution initiative in partnership with High Priority Community lead agencies and community-based primary care providers. This ensures individuals living in high-priority communities have access to free tests through existing local partners such as community centres, community health centres, places of worship and food banks.

Health Emergency Response Plans Remain Outdated, Preventing Roles and Responsibilities from Being Clearly and Optimally Assigned in Advance of the Pandemic

Recommendation 7

To improve how quickly Ontario can effectively respond to future health emergencies and pandemics, we recommend that the Ministry of Health:

- *review, improve and update the existing health emergency plans (the Ministry of Health and Long-Term Care Emergency Response Plan) and the Ontario Health Pandemic Plan (or Ontario Influenza Response Plan, once implemented) on an annual basis;*

Status: In the process of being implemented by March 31, 2023.

Details

In our 2020 audit, we found that both the Ministry of Health and Long-term Care Emergency Response Plan and the Ontario Health Plan for an Influenza Pandemic had not been updated since 2013. Since both response plans were outdated, roles and responsibilities in responding to a pandemic were not clearly defined and assigned in advance of COVID-19.

In our follow-up, we found that the Ministry of Health was still in the process of reviewing the Province's response efforts to the COVID-19 pandemic. This

work will inform any future updates to the existing health emergency response plans.

The Ministry's management of the response included the development of almost 100 guidance documents that covered both public health and clinical recommendations (e.g., case and contact management, sector-specific guidance, testing, vaccine tools and resources). Guidance documents are updated as evidence is gathered. For example, the document "COVID-19 Fully Vaccinated Individuals: Case, Contact and Outbreak Management Interim Guidance" was released in May 2021 and updated in both August 2021 and October 2021. It provided updated public health and clinical recommendations to supplement an earlier document called "Management of Cases and Contacts of COVID-19 in Ontario Guidance."

The Ministry of Long-Term Care is developing its own Emergency Management Program division/branch and Emergency Plan as it is working to become compliant with all 16 requirements under the *Emergency Management and Civil Protection Act*. For the calendar year 2021, the Ministry of Long-Term Care has already completed a continuity-of-operations plan (COOP) as well as a yearly emergency simulation exercise to validate the plan. The Ministry of Long-Term Care will also collaborate with the Ministry of Health and other ministries, where relevant, to address needed linkages between their respective emergency plans.

The new *Fixing Long-Term Care Act, 2021* includes a requirement for all long-term-care homes to have an emergency plan for a pandemic/epidemic and an annual attestation regarding the plan requirements. The Ministry of Long-Term Care has proposed regulations under this Act that will expand the requirements of the plans, including the need for regular consultations with health-care system partners. As well, the Ministry of Long-Term Care developed an emergency planning manual, which was released in May 2022, to support the new legislation and related regulation.

The Ministry of Health and Ministry of Long-Term Care expect their emergency response plans will be compliant with the requirements under the *Emergency Management and Civil Protection Act* by the end of March 2023.

- *implement the Ontario Influenza Response Plan and continually update information as lessons are learned from COVID-19, including specific guidance for health-care providers and sub-sectors such as long-term care and hospitals.*

Status: In the process of being implemented by March 31, 2023.

Details

In our 2020 audit, we noted that the introduction to the 2013 Ontario Health Plan for an Influenza Pandemic indicated it was “the final iteration of the [Influenza Plan]. The Ontario Influenza Response Plan (OIRP) will eventually replace it. Through this new plan, the provincial health-care system’s focus will shift from preparing for an influenza pandemic to creating and building effective seasonal influenza responses and escalating those measures during a pandemic.” However, when COVID-19 hit Ontario in 2020, seven years after the Ministry first proposed the OIRP, this plan was still not in place. The Ministry informed us that work on the plan is still pending.

In our follow-up, we noted that while the Ministry had still not implemented the OIRP, it has continually updated information as lessons are learned from the management of COVID-19.

Further, the Ministry indicated that with the emergence of COVID-19, implementing the OIRP would have had limited use since it mostly targets influenza outbreaks. Thus, the Ministry instead chose to create planning documents in the fight against the novel virus that could be adapted for many different infectious diseases (e.g., influenza, Middle East respiratory syndrome coronavirus, Ebola virus disease). This would help ensure flexibility and long-term adoption of lessons learned to a wide range of emerging threats.

Prior to its response to COVID-19, the Ministry had been working on a framework for emergency management called “Building a Ready and Resilient Health System.” This framework aims to improve the structures, skills and culture of Ontario’s health-care system in order to ensure the system is ready to manage future infectious disease threats, and protect health-care workers and Ontarians. This framework

will be reviewed in the context of COVID-19 lessons learned and updated accordingly in the fourth quarter of 2022/23, and on an as-needed basis.

Ontario’s Public Health System Remains Fragmented and Not Well Co-ordinated

Recommendation 8

To create a cohesive and more effective public health system, we recommend that the Ministry of Health:

- *resume with its modernization of public health in a manner that does not undermine the ability of the public health system to respond to subsequent waves of COVID-19 or local public health needs, with consideration given to having a single point of public health leadership to allow for consistency across the public health and broader health-care systems, particularly during a public health emergency (such as through direction provided by Public Health Ontario and overall structural alignment with Ontario Health’s regions and sub-regions) and the role and reporting structure of the Chief Medical Officer of Health to be able to independently provide advice as part of public health emergencies;*

Status: Little or no progress.

Details

In our 2020 audit, we found that public health reform recommended over 15 years ago was not completed. Various reports by experts after SARS in 2003 identified the need to reform Ontario’s public health system and proposed specific ideas for how to do so, such as consolidating the then 37 public health units to between 20 and 25. In April 2019, the Ministry of Health announced a proposal to modernize Ontario’s public health system, which was expected to be completed by April 2020. However, this was paused as the Ministry prioritized its response to COVID-19. As a result, the public health units were still operating independently and best practices were not always shared.

In our follow-up, we found that public health modernization consultations were put on hold in

mid-March 2020 to allow the public health system to respond to the COVID-19 pandemic. The Ministry informed us that once the pandemic is contained and risks are mitigated, the government will consider how to move forward with the modernization process.

This recommendation will be reviewed once that modernization process resumes, though no schedule had been set at the time of our follow-up.

- *incorporate information gathered from consultations and surveys into its modernization of public health.*

Status: Little or no progress.

Details

In our 2020 audit, we found that in November 2019, the Ministry of Health issued a discussion paper on public health modernization, highlighting several expected outcomes. Through in-person consultations, the Ministry also began to solicit input from partners (including public health, emergency health and municipal stakeholders) on re-designing the public health system to be nimble, resilient, efficient and responsive to emerging issues. An online survey was also available until February 10, 2020 to seek feedback from the public, public health agencies and stakeholders. Despite all the work and consultations performed, the Ministry subsequently paused the public health modernization process around mid-March 2020 to focus its efforts on responding to COVID-19.

As mentioned in the previous section, the Ministry has informed us it will only consider how to pursue the modernization process once the COVID-19 pandemic is contained and risks are mitigated. As such, this recommended action will be reviewed only after that modernization process resumes, though the Ministry said at the time of our follow-up that no schedule had been set.

Information on Travellers and Their Association with the Spread of COVID-19 in Ontario Is Incomplete, Delayed and Insufficient

Recommendation 9

To reduce the spread of COVID-19 by travellers to Ontario, we recommend that the Ministry of Health, with support from the Central Coordination Table:

- *collaborate as necessary with other ministries or agencies to allocate the necessary resources to contact all travellers during their self-isolation period;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Ministry was to follow up (through phone or email) with travellers who entered Canada with COVID-19 symptoms, identified by the Public Health Agency of Canada (PHAC), to discuss isolation requirements and provide resources for support if needed. However, the Ministry was not able to reach about 50% of travellers about whom it received information from PHAC between April 5 and August 31, 2020. This was partially due to a lack of dedicated staff to do this work.

In our follow-up, we found that the Ministry has worked with the Ministry of the Solicitor General in Ontario, PHAC, the Canadian Border Services Agency and other federal partners to strengthen how the government follows up with travellers returning to Ontario. From November 2020 to December 2021, through its outreach program, the Ministry followed up directly with travellers to ensure they were provided with resources and information on isolation requirements and available supports. Over 160 public sector staff were redeployed to support this work and made over 127,000 calls over the course of the outreach program.

At the end of December 2021, the Ministry ended the program to eliminate duplication of outreach activities, as in fall 2021 PHAC implemented an outreach program that followed up with returning international

travellers through email, phone and in-person communication.

- *elevate the issue to the Premier and the Minister of Health to communicate to the federal government the importance of Ontario receiving accurate, complete and timely traveller information as soon as possible;*

Status: Fully implemented.

Details

In our 2020 audit, we found that information from the Public Health Agency of Canada (PHAC) was often not provided to the Ministry of Health on a timely basis or was incomplete. For example, about 2.5 million international travellers came to Ontario between April and August 2020, but the Ministry received information from PHAC on only about 233,300 (or less than 9%) of those travellers.

In our follow-up, we found that the Province has raised concerns about the federal management of borders through correspondence and meetings with relevant federal counterparts. Subsequent to our audit, provincial ministers (including the Minister of Health and the Solicitor General) sent letters to federal ministers (including the Minister of Health and Minister of Public Safety and Emergency Preparedness) requesting the following: to require everyone entering Canada to provide contact information; to clarify roles and responsibilities between federal and provincial monitoring activities (public health and enforcement); to develop a segmented and risk-based approach for returning travellers; and to ensure the proper protections, federal resources and personnel are in place to minimize risk.

Since then, the Province has continued to meet and correspond regularly with its federal counterparts on the topics of border measures, arrival testing and traveller follow-up measures by the federal government, in consideration of the changing global, federal and provincial landscape regarding COVID-19. Besides providing suggestions to the federal ministers on these topics, Ontario also has raised concerns about and proposed improvements to the federal process for tracking

international travellers and requiring quarantine plans for them. For example:

- Ontario's police and public health authorities have not had the resources or capacity to do follow-up tracking on every individual crossing the border into the province, which has become even more critical as the country has reopened. This work must continue to be done and scaled up as necessary by the Canada Border Services Agency and PHAC, and they must have appropriate resources to carry out this function.
- Improvements to the current federal process for tracking and requiring quarantine plans for international travellers need to be made to address issues such as a lack of timely information, missing records or contact information, and using a paper-based system to collect data.
- *enter into an agreement with the Public Health Agency of Canada to expeditiously clarify what information is needed on each traveller and how quickly the information will be provided to Ontario. The agreement could also cover federal responsibilities for communication, tracking and tracing when international travellers land at Ontario airports;*

Status: Fully implemented.

Details

In our 2020 audit, we found that traveller information received by the Ministry of Health from the Public Health Agency of Canada (PHAC) was missing necessary details, such as the travellers' contact details and whether the travellers had any COVID-19 symptoms. Arrival dates in Canada were either missing or incorrect. As well, the Ministry did not obtain information in a timely manner. Specifically, during the period between April 5 and August 31, 2020, 48% of the records were related to travellers who were more than halfway through their 14-day self-isolation period. This meant that the Province was late in confirming whether these travellers had followed provincial isolation requirements.

In our follow-up, we found that the Ministry has not entered into a formal agreement with PHAC to expeditiously clarify what information is needed on

each traveller and how quickly the information will be provided to the Ontario government. However, starting in the summer of 2020, the Ministry had worked with PHAC to clarify required traveller information, including PHAC's requirement for travellers arriving by air to provide their information electronically to support improved and faster data-sharing. As a result of this collaboration, the timeliness of the data has improved.

The Ministry has also received contact information and other details of travellers who have been identified by PHAC as required to quarantine on a daily basis. From November 2020 to December 2021, the Ministry operated a traveller outreach program to contact international travellers directly via email and phone to provide support and information. In fall 2021, the federal outreach program for international travellers had expanded its outreach capacity through email, phone and in-person follow-ups with international travellers. As this overlapped with Ontario's own outreach actions with travellers, in December 2021, the provincial international traveller outreach program was terminated.

- *direct public health units to start reporting on the number of COVID-19 cases related to close contact with travellers with COVID-19, and publicly report this information as part of the daily and weekly COVID-19 summaries.*

Status: Fully implemented.

Details

In our 2020 audit, we found that as of August 31, 2020, about 2,049 (or 5%) of the 42,421 confirmed COVID-19 cases in Ontario were known to have originated from travel outside of the province. While the individuals involved had likely also infected others, the full impact and extent of this was unclear to the Ministry of Health or the public. If the Ministry had directed public health units to specifically report on COVID-19 cases associated with the close contacts of travellers who had the virus, it would have helped the Province and the public better assess the full impact of travellers bringing the virus into Ontario.

In our follow-up, we found that the Ministry has worked with public health units to report confirmed cases of COVID-19 by where they were likely contracted, including cases related to travel and close contact with travellers, on a daily and weekly basis. Daily epidemiological reports with acquisition data have been available on the Public Health Ontario website since March 27, 2020.

Chapter 2

Section 2.03

Ministry of Health

Follow-Up on 2020 Value-for-Money Audit:

COVID-19 Preparedness and Management Special Report Chapter 3: Laboratory Testing, Case Management and Contact Tracing

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	2	1	1			
Recommendation 3	2	2				
Recommendation 4	5	4	1			
Recommendation 5	4	4				
Recommendation 6	5	5				
Recommendation 7	4	3	1			
Total	26	23	3	0	0	0
%	100	88	12	0	0	0

Overall Conclusion

The Ministry of Health (Ministry), as of October 26, 2022, has fully implemented 88% of the actions we recommended in Chapter 3: Laboratory Testing, Case Management and Contact Tracing of our 2020 Special Report. These actions include forecasting Ontario's COVID-19 testing needs to ensure additional laboratory capacity is available within the province to accommodate surges in testing demand; monitoring the timeliness of laboratory testing, case management and contact tracing against targets at the provincial and regional levels on a regular basis (daily or weekly); clearly communicating to the public who should and should not be tested for COVID-19, including

the reasons why asymptomatic Ontarians with no known exposure should not be prioritized for testing; collecting and confirming information from public health units on how they perform case management and contact tracing; providing updated guidance on case management and contact tracing to all key stakeholders; increasing public awareness around case management and contact tracing; and regularly reviewing both the appropriateness of different locations for specimen collection and who should be tested given the available laboratory capacity. Implementing these recommended actions on a timely basis is critical to help further control and reduce the spread of the virus in Ontario.

The Ministry has also made progress in implementing the other 12% of our recommended actions. These recommendations called for immediately reviewing Public Health Ontario's Laboratory Modernization and Pressure Management Plan and consulting with Public Health Ontario to determine and provide the level of base funding it needs to fulfil its mandate; implementing electronic test ordering across all laboratories and assessment centres in Ontario; and investigating opportunities to collect additional information from individuals who seek a COVID-19 test as part of the appointment booking process for specimen collection at assessment centres and pharmacies.

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

Background

This report, Chapter 3: Laboratory Testing, Case Management and Contact Tracing, was one in a series of audits in our 2020 Special Report on the Province's response to the COVID-19 pandemic. This report focused on the province's COVID-19 laboratory testing, case management and contact tracing activities between January 2020 (when the first COVID-19 case in Canada was confirmed in Ontario) and August 2020.

At the time of our audit, three activities were key to containing the spread of COVID-19:

- Laboratory testing—collecting and testing specimens from individuals to identify whether they had contracted COVID-19;
- Case management—contacting individuals who tested positive to advise them regarding their condition and how long they should isolate, and to try to determine how they contracted COVID-19; and
- Contact tracing—identifying and contacting the close contacts of individuals who tested positive to advise them about testing and isolating.

As of August 31, 2020, 148 assessment centres in Ontario were collecting specimens, and 43 laboratories were testing them. These laboratories consisted of

seven public health laboratories, 33 hospital laboratories, and three private-sector laboratories (also known as “community” laboratories). As of that date, Ontario had performed almost 3 million COVID-19 laboratory tests, of which about 42,400 (or 1.4%) were positive. As of August 2020, these positive cases were managed and their contacts were traced, for the most part, by Ontario's 34 public health units.

The Ministry of Health is the lead ministry involved in Ontario's COVID-19 response. In addition, several stakeholders have been involved in laboratory testing, case management and contact tracing. They include Ontario Health, Public Health Ontario, hospitals (which operate assessment centres and laboratories), community laboratories and the public health units.

Overall, our audit found that laboratory testing, case management and contact tracing for COVID-19 were not all being performed quickly enough to contain the spread of the virus. In most cases, the Ministry's targets for these activities were not met.

For example, the Ministry had a target that 60% of laboratory tests should be completed within 24 hours of a specimen being collected. But we found only 45% of laboratory tests, on average, were completed that quickly. Regionally, only Ottawa's public health region had met the target as of August 31, 2020. No other public health region, including the heavily populated regions of Toronto, Peel Region and York Region (dubbed the province's “hot spots”) met the target. These hot spot regions also did not meet the Ministry's target of completing laboratory tests within two days of a specimen being collected 80% of the time.

For case management, the Ministry had a target of public health units contacting 90% of individuals who had tested positive within 24 hours of a public health unit receiving the test result. As of August 2020, in the province as a whole, an average of only about 80% of individuals who tested positive had been contacted that quickly. The target was missed mostly because it took the public health regions of Toronto, Ottawa, Peel Region and York Region more than a day to contact the infected individuals. The public health units in all other areas of the province either met or exceeded the 90% notification target.

When the COVID-19 pandemic began, the Ministry and other stakeholders took a number of actions to expedite and improve the testing-to-tracing process, such as expanding testing capacity, automating some specimen collection and laboratory testing processes, and implementing a new public health information system. Experts and others (including our Office) had identified the need for more testing capacity and better information systems years ago, but unfortunately little to no action was taken until the onset of the pandemic. If these long-standing concerns had been addressed earlier, the Ministry would have had better information to enable it to adjust testing eligibility criteria to the highest-risk Ontarians and probable cases, and Ontario could have responded to COVID-19 more efficiently.

In our 2020 audit, we made seven recommendations, consisting of 26 action items, to address our audit findings, and we received a commitment from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted our assurance work for this report between April 2022 and August 2022. We obtained written representation from the Ministry of Health that effective October 26, 2022, it had provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Limited Laboratory Testing Capacity Has Been a Long-Standing Issue, But Never Addressed

Recommendation 1

To enable laboratories to effectively and efficiently test specimens to meet the needs of Ontarians during the COVID-19 pandemic and other potential outbreaks in the future, we recommend that the Ministry of Health, in collaboration with Ontario Health:

- *forecast COVID-19 testing needs, and identify new capacity opportunities within Ontario if further expansion is required;*

Status: Fully implemented.

Details

In our 2020 audit, we found that laboratory testing capacity did not always keep pace with demand. This led to backlogs that at times delayed the identification and reporting of positive cases. Between March and August 2020, the average number of tests that remained unresolved at the end of the day increased from more than 3,700 tests to more than 20,500.

In our follow-up, we found that Ontario Health, which operates the Provincial Diagnostic Network, has started forecasting testing needs, tracking laboratory capacity against provincial capacity targets, and monitoring laboratory network throughput and turnaround times.

Ontario Health has established a process to accommodate surges in testing demand and ensure additional laboratory capacity is available. Throughout the pandemic, Ontario Health also has continued to work with the Ministry to review forecasts and ensure appropriate surge options are in place.

In addition, Ontario Health discussed forecasted testing needs with laboratories on a weekly basis when there were capacity concerns. This work was particularly important when testing volumes increased at the end of 2020 and planning for the return to in-person education was a top priority. Ontario Health will continue to maintain readiness to increase capacity in the event of a surge in testing volumes.

- *continue to track each laboratory's capacity against the target of 100,000 tests per day by the end of December 2020 and identify and take corrective action where shortfalls are anticipated;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that the Ministry initially set a target provincial COVID-19 laboratory test capacity of conducting 20,000 tests per day by the week of April 19, 2020. Subsequently, this testing capacity

target was increased by increments to 50,000, 65,000, 75,000 and then 100,000 tests per day. The provincial target of a daily capacity of 50,000 tests by July 2020 was not met. The Ministry then extended the 50,000-test target deadline to September 26, 2020, and targeted the end of 2020 for a capacity of 100,000 daily tests.

In our follow-up, we found that the Provincial Diagnostic Network (Network) has been validating laboratory testing capacity against targets every week. Through this process, all laboratories identify their current capacity, as well as their ability to increase capacity if needed. The Network plans to continue with this process.

On the week of January 24, 2021, the Network's laboratory testing capacity exceeded the target of 100,000 tests per day. Ontario Health's process to accommodate surges in testing demand remains in place. As of May 7, 2021, the Network was able to complete as many as 115,000 tests per day.

The Network's testing capacity has been tracked on an ongoing basis, with weekly reporting during the first half of 2021. As the Network's capacity has stabilized, reporting frequency has since changed to monthly. While the COVID-19 pandemic outlook had been improving during the time of our audit, Ontario continued to maintain appropriate testing base capacity (30,000 per day) and surge capacity (up to 50,000 per day).

- *forecast for periods where backlogs may exceed provincial (or regional) daily laboratory testing capacity while identifying ways to eliminate, reduce and avoid them;*

Status: Fully implemented.

Details

In our 2020 audit, we noted that laboratory testing capacity was expanding too slowly, despite warnings by Public Health Ontario and experts in February 2020. Ontario's testing capacity on January 11, 2020 was just 110 tests per day. By the end of February 2020, both Public Health Ontario and health-care experts had realized that the existing laboratory testing capacity would be insufficient to meet the demand for testing received

specimens and expressed their concerns to the Chief Medical Officer of Health. The Ministry only began acting to ramp up testing capacity in March 2020.

In our follow-up, we found that Ontario Health has been monitoring on a daily basis the number of tests currently in progress versus specimens received, as well as the turnaround time from test collection to results reported. Metrics have been identified to ensure early warnings of a potential backlog of this flow. Specifically, surge strategy indicators get triggered when laboratory volumes reach 75% of capacity, or when the assessment centres report they are unable to provide testing within 48 hours.

During the Omicron wave, Ontario revised guidance to prioritize diagnostic testing—including polymerase chain reaction (PCR) and rapid diagnostic testing—and testing for higher-risk populations, including those requiring diagnostic testing to facilitate treatment. This shift in guidance was a strategy to manage testing volumes in order to avoid backlogs given available laboratory capacity. Ontario Health and the Ministry will continue this strategy beyond the Omicron wave.

- *provide clear and timely communication to hospitals on funding related to COVID-19, including what laboratory equipment and supplies will be reimbursed.*

Status: Fully implemented.

Details

In our 2020 audit, we noted that hospitals did not aggressively increase their laboratory testing capacity because the Ministry was unclear about how quickly and how much it would boost funding to support expanding the testing capacity.

In our follow-up, we found that the Ministry has informed hospitals about its funding plans related to COVID-19, including what laboratory equipment and supplies will be reimbursed. For example, in May 2021, the Ministry sent a letter to hospitals promising funding for equipment and supplies to expand their capacity for COVID-19 PCR testing.

Ontario Health also has provided communications to laboratories on funding related to COVID-19. For example, Ontario Health has maintained a FAQ

document on funding for testing, which continues to be updated as needed. Ontario Health has also developed funding agreements with each laboratory to support operational costs (human resources and supplies), and ensure funding is provided monthly based on the number of tests performed.

Ministry Did Not Address Concerns Raised Years Ago About Improving Ontario's Laboratory Sector

Recommendation 2

To better co-ordinate activities and resources in Ontario's laboratory sector to meet the needs of Ontarians during the COVID-19 pandemic and future outbreaks, we recommend that the Ministry of Health:

- *immediately review Public Health Ontario's Laboratory Modernization and Pressure Management Plan and consult with Public Health Ontario to determine and provide the level of base funding that would allow Public Health Ontario to fulfil its mandate, which includes performing COVID-19 testing and regular studies to assess the prevalence of COVID-19 in Ontarians;*

Status: In the process of being implemented by March 31, 2024.

Details

Our 2020 audit found that Public Health Ontario's annual base funding of about \$148 million for its ongoing operations had remained flat since 2013/14. Public Health Ontario's 2017/18 to 2019/20 Annual Business Plan identified that its highest overall risk as an organization was a "lack of sustainable funding to continue to deliver on [its] mandate, including [its] ability to comprehensively respond to emerging public health threats." While Public Health Ontario repeatedly submitted plans (in 2017, 2018 and 2019) to modernize and achieve efficiencies in its operations, it did not receive any additional funding to modernize its laboratories.

In our follow-up, the Ministry informed us that the public health laboratory modernization plan approved as part of the 2019/20 Multi-year Planning Process has

been put on hold until 2023 because all public health laboratories run by Public Health Ontario have been busy dealing with the COVID-19 pandemic. The Ministry indicated that it will continue to work with Public Health Ontario to identify cost-mitigation strategies to ensure the best possible use of health-care resources.

The Ministry has provided additional one-time transition funding to enable Public Health Ontario to continue to fulfil its mandate during this critical time. In recognizing the unique circumstances of the public health response to COVID-19, since 2019/20 the Ministry has approved approximately \$580 million in additional one-time funding for Public Health Ontario to support extraordinary costs for timely laboratory testing, as well as monitoring, detecting and containing the virus.

- *collaborate with Ontario Health to work expediently and effectively with representatives from the different types of laboratories regularly through the Provincial Diagnostic Network (Network) to share information and best practices, understand concerns and challenges, collate laboratory statistics into reports to measure system performance, and resolve issues to help the Network operate sustainably.*

Status: Fully implemented.

Details

In our 2020 audit, we found that it was only part way through its COVID-19 response that the Ministry followed the recommendations on reforming Ontario's laboratory sector made by the Laboratory Services Expert in 2015 and in our Office's 2017 audit on Laboratory Services in the Health Sector. It was not until late March 2020, when COVID-19 was overwhelming Ontario's laboratory system, that the Provincial Diagnostic Network was established under Ontario Health to facilitate the co-ordination between different laboratories. Unlike Ontario, Alberta already had a laboratory network in place prior to COVID-19.

In our follow-up, we found that the Ministry has collaborated with Ontario Health through the Network to actively engage with laboratories across the province to build a strong and sustainable foundation for

laboratory operations. The Network now includes over 70 laboratories across Ontario. Public Health Ontario has been supporting the Network by providing scientific and technical leadership.

The Network's operations committee manual, which includes laboratory performance guidelines and best practices, has been regularly updated and made available to all Network members online.

The Network's members have met regularly (once or twice per week, or daily when capacity concerns were identified) to share information (such as best practices), collaborate and review data on laboratory statistics. Additional meetings have also taken place with laboratories that process and analyze large volumes of tests for the Network.

The laboratories within the Network report on operational data—such as the number of tests received, tests completed, turnaround times and status of testing supplies—on a daily basis, and compile and share this data with various stakeholders for performance and public health monitoring.

Test Results Slow to Reach Public Health Units, Resulting in Delays in Case Management and Contact Tracing

Recommendation 3

To curb the spread of COVID-19 and any future infectious diseases by quickly identifying cases and their contacts, and advising them to isolate from others while they are infectious, we recommend that the Ministry of Health, in collaboration with Ontario Health:

- *continue to monitor the timeliness of laboratory testing, case management and contact tracing against targets at the provincial and regional levels on a regular basis (daily or weekly);*

Status: Fully implemented.

Details

In our 2020 audit, we found that Ontario Health set targets for laboratory testing: 60% of laboratory tests should be completed and results reported within one day of specimen collection; and 80% of laboratory

tests should be completed and results reported within two days of specimen collection. The Ministry also set targets for case management: in 90% of cases, case managers should contact the infected person within 24 hours of the public health unit receiving the positive test result. However, the province overall did not meet these targets consistently.

In our follow-up, we found that Ontario Health has continued to monitor the timeliness of laboratory testing on a daily and weekly basis, and track performance against provincial targets for turnaround time (80% of tests should be turned around within two days, and 60% within one day) at provincial, regional, and public health unit levels. Additionally, in September 2021 the Ministry worked with Ontario Health to report a new metric that measures the ability of laboratories to provide an appointment for testing at assessment centres within 24 hours.

From January 24, 2021 to December 22, 2021, the Provincial Laboratory Network (Network) consistently met the turnaround targets. However, due to the highly transmissible Omicron variant, turnaround times increased (due to staffing shortages related to COVID-19 illness) during the peak of the Omicron wave—around late December 2021 and most of January 2022—and the Network missed the targets during that period. Since January 25, 2022, the Network has resumed meeting or exceeding both turnaround targets.

Regarding case management and contact tracing, Public Health Ontario provided regular reporting on the timeliness of public health units' case outreach and contact follow-ups. Data from these reports was used to regularly support the assessment of the public health units' case and contact management needs.

The Ministry also indicated that testing, as well as case, contact, and outbreak management in Ontario, remain focused on high-risk populations and settings. Rapid antigen tests remain widely available at no cost for the general public and those at lower risk of adverse effects from COVID-19.

- *take immediate action on a region-by-region basis to address the root causes (such as insufficient local equipment, human resources and supplies)*

contributing to the regional delays in meeting the established targets at a minimum.

Status: Fully implemented.

Details

In our 2020 audit, we found that for positive cases, only one of the 34 public health units (Ottawa) met the 60%-within-one-day laboratory testing target, and only four public health units (Hastings and Prince Edward Counties; Kingston, Frontenac, Lennox and Addington; Leeds, Grenville and Lanark District; and Ottawa) met the 80%-within-two-days target. As well, four of the 34 public health units (Ottawa, Peel Region, Toronto and York Region) did not meet the 90%-within-one-day case management target.

In our follow-up, we found that Ontario Health has analyzed the root causes that inhibited laboratories from reaching target turnaround times and capacity. The main reasons it identified included increased testing at long-term-care homes and limited testing capacity in the north. Ontario Health also has worked with all laboratories and regions to consider logistical and transportation improvements, which include:

- managing more strategically where specimens are sent across the Provincial Diagnostic Network (such as routing samples in the north to Toronto) to better balance laboratories' capacity and workload;
- analyzing staffing capacity on a weekly basis and comparing that to planned recruitment numbers to ensure laboratories are on track to hire the expected number of staff by specific dates;
- tracking testing turnaround targets by region and public health unit on an ongoing basis and reviewing mitigation actions weekly;
- meeting with Ornge to discuss flying COVID tests from Thunder Bay to Toronto when backlogs increase in the north; and
- exploring whether the use of courier services to send tests from long-term-care homes to laboratories can be started earlier than originally planned. As of January 2021, daily courier services to over 500 long-term-care homes were provided.

Regarding case management and contact tracing, the Ministry, in consultation with the Provincial Case and Contact Management Workforce (Provincial Workforce) and public health units, identified two main reasons why regions missed established targets:

- One root cause was regional staffing shortages. These were identified through consultations between the Ministry and public health units. To meet public health units' needs, the Provincial Workforce, which is a team managed by a third-party vendor to conduct case and contact management activities on behalf of the Ministry, provided additional staffing and the Public Health Ontario/Statistics Canada Contact Tracing Initiative provided contact tracing support.
- Another root cause was a mistrust of the testing and isolation requirements among vulnerable communities. The High Priority Community Strategy addressed this by building trust with these communities through the Community Ambassadors program. As of March 31, 2022, 432 Community Ambassadors were deployed to conduct outreach in a targeted and culturally appropriate manner and provide supports to individuals who tested positive.

Ministry Was Late to Implement Solutions that Would Have Sped Up Laboratory Testing and Improved Case Management and Contact Tracing

Recommendation 4

In order for laboratory testing, case management and contact tracing to be performed as quickly as possible to prevent and reduce transmission of COVID-19, we recommend the Ministry of Health (working collaboratively with Ontario Health as necessary) to expediently:

- *implement electronic test ordering across all laboratories and assessment centres in Ontario;*

Status: In the process of being implemented by December 1, 2022.

Details

In our 2020 audit, we found that many of the steps involved in the COVID-19 laboratory testing process in Ontario were paper-based and performed manually. This not only slowed laboratory testing but resulted in errors. Various experts and our Office's past audits for over a decade had recommended or referenced requesting laboratory tests via electronic ordering (e-ordering) instead of paper-based ordering. In July 2020, with data-entry bottlenecks increasing, Ontario Health contracted an IT company to automate data collection (including e-ordering) and streamline the data flow between assessment centres and laboratories.

In our follow-up, we found that a temporary electronic test ordering solution was implemented at 62 assessment centres to support those high-volume assessment centres with increased specimen collection demand. To support digitally enabled assessment centres, 12 laboratories with the highest volume of testing (processing more than 75% of all COVID-19 tests) were prioritized to receive electronic orders into their information systems.

As a long-term solution, Ontario Health developed a secure, mobile-friendly, web-enabled system for e-ordering. It was released in May 2021 and is currently available to all specimen collection points/health-care practitioners authorized to order COVID-19 laboratory tests.

All laboratories within the Provincial Laboratory Network have been integrated into the Ontario Laboratory Information System (OLIS) for the reporting of COVID-19 testing results. The implementation of e-ordering at all assessment centres and specimen collection sites is underway and will be expanded to other settings including pharmacies, long-term-care homes and clinical assessment centres. The target date to fully implement the provincial digital solutions into these settings' priority locations is December 1, 2022. This date has been extended from September 20, 2022 due to delays in onboarding pharmacy locations and a change in the planned approach to onboarding long-term-care homes.

- *act on expert advice, including advice on which Ontarians should be eligible for COVID-19 testing;*
Status: Fully implemented.

Details

In our 2020 audit, we found that enabling unconditional asymptomatic testing overwhelmed the assessment centres and lengthened the turnaround time on COVID-19 laboratory test results. The Testing Strategy Expert Panel, which was responsible for developing an evidence-based province-wide testing strategy for COVID-19, had never recommended that asymptomatic people be tested for the virus.

In our follow-up, we found that the Ministry has adjusted the testing strategy and guidance throughout the pandemic to be responsive to COVID-19 prevalence, risk and testing capacity. This was based on expert advice from Public Health Ontario, the Testing Strategy Expert Panel, and the Ontario Science Advisory Table, which informed policy decisions, including eligibility criteria for polymerase chain reaction (PCR) testing and use of rapid antigen testing.

For example, on February 2, 2022, the Testing Strategy Expert Panel provided recommendations for a COVID-19 Diagnostic Testing Strategy following the Omicron wave and identified considerations for COVID-19 testing usage and guidance, focusing on the short-term while establishing foundational principles and concepts for the medium-and long-term. The following assumptions were made for the short-term:

- COVID-19 testing services will continue to be required for the foreseeable future.
- PCR testing capacity and specimen collection capacity will be available throughout the next fiscal year.
- Market availability of rapid antigen tests will increase.
- Test performance with regards to sensitivity and specificity of PCR and rapid antigen tests will remain unchanged.
- Isolation guidance for the general public will remain the same or become less conservative.

- *clearly communicate to the public who should and should not be tested for COVID-19, including the reasons why asymptomatic Ontarians with no known exposure should not be prioritized for testing;*

Status: Fully implemented.

Details

In our 2020 audit, we found that on May 24, 2020, the Province announced the expansion of COVID-19 testing for asymptomatic Ontarians with no known exposure to COVID-19, even though the Testing Strategy Expert Panel had never recommended asymptomatic persons be tested for the virus. On September 24, 2020, the Province changed the policy so that asymptomatic Ontarians could only be tested for COVID-19 if they met certain conditions. For example, people could still be tested if they had contact with a confirmed positive case; if they worked at, resided in or would be visiting a long-term-care home; if they worked at or resided in a homeless shelter or another congregate-care setting; or if they were part of a targeted testing initiative directed by the Ministry of Health or the Ministry of Long-Term Care.

In our follow-up, we found that the government had informed the public about testing eligibility through various methods, including through the Ministry website. With respect to asymptomatic testing, the Ministry communicated the following major changes to the public:

- On August 25, 2021, the Ministry released an update to the COVID-19 testing guidance. The update included a statement that asymptomatic testing for fully vaccinated individuals was generally not recommended. It also included testing guidance for asymptomatic individuals, targeted testing groups, facility transfers and hospitals, and asymptomatic patients or residents for facility transfer.
- On December 30, 2021, the Ministry released another update to the COVID-19 testing guidance to integrate it with case and contact management guidance in response to the

Omicron wave. Key changes included prioritizing diagnostic testing for the highest-risk populations and settings—for instance, front-line health-care workers or congregate living facilities—and removing broad-based eligibility for symptomatic individuals or close contacts from the general public. To offset that reduction in diagnostic testing eligibility, the guidance also enabled symptomatic individuals to use rapid antigen tests as a diagnostic tool, when previously provincial guidance had only allowed for these tests to be used for asymptomatic screening.

Updates made to the testing guidance as well as case and contact management guidance were also released to stakeholders and made available to the public. Updates were communicated via the Chief Medical Office of Health, the Minister and technical briefings, and incorporated into online screening tools.

In addition, the Provincial Testing and Isolation Information Line (PTIIL) was launched in January 2022 to answer questions related to COVID-19 testing and isolation guidelines. The PTIIL continues to be used by public health units to provide Ontarians with information in accordance with guidance updates.

Furthermore, as mentioned in **Recommendation 3**, the Community Ambassadors program, as part of the High Priority Community Strategy, was put in place to ensure that up-to-date information is clearly communicated in high-needs areas. For example, when the Community Ambassadors conducted door-to-door visits earlier in the pandemic, they took a targeted and culturally appropriate communications approach by, for example, providing information in different languages about rapid antigen tests and isolation requirements. They also helped dispel myths and misinformation about testing and isolation.

- *investigate for potential implementation the use of an autodialer system like Alberta's to report all COVID-19 laboratory test results to Ontarians as soon as test results are known;*

Status: Fully implemented.

Details

In our 2020 audit, we found that faxing and mailing test results created redundancies and confusion, and delayed case management and contact tracing. Laboratories in other jurisdictions did not fax or mail test results. For example, Alberta had an automated laboratory reporting system; positive test results were seamlessly fed into the provincial contact tracing and surveillance system and sent to ordering physicians immediately. People with either positive or negative test results were quickly informed of their status through an autodialer—a device that dials phone numbers and leaves pre-recorded messages.

In our follow-up, we found Ontario has developed the COVID-19 Test Results Viewer, which is a mobile-friendly website that allows Ontarians to securely view their COVID-19 test results online.

The Province also performed an assessment of the requirement to alert patients of their COVID-19 test results. The assessment determined that the subscription to be notified by secure text messages or email through the COVID-19 Test Results Viewer provided the best measures of control and protection of personal health information, traceability of use, and disclosure, as well as the ability for caregivers to participate. Therefore, an autodialer solution was not pursued because it did not satisfy these conditions or offer the same potential for expanded use post-COVID-19.

Instead, a more comprehensive alternative solution, the COVID-19 Results Notification service, was implemented in two phases. In Phase 1, which began October 2021, individuals could receive an email notification right after a COVID-19 test result was submitted to the Ontario Laboratory Information System (OLIS). By December 2021, Phase 2 went live, allowing individuals to choose being notified by secure text messages in addition to email.

- *integrate the Ontario Laboratories Information System with the integrated Public Health Information System (or other systems used by public health units to perform COVID-19 case management and contact tracing).*

Status: Fully implemented.

Details

In our 2020 audit, we found that a lack of integration between the Ontario Laboratory Information System (OLIS) and the integrated Public Health Information System (iPHIS) necessitated the faxing and mailing of COVID-19 laboratory test results, which could delay case management and contact tracing. Additionally, public health units received multiple faxes of the same laboratory test result, making data management challenging. Our Office's 2007 audit of Outbreak Preparedness and Management had also identified the lack of integration between OLIS and iPHIS as a concern.

In our follow-up, the Ministry indicated that OLIS has provided COVID-19 test results twice daily. In July 2020, the Ministry also started integrating OLIS with the new Case and Contact Management (CCM) system, allowing the CCM system to acquire new COVID-19 test results from OLIS every 30 minutes. This integration aims to reduce the manual creation of cases by approximately 90%.

The integration can be considered fully completed at the time of our follow-up, but enhancements are still being made. For example, the Ministry informed us that further work was underway, jointly between the Ministry, Ontario Health and Public Health Ontario, to expand the CCM–OLIS integration to incorporate about 70 other “diseases of public health significance” (formally called “reportable diseases”). Examples of these diseases include hepatitis B, measles, SARS (Severe Acute Respiratory Syndrome), rabies, tuberculosis and West Nile virus.

Ontario's Public Health Information System Is Outdated and Contains Numerous Long-Standing Deficiencies, Creating Challenges and Inefficiencies for Case Management and Contact Tracing

Recommendation 5

To provide public health units with an IT solution that can capture timely, accurate and complete information for performing case management and contact tracing

during COVID-19 and for other reportable diseases, we recommend that the Ministry of Health cost effectively and expediently:

- obtain guidance from public health units on the requirements for the public health information system to enable effective and efficient case management and contact tracing;

Status: Fully implemented.

Details

In our 2020 audit, we found that Ontario's integrated Public Health Information System (iPHIS) contained numerous long-standing deficiencies, which had not started to be addressed until COVID-19. In the 15 years iPHIS had been in place, the Ministry failed to fix known deficiencies that impaired the system's efficiency and effectiveness. Examples of these deficiencies included difficulty in connecting close contacts to a COVID-19 case in the system, not allowing users to easily make progress notes, not allowing users to easily attach electronic files to a COVID-19 case, and not easily allowing remote access to the system.

In our follow-up, we found that the Ministry has regularly hosted working group meetings with stakeholders to obtain guidance from public health units and Public Health Ontario on the requirements for the new Case and Contact Management (CCM) system, as mentioned in **Recommendation 4**, to enable effective and efficient case management and contact tracing. For example:

- The CCM Users Working Group, which the Ministry co-chaired with Public Health Ontario, had weekly meetings to share information, get clarity on provincial direction/guidance, and collaborate on best practices and priority issues.
- The Reporting Working Group, also co-chaired by the Ministry and Public Health Ontario, had weekly meetings to interpret CCM data for surveillance and epidemiological analyses.
- The Ontario Laboratory Information System (OLIS) Integration Working Group had biweekly meetings to design business scenarios, prioritize business requirements, and exchange knowledge.

- Informal question and answer sessions were scheduled after information releases to allow the Ministry to address issues from stakeholders and provide advice.

The Chief Medical Officer of Health directed the public health units to use the CCM system instead of iPHIS for reporting COVID-19 cases. In addition to regular consultations with the stakeholders, two reviews of the CCM process were conducted, one at Kingston, Frontenac, Lennox and Addington Public Health, the other at Peel Public Health. Key takeaways from these reviews included the importance of following a streamlined approach in the CCM process and looking for continuous refinements.

These stakeholder consultations and two reviews informed the creation of a single integrated case and contact management system in Ontario, which led to the development of the new CCM system. The CCM system phased out the local tools used across the province and replaced iPHIS, the provincial communicable disease database, for COVID-19 reporting. The platform on which the CCM system runs is customized for Ontario's use in the COVID-19 pandemic, using technology that is scalable and flexible. It allows for integration with Ontario Laboratory Information System (OLIS) data, eliminating the need for public health unit staff to re-enter laboratory results into the CCM system. The platform also enables the public health units and Public Health Ontario to access the data, which can then be analyzed to identify province-wide regional trends and hotspots.

Overall, the CCM system has made processes more efficient and reduced data entry and the administrative burden for case and contact management work. It also allows contact tracing to be quickly ramped up through a remote workforce when required. As well, it has enabled cases and contacts to receive follow-up emails or secure text messages in place of phone calls, which is critical to enable the ramp-up of case and contact management during surge periods.

- incorporate these requirements into the design and functional operation of a provincial case

management and contact tracing system to be used by all public health units;

Status: Fully implemented.

Details

In our 2020 audit, we found that the deficiencies of iPHIS forced public health units to develop their own systems or to rely on paper records to manage their high volumes of cases and their contact tracing work. Three public health units (Toronto, Ottawa and Middlesex-London) created their own systems during the COVID-19 pandemic to allow their staff to perform case management and contact tracing more effectively and efficiently.

In our follow-up, we found that the Province developed the centralized Case and Contact Management (CCM) system, as previously mentioned, which integrated with the Ontario Laboratory Information System (OLIS) to enable quick access to case data and laboratory results, standardize and enhance data models, and facilitate contact follow-up services.

This centralized CCM system was launched between July 17 and August 20, 2020, when 31 of 34 health units were onboarded; the remaining three public health units adopted the CCM system by January 2021. Additional work has since been done to strengthen the system to support epidemiological needs, case linking and outbreak management.

- *complete the rollout of the new case and contact management system (System) to all public health units;*

Status: Fully implemented.

Details

In our 2020 audit, we found that it was not until April 2020—during the escalation of the COVID-19 pandemic—that the Ministry recognized the need to replace the integrated Public Health Information System (iPHIS) with a new case management and contact tracing system (System). The new System was first used by four public health units on July 13, 2020. An additional nine public health units were added to the System by July 31, 2020, and another joined by August 20, 2020. The Ministry's plan for the three

remaining public health units—Middlesex-London, Ottawa and Toronto—was to have them phased into the new System throughout the fall of 2020. The Ministry intended to eventually adapt the System for all reportable diseases, eliminating the need for iPHIS.

As previously mentioned, the new centralized CCM system was launched between July 17 and August 20, 2020, and 31 of the 34 health units were onboarded. Since that time, all 34 health units have been onboarded onto this system.

Additional data migration activities have since taken place, and system features and functions were added to support case linking and outbreak management. The Ministry also informed us that in the summer of 2022, it has started expanding CCM system to include all Diseases of Public Health Significance (such as chickenpox, hepatitis and measles), and has established the appropriate governance and working groups with the public health units and Public Health Ontario to inform design and implementation.

- *continue to obtain feedback from public health units on the System to understand their implementation challenges in order to identify and implement solutions and other necessary features to be added.*

Status: Fully implemented.

Details

In our 2020 audit, we found that given the challenges public health units were experiencing in using iPHIS, the Ministry started working on a new system for case management and contact tracing in early June 2020, as mentioned previously. The public health units said that while the new system offered many improvements, it still posed several challenges. The public health units have continued to work with the Ministry and provide feedback on additional changes.

In our follow-up, we found that a Case and Contact Management (CCM) Users Working Group was established to provide a space for the users of the new system to provide input and discuss potential improvements with the system development team, reflect the evolving needs of public health units, and support continuous improvement of the system. This working group continues to be a mechanism for facilitating

system changes as needed by public health units for the following purposes:

- The Ministry and Public Health Ontario can share information with public health units, and solicit input or feedback.
- Public health units can share information to get clarity on provincial direction or guidance and to collaborate with each other on best practices and priorities or enhancements.
- The Ministry has a useful forum as it prepares to expand the system to include other “diseases of public health significance.”

Provincial Guidance on Case Management and Contact Tracing Needs More Clarity

Recommendation 6

To avoid confusion and inconsistencies with regard to case management and contact tracing, we recommend that the Ministry of Health expediently:

- *collect and confirm information from public health units on how they perform case management and contact tracing;*

Status: Fully implemented.

Details

In our 2020 audit, we found that given the challenges of using the integrated Public Health Information System (iPHIS), public health units used their internal systems or paper records instead to track their case management and contact tracing activities. Our review of a sample of COVID-19 cases and their associated close contacts found that while public health units had processes and procedures in place for managing the cases and tracing the close contacts, they did not always follow Ministry guidance on case management and contact tracing.

In our follow-up, we found that the Ministry has co-chaired case and contact management forums with Public Health Ontario, on a biweekly basis initially and on an ad hoc basis during Wave 2 up to Wave 7 of the pandemic, with representatives from public health units. The purpose of these forums was to better

understand how the public health units were addressing case and contact management business processes, and how the Provincial Case and Contact Management Workforce could provide support most effectively.

The Ministry and Public Health Ontario also collaborated on distributing surveys to all public health units in October 2021 to collect information on how they performed their case and contact management. Additional surveys have been distributed, up to Wave 7 of the pandemic, to determine the best ways to continue to support case and contact management. The purpose of the surveys was to quantify province-wide capacity of performing case and contact management in order to inform policy and program decisions going forward.

- *continue to update its guidance on case management and contact tracing based on the information collected, including further clarity on when, if ever, it is acceptable to not speak directly with the person with COVID-19 when managing their case and to not speak directly with those living with the person when tracing their contacts;*

Status: Fully implemented.

Details

In our 2020 audit, we found that public health units did not attempt to reach out to about 31% of the close contacts of individuals who tested positive for COVID-19. This shortfall mainly involved not contacting someone who lived in the same household as the individual with the virus. Ministry guidance stated that all high-risk close contacts had to be contacted, but did not specify whether it was acceptable or sufficient to rely on the infected individual to relay information from the public health unit to their household.

In our follow-up, we found that the guidance on case and contact management has been updated to clarify when it is acceptable for the case manager or contact tracer to not speak directly with the person with COVID-19 and those living with that person. Specifically, the guidance indicates that a proxy or next of kin may be permitted to speak to the case manager or contact tracer if cases or contacts are underage, incapacitated (e.g., a resident at a long-term-care facility) or hospitalized.

- *provide updated guidance on case management and contact tracing process to all necessary stakeholders;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Ministry guidance on case management and contact tracing activities was not always met, and that these activities were not always done consistently. We also noted an instance where numerous COVID-19 cases were not being referred for case management and contact tracing due to confusion over reporting responsibilities. For example, Ministry guidance was not clear on how frequently an individual with COVID-19 needed to be contacted and when it was appropriate to contact the infected person's close contacts.

In our follow-up, we found the Ministry's communications staff have provided up-to-date guidance and notified stakeholders about changes to provincial case and contact management direction and processes. For example:

- In January 2021, the Ministry issued a memo to inform the public health units that it would be hosting a session about the adoption of the Virtual Assistant, a tool within the Case and Contact Management (CCM) system that helps public health units reach out to cases and contacts as quickly as possible by sending them text messages.
- In July 2021, the Ministry issued another memo to all public health units to emphasize the importance of continuing and enhancing case and contact management even though case rates were declining across the province. The memo also indicated that the guidance had been updated to reflect the practices or requirements involving self-isolation and testing.

In January 2020, the Ministry also established a regular stakeholder call (biweekly or monthly during the pandemic) to keep stakeholders informed of changes to its case and contact management guidance. Invitees on these calls represented stakeholders from organizations including the Ontario Medical

Association, Ontario Nurses Association, Ontario Association of Medical Laboratories, Home Care Ontario, and Home and Community Care Support Services. To ensure the information disseminated was up to date, weekly calls were also held between public health units and the Chief Medical Officer of Health, and regular meetings were scheduled between public health units and the Provincial Case and Contact Management Workforce, as mentioned under **Recommendation 3**.

- *communicate public awareness around case management and contact tracing process;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Ministry guidance on case management and contact tracing activities was not always met. We also noted that numerous COVID-19 cases were not being referred for case management or contact tracing because of confusion over reporting responsibilities.

In our follow-up, we found that the Ministry has increased public awareness by regularly releasing updates around case management and contract tracing processes to notify the public, public health units and Provincial Workforce staff about the impact of these changes. For example, the Ministry has announced the following updates:

- On December 30, 2021, public health measures and guidance were updated in response to Omicron. In consultation with the Chief Medical Officer of Health (CMOH), Ontario updated its COVID-19 testing and isolation guidelines. These updates followed changes in other jurisdictions in Canada and the United Kingdom to ensure publicly funded testing and case and contact management resources were available for the highest-risk settings and the most vulnerable populations, and to help keep critical services running. For example, since December 31, 2021, publicly funded PCR testing has been available for high-risk individuals, workers and residents in the highest-risk settings, and vulnerable populations.

- On January 20, 2022, the CMOH released details of steps to cautiously and gradually ease public health measures beginning January 31. These measures included increasing social gathering limits to 10 people indoors and 25 people outdoors, and increasing capacity limits to 50% for indoor public settings. Public health measures were further lifted effective February 21, 2022 and March 14, 2022.

The Ministry has also used its High Priority Communities Strategy to create public awareness around case management and contact tracing in high-risk neighbourhoods in Durham, Peel, Toronto, York, Ottawa and Windsor. These neighbourhoods were selected based on their high COVID-19 prevalence (current or historical), low testing rates, and sociodemographic barriers to testing and self-isolation. Through this strategy, local agencies work in partnership with Ontario Health, public health units, municipalities, and other community partners to deliver key interventions for the province's hardest-hit neighbourhoods.

- work with Ontario Health to provide laboratories with clear guidance on their reporting responsibilities to help ensure all COVID-19 cases are reported to public health units.*

Status: Fully implemented.

Details

In our 2020 audit, we found that confusion over reporting responsibilities resulted in numerous COVID-19 cases not being referred for case management and contact tracing. For instance, from March to late May 2020, 485 COVID-19 cases were not reported to public health units. This was because Mount Sinai Hospital's laboratory, which received the specimens from William Osler Health System's assessment centre, incorrectly believed that the assessment centre's ordering physician was solely responsible for reporting the results.

In our follow-up, we found that the Provincial Laboratory Network (Network) has maintained a standard operating manual, the Network Operations Committee

Operating Manual (Manual), which has been provided to all Network laboratories when they are onboarded. The Network has made the Manual available to these laboratories on Ontario Health's shared drive. The Manual outlines requirements and guidance for reporting COVID-19 test results. For example:

- The Manual lists key elements that are required on the COVID-19 requisition form, including health card number; date of birth; full name; gender; address; at least one piece of clinical information (i.e., ordering practitioner, ordering facility, or specimen collection centre); and outbreak/investigation number.
- The Manual emphasizes that "All Network laboratories are responsible for communicating results in accordance with Regulation 682 of the *Laboratory and Specimen Collection Centre Licensing Act*, and c H.7 of the *Health Protection and Promotion Act*. It is the responsibility of the testing laboratory to notify the associated Public Health Unit(s) with positive results."

When changes are made to the Manual, all laboratories are notified during weekly meetings. Support and emphasis on reporting requirements have also been presented to laboratories at weekly meetings. These meetings have helped ensure that the laboratories are aware of basic reporting requirements from various parties (such as the Ministry's Laboratories and Genetics Branch, the Laboratory Inspection and Licensing Information [LILI] system, and Accreditation Canada), including the regulatory requirement to report positive cases of communicable diseases to the public health units.

Collaboration, Communication and Specimen Collection Strategy for Assessment Centres Need Improvements

Recommendation 7

For specimen collection and laboratory testing services to be available and delivered in a safe, expedient and cost-effective manner, we recommend that the Ministry

of Health work collaboratively with Ontario Health as necessary to:

- *provide sufficient notice and clear communication when changes are being made to specimen collection and laboratory testing that gives impacted stakeholders enough time to prepare;*

Status: Fully implemented.

Details

In our 2020 audit, we found that the Province announced expanded testing at a news conference on May 24, 2020, indicating that no one seeking a COVID-19 laboratory test should be turned away. Assessment centres had been informed of the expansion only the day before in a memo from Ontario Health. Given the short notice and lack of a definitive timeline for expanding testing, assessment centres were caught off guard by the announcement. As a result, they were unable to staff their centres properly to address the initial surge in demand, which overwhelmed their operations and increased wait times for specimen collection.

In our follow-up, we found that as part of an effort to keep stakeholders informed of upcoming changes to testing guidance, weekly meetings are being held with laboratories and regional testing and assessment centres. These meetings allow for more open discussion and, when possible, advance notice of guidance changes from the Ministry.

As new challenges arise, such as the emergence of COVID-19 variants, the Provincial Laboratory Network (Network) has been supporting the dissemination of updated directives issued by the Chief Medical Officer of Health and changing eligibility criteria for testing through centralized communications. For example, the Network has increased the frequency of meetings with the laboratories and regional testing leads to respond quickly to the new testing threats and changing guidance.

- *establish an assessment centre network to collect and assess data on the operations of each centre, identify best practices (including for hours of operation, staffing and operating model), share*

information and best practices, and provide supports that help centres evaluate and address challenges as soon as possible;

Status: Fully implemented.

Details

In our 2020 audit, we found that assessment centres were not linked or led by a province-wide network to help co-ordinate and organize their services, as was the case for laboratories. Such a network would be valuable for these centres, allowing them to share their experiences and identify best practices. Among the topics of concern were operating hours, staffing ratios, and operating methods such as offering “drive through” COVID-19 specimen collection.

In our follow-up, we found that Ontario Health has increased support for assessment centres to share data through centralized communications and Ontario Health’s regional teams. Each region has been working closely with their local assessment centres and community sites to identify best practices, share information and provide support. A regional approach allows for actions that are more responsive to local needs.

To ensure collaboration, each region has identified an Assessment Centre and Testing Lead(s) who collaborates to support knowledge-sharing at a provincial level. Regional leads regularly review specimen collection strategies against local needs, working with regional partners to revise and/or expand strategies accordingly.

Ontario Health has also created a manual to provide assessment centres with operational guidance. This manual presents a set of recommendations designed to help the centres provide effective, efficient and safe care during the COVID-19 pandemic in accordance with relevant ethical principles. The manual further provides key considerations to promote standardization, and to support flexibility in responding to evolving assessment and testing needs. Although some variation is expected because of differences in local needs, there are basic foundational elements that should be standard across all assessment centres. The manual covers areas such as location and operational structure, staffing models, infection control and

prevention strategies, follow-up processes after testing, as well as reporting and monitoring.

In addition, Ontario Health has issued weekly collection reports, which discuss mitigation actions to support assessment centres and address challenges, such as identifying centres that were unable to collect specimens within 48 hours. As well, regular regional meetings provide a forum to raise issues faced by assessment centres for discussion at a provincial level.

- *regularly review both the appropriateness of different locations for specimen collection and groups of people to be tested for COVID-19 in comparison to available laboratory capacity;*

Status: Fully implemented.

Details

In our 2020 audit, we found that Ontario Health had not regularly reviewed the appropriateness of each assessment centre's operating hours and staffing in relation to the populations they served. A network linking these centres could do this analysis regularly to identify which centres should remain open longer, determine how they could operate more efficiently, and ensure there is appropriate capacity to collect specimens for testing across Ontario.

In our follow-up, we found that Ontario Health has held weekly regional testing meetings to assess each public health unit's collection needs.

We also noted that the Ministry has aligned its testing guidance with the advice provided by Public Health Ontario and the Testing Strategy Expert Panel. Throughout the COVID-19 pandemic, the Ministry has adjusted the testing strategy and guidance to be responsive to COVID-19 prevalence, risk, and testing capacity. For example, in September 2020, the Ministry discontinued asymptomatic testing of the general population and focused efforts on diagnostic testing for symptomatic and high-risk persons. It also focused on improving and maintaining provincial turnaround time targets. During the Omicron wave, diagnostic testing was prioritized for higher-risk populations, including those requiring diagnostic testing to facilitate treatment.

- *investigate opportunities to collect additional information from individuals who seek a COVID-19 test (such as how and where they believe they contracted COVID-19) as part of the appointment-booking process for specimen collection at assessment centres and pharmacies.*

Status: In the process of being implemented by December 1, 2022.

Details

In our 2020 audit, we found that while the Provincial Diagnostic Network (Network) established targets for laboratory test turnaround times and collected data from laboratories to determine progress against those targets, assessment centres were not conducting similar performance tracking and benchmarking. We noted that wait times varied significantly from one centre to another, depending on the day and time, and the centre's location. In some instances, wait times were up to eight hours. However, complete data on wait times across the province had not been collected and no wait-time targets had been set.

In our follow-up, we found that many of these issues have been addressed through updates to the COVID-19 test requisition form. These changes include the addition of fields such as vaccination status, patient setting, travel history and exposure history. The Network also has emphasized that all fields need to be completed in full.

As mentioned in the first action under **Recommendation 4**, the implementation of digital test ordering (e-ordering) at all assessment centres and specimen collection sites remains underway and will be expanded to other settings including pharmacies, long-term-care homes and clinical assessment centres. Certain locations have been prioritized and all were targeted to be fully enrolled in the provincial e-ordering system by December 1, 2022. This date has been extended from September 30, 2022 due to delays in onboarding pharmacy locations and a change in the planned approach to onboarding long-term-care homes. Education sessions and webinars were organized as these new settings began participating in PCR testing programs. Requirements for requisitions to be completed in full were further explored and then integrated as part of the e-ordering process.

Chapter 3

Section 3.01

Acute-Care Hospital Patient Safety and Drug Administration

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, 2019 Annual Report

On June 2, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2019 audit of Acute-Care Hospital Patient Safety and Drug Administration. The Committee tabled a report on this hearing in the Legislature in February 2022. A link to the full report can be found at <http://www.auditor.on.ca/en/content/standing-committee/standingcommittee.html>.

The Committee made 23 recommendations of which 13 recommendations were to the Ministry of

Health (Ministry) and 10 recommendations were to the Ontario hospitals. The Committee asked the Ministry to report back to them by June 2022. The Ministry formally responded to the Committee on June 22, 2022.

A number of the issues raised by the Committee were similar to the audit observations of our 2019 audit, which we followed up on in 2021. The Ministry of Health's status of each of the Committee's recommended actions is shown in **Figure 1**. The Ontario hospital's status of each of the Committee's

Figure 1: Summary Status of Actions Recommended in February 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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 2	3			3		
Recommendation 4	1		1			
Recommendation 5	2	1	1			
Recommendation 7	2		2			
Recommendation 8	1		1			
Recommendation 9	3		1	2		
Recommendation 10	2		2			
Recommendation 11	1		1			
Recommendation 12	2			2		
Recommendation 14	3	1	2			
Recommendation 17	1		1			
Recommendation 22	1	1				
Recommendation 23	1				1	
Total	23	3	12	7	1	0
%	100	13	53	30	4	0

Figure 2: Summary Status of Actions Recommended in February 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	0.85		0.08	0.08	
Recommendation 3	3	0.38	0.05	0.36	0.18	0.03
Recommendation 6*	2	0.32	0.07	0.07	0.32	0.21
Recommendation 13	1	0.85	0.08			0.08
Recommendation 15	3	0.97		0.03		
Recommendation 16	1	0.54	0.15	0.15	0.15	
Recommendation 18	1	0.31	0.08	0.46	0.15	
Recommendation 19	2	0.85				0.15
Recommendation 20	1	0.69	0.15			0.15
Recommendation 21	2	0.31				0.69
Total	17	10.22	0.76	1.98	1.60	2.44
%	100	60	5	12	9	14

*Note: During the 2019 audit planning stage, we conducted walkthroughs at Trillium Health Partners (THP), which was one of the hospitals audited in our 2016 audit report of Large Hospital Operations. In the 2019 audit, we limited our audit work at THP to human resources.

recommended actions is shown in **Figure 2**. The Ontario hospitals audited in select areas were Halton Healthcare, Hamilton Health Sciences, Humber River Hospital, Nipigon District Memorial Hospital, Pembroke Regional Hospital, Thunder Bay Regional Health Sciences Centre, The Ottawa Hospital, Women's College Hospital, Chatham-Kent Health Alliance, Grand River Hospital, Northumberland Hills Hospital, Stratford General Hospital and St. Thomas Elgin General Hospital.

We conducted assurance work between April 2022 and September 2022, and obtained written representation from the Ministry of Health and Ontario hospitals that effective November 21, 2022, they have provided us with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

As of September 30, 2022, 13% of the Committee's recommended actions had been fully implemented, while

53% were in the process of being implemented for the Ministry of Health. As well, 60% of the Committee's recommended actions had been fully implemented by the relevant Ontario hospitals, while another 5% were in the process of being implemented. There has been little or no progress on 30% of the recommended actions for the Ministry of Health and 12% of the recommended actions for the relevant Ontario hospitals.

In addition, the Ministry of Health will not implement 4% of the recommended actions because hallway health care and chronic hospital overcrowding is a multi-faceted problem that requires complex solutions and initiatives across broader health sector and ministries, not limited to just annual funding to hospitals. As well, certain hospitals indicated that they will not be implementing certain action items that account for 9% of the recommended actions, for example, some hospitals will not set a formal target to eliminate the occurrence of never-events and include this target in their Quality Improvement Plans because this is not a mandatory target established by Ontario Health and

are awaiting direction from it; and the hospitals’ focus continues to be on the pandemic response.

Five hospitals will not be using the National Council of State Boards of Nursing public database to determine whether nurses they employ have faced disciplinary actions in the United States because these hospitals rely on the nurses’ registration and disciplinary status with the College of Nurses of Ontario and rely on nurses truthfully answering on their application on whether he or she held a nursing licence or practiced in a jurisdiction other than Ontario.

Also, a hospital indicated that it will not implement the practice of making nursing shift changes at the patients’ bedside because of roadblocks encountered that prohibited continuing this practice, one of which is the collective agreements related to unions that represent their nursing staff and the lack of overlap in shifts. Another hospital will not implement the practice of making nursing shift changes at the patients’ bedside because discussions at the bedside of a double room leads to privacy breaches.

Some hospitals will not evaluate and further the adoption of additional methods to assess and monitor hand hygiene because of the cost to implement electronic measurement and also, having patients observe and record hand hygiene compliance is not something that will be considered at this time.

Also, a hospital refers to excellence in care in its vision and mission statements and therefore will not explicitly incorporate the words “patient safety” in their mission, vision, and/or as one of their core values.

Detailed Status of Recommendations

Figure 3 shows the recommendations and status details that are based on responses from the Ministry of Health and Ontario hospitals, and our review of the information provided.

Figure 3: 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 to further emphasize patient safety as a foundation for hospitals’ organizational culture, hospitals should explicitly incorporate the words “patient safety” in their mission, vision, and/or as one of their core values, and communicate this to their staff, ensuring that related actions demonstrate this emphasis. Status: Fully implemented.	Almost all of the hospitals have fully implemented this recommendation and have made a clear and direct reference to patient safety and quality of care. One hospital has not progressed because its mission, vision, values and strategic plan that incorporated excellent patient care was already implemented and will be in place until 2024. This hospital will be considering explicitly incorporating the words “patient safety” when the mission, vision, values and strategic plan begins re-evaluation in 2024. One hospital will not implement this recommendation. Although patient safety is a priority for this hospital, it refers to excellence in care in its vision and mission statements.

Committee Recommendation	Status Details
Recommendation 2 The Standing Committee on Public Accounts recommends that to determine and reduce the impact of never-events on patient safety and the healthcare system, the Ministry of Health should: • work with internal and external partners to leverage an existing system that can accumulate and track hospital never-event data; Status: Little or no progress. • upon implementation and rollout completion of this system, analyze the frequency of never-events occurring at Ontario hospitals, estimating their cost to the healthcare system; Status: Little or no progress. • partner with hospitals and best practice organizations/stakeholder groups to develop a plan to prevent never-events from happening. Status: Little or no progress.	The Ministry of Health has engaged Ontario Health as a key partner to support the approach on tracking hospital never-events data in the hospital sector. In September 2022, the Ministry met with Ontario Health, which subsequently provided a draft plan for the collection of never-event data. The draft plan is currently under review.
Recommendation 3 The Standing Committee on Public Accounts recommends that to minimize the occurrence of serious preventable patient safety incidents, hospitals should: • enhance patient safety practices to eliminate the occurrence of never-events; Status: Fully implemented. • set a formal target to eliminate the occurrence of never-events and include this target in their Quality Improvement Plans; Status: In the process of being implemented by April 2023. • track and report the number and types of never-events to the Ministry of Health and make the reports public. Status: Little or no progress.	As of June 2022, all of the 13 hospitals have patient safety practices in place to eliminate the occurrence of never-events. For example, hospitals have developed quality and safety policies and procedures to reduce or eliminate occurrences of never-events, including identifying and learning from these incidents in order to prevent recurrence. Two hospitals have fully implemented this action item, for example, formal targets have been set and included in their Quality Improvement Plan (QIP). Some hospitals are in the process of implementing this action item, for example, having established a formal target of zero never-events and is internally tracked but the target has not been included in their current Quality Improvement Plan. Although all hospitals are tracking the occurrence of critical incidents and never-events and reporting the results internally to their senior leadership team and Board of Directors, more than half of the hospitals have not progressed or will not set a formal target to eliminate the occurrence of never-events and will not include this in their QIPs because some hospitals have noted that this is not a mandatory target established by Ontario Health and are awaiting direction from it; their focus continues to be on the pandemic response; and some hospitals have internally reported zero never-events on an annual basis but some hospitals have noted that if an incident should occur the hospital would consider setting a formal target and including it in their QIP. All hospitals are awaiting direction from the Ministry of Health to report these never-events to it through a formal reporting system. Refer to Recommendation 2 for the implementation and rollout of this reporting system.

Committee Recommendation	Status Details
Recommendation 4 The Standing Committee on Public Accounts recommends that to better enable hospitals to prevent similar patient safety incidents, including never-events, from recurring at different hospitals, the Ministry of Health should work with the Ontario Hospital Association and applicable stakeholder groups to establish a forum where hospitals can share their knowledge and lessons learned from patient safety incident investigations, or include such knowledge and lessons in an existing forum. Status: In the process of being implemented by November 2022	The Ministry has launched Quality and Patient Safety Rounds, a provincial educational and knowledge sharing forum, in March 2022. This forum includes sessions on patient safety topics and never-events. The Ministry of Health is also in the initial stages of engaging Ontario Health as a key partner to review current resources, analyze the root cause of safety incidents in coroner's reports directed at Ontario Health, and support the approach on tracking hospital never-events data in the hospital sector. Results of the initial engagement should be available in fall 2022. The Ministry plans to then leverage the findings from the current state review to develop a learning calendar for the Community of Practice, a provincial educational and knowledge sharing forum, which it plans to launch in fall 2022. Community of Practice will focus on developing a blame-free culture so that health care organizations, including hospitals, feel empowered to discuss and act upon patient safety incidents.
Recommendation 5 The Standing Committee on Public Accounts recommends that to enable nurses' prospective employers to obtain a more complete record of nurses' employment history and performance and make well-informed hiring decisions, the Ministry of Health and the Ontario Hospital Association should continue to work with the College of Nurses of Ontario and other regulatory stakeholders to: • identify gaps in the current information available to prospective employers regarding past performance issues and terminations; Status: Fully implemented.	The Ministry of Health worked with the health sector to identify gaps in the information sharing between the College of Nurses of Ontario (College) and health system partners. The gaps identified were that nurses may have multiple employers and an ongoing investigation in connection with services provided at one health facility (e.g., a hospital or a long-term-care home) where the complaint was filed at one location may not be known at the other work location; and the threshold for disclosure and the purposes for the disclosure would need to be developed so as to balance both public safety and procedural fairness.

Committee Recommendation	Status Details
take steps to address gaps identified. Status: In the process of being implemented by August 2025.	The Ministry of Health is working with the health sector to address gaps in information sharing between the health regulatory colleges and health system partners. The College adds information about a nurse's employers from the past three years on the College's public register so that employers have a reliable way to obtain employment information about nurses. The College has also worked to include all current employers on the public register. Many nurses have more than one employer, this will provide a more accurate picture of a nurse's employment. Work is currently under way by the College to link information in better ways, such as through the voluntary Employer Reference Group established by the College partnering with nurse employers. This Employer Reference Group meets on a quarterly basis to identify areas to support employers' needs relating to nursing regulation. The Employer Reference Group has been working on a number of initiatives during 2020 and 2021 to address the gaps identified above (see Recommendation 5, action 1). For example, a revised reporting guide was developed outlining the steps involved when filing a professional conduct report, and new resources on harm prevention were developed and shared through videos that raised awareness about the possibility of nurses and other health-care providers intentionally harming patients. The College has authored an article about health care serial killers that was published by the Journal of Nursing Regulation. The article includes findings from a comprehensive literature review and makes suggestions to detect and prevent health care serial killing. In addition, the implementation of NURSUS Canada, a national database for sharing nurse registration and discipline information across jurisdictions by August 2025 (see Recommendation 7), will also address the gaps identified above (see Recommendation 5, action 1).
Recommendation 6 The Standing Committee on Public Accounts recommends that in order for hospitals that hire nurses to have access to the complete record of nurses' past places of employment and disciplinary history, hospitals should: use the National Council of State Boards of Nursing public database to determine whether nurses they hire and employ have faced disciplinary actions in the United States; Status: In the process of being implemented by December 2022.	More than half of the hospitals have fully implemented this action item by confirming nurse applicant registration through the National Council of State Boards of Nursing public database regardless of the country the nurse is coming from, including Canada. One hospital is in the process of implementing this action item, to ensure full disclosure, their hiring policy is being revised and will go through approval process. Four hospitals will not be implementing this action item because these hospitals rely on the nurses' registration and disciplinary status with the College and rely on nurses truthfully answering on their application on whether he or she held a nursing licence or practiced in a jurisdiction other than Ontario. However, this does not address the risk that the nurse may fail to disclose complete information about their licence status and disciplinary record from other jurisdictions, and the College would not detect this due to the lack of a single repository for Canadian nurse registration and discipline information, since NURSUS Canada, a national database for sharing nurse registration and discipline information across jurisdictions, will not be implemented until August 2025.

Committee Recommendation	Status Details
if the hospital uses agency nurses, require nursing agencies to confirm these nurses have been screened through this database. Status: In the process of being implemented by December 2022.	Only eight hospitals use agency nurses. One hospital fully implemented this action item by its suppliers of agency nurses have implemented this. A hospital is in the process of implementing this action item, if an agreement for agency nurses is created then it will seek confirmation of nurses screening through the US database. Also, one hospital is currently participating in a group request for proposal for nursing services and suggested that this be included as a requirement. Over half of the eight hospitals will not implement this action item because a hospital's focus is on the pandemic response and its inability to verify that agencies are consulting the US national database, and these hospitals require all agency nurses to be in good standing with the College of Nurses of Ontario (College). However, as stated above, this does not address the risk that the nurse may fail to disclose complete information about their licence status and disciplinary record from other jurisdictions, and the College would not detect this due to the lack of a single repository for Canadian nurse registration and discipline information, since NURSUS Canada, a national database for sharing nurse registration and discipline information across jurisdictions, will not be implemented until August 2025.
Recommendation 7 The Standing Committee on Public Accounts recommends that to help ensure that when hospitals hire nurses, they have access to the nurses' full disciplinary record, the Ministry of Health should request that the Ontario Hospital Association and the College of Nurses of Ontario work together with their provincial and territorial counterparts to: - explore a national system for provincial and territorial nursing regulatory bodies to report their disciplinary actions; Status: In the process of being implemented by August 2025. - put in place an effective process for background checks on nurses' past employment and disciplinary records from other jurisdictions, including the United States. Status: In the process of being implemented by August 2025.	The College of Nurses of Ontario (College) is working with other Canadian regulators to implement a national database (NURSUS Canada) for sharing nurse registration and discipline information across jurisdictions. NURSUS Canada is a national project under the joint leadership of the B.C. College of Nurses and Midwives (BCCNM) and the College. They have partnered with the National Council of State Boards of Nursing (NCSBN) to develop an electronic repository for Canadian nurse registration and discipline information. NURSUS Canada will enhance public protection by allowing all nurse regulators across Canada to review and exchange the relevant information needed to verify it is safe to permit a nurse to work across provincial and territorial jurisdictions. While NURSUS Canada is a Canadian system, it will be possible to more efficiently and effectively exchange information with nursing regulators in the United States, since it is based on the American system developed by the National Council of State Boards of Nursing. NURSUS Canada still needs implementation on the national level and with its American counterparts.

Committee Recommendation	Status Details
Recommendation 8 The Standing Committee on Public Accounts recommends that to better inform employers in their hiring decisions and protect patients from the risk of harm, the Ministry of Health should assess for applicability in Ontario the actions taken by US states to protect hospitals and other healthcare providers from liability associated with any civil action for disclosing a complete and truthful record about a current or former nurse to a prospective employer. Status: In progress of being implemented by March 2023.	The Ministry of Health developed a jurisdictional questionnaire and sent it to five provinces or territories (Nunavut, Nova Scotia, Alberta, Northwest Territories and Saskatchewan) to seek information to help inform it of the applicability in Ontario to protect hospitals and other health-care providers from liability associated with any civil action for disclosing a complete and truthful record about a current or former nurse to a prospective employer. The Ministry has obtained the responses from all five provinces or territories, and completed the analysis of jurisdictional scan results to inform next steps. The Ministry conducted a series of consultations with internal stakeholders to identify potential options for implementation. The Ministry is now finalizing draft options to present for senior management review. Selection of an option is expected by October 2022. Once the selection is completed, Ministry will begin implementing the approved option. The Ministry estimates the implementation to be completed by March 2023.
Recommendation 9 The Standing Committee on Public Accounts recommends that in the interest of patient safety and in order for hospitals and agencies to be fully aware of a prospective nurse employee's past employment and performance history, the Ministry of Health should explore means to: • enable hospitals and agencies to provide and receive complete and accurate references and information to make informed nursing hiring decisions; Status: Little or no progress. • require these organizations to disclose such information when it is requested by a prospective employer; Status: Little or no progress. • regulate agencies that recruit nurses. Status: In the process of being implemented by March 2024.	Due to competing priorities and COVID-19 pandemic responses, an opportunity has not been available for the Ministry to examine the Regulated Health Professions Act (RHPA) in this regard. The RHPA provides a regulation that permits the government to prescribe purposes for which disclosures can be made under specific clauses from the College of Nurses of Ontario to public hospitals or other named/described persons of certain information stemming from its investigations. The Ministry will examine existing regulation-making powers that could permit Colleges, including the College of Nurses of Ontario, to disclose relevant investigation information to hospitals. The Employment Standards Act, 2000 (ESA) was amended in 2021 by the Working for Workers Act, 2021, to establish a licensing framework for temporary help agencies and recruiters who operate in Ontario. One intent of the licensing framework is to help client businesses of temporary help agencies and recruiters avoid working with non-compliant and underground entities by prohibiting temporary help agencies from operating or acting as a recruiter without a licence. The licensing scheme also prohibits knowingly engaging or using the services of an unlicensed temporary help agency or recruiter and establishes an online public directory for licensed temporary help agencies and recruiters for the public, prospective clients, employees and jobseekers. Prior to the framework being proclaimed into force, regulations would need to be established. By March 2024, the Ministry of Training, Labour and Skills Development plans to create regulations to operationalize this component of the Working for Workers program for licensing recruiters, including agencies that recruit nurses. In addition, nurses who work for agencies are currently accountable to the College of Nurses of Ontario for ensuring that they have the knowledge, skill and judgment required to provide the required care for the patient and must provide services that align with the accepted standards of practice and ethics.

Committee Recommendation	Status Details
Recommendation 10 The Standing Committee on Public Accounts recommends that in order for hospitals to make optimally informed hiring and staffing decisions, the Ministry of Health should require all hospitals in Ontario to: - continue to perform criminal record checks before hiring nurses and other healthcare employees; Status: In the process of being implemented by March 2023. - consider periodically updating checks for existing staff. Status: In the process of being implemented by March 2023.	The Ministry of Health developed a jurisdictional questionnaire and sent it to five provinces or territories (Nunavut, Nova Scotia, Alberta, Northwest Territories and Saskatchewan) to seek information to help inform it of the applicability in Ontario to perform criminal record checks before hiring nurses and other health-care employees, and periodically update checks for existing staff. The Ministry has obtained the responses from all five provinces or territories, and completed the analysis of jurisdictional scan results to inform next steps. The Ministry conducted series of consultations with internal stakeholders to identify potential options for implementation. The Ministry is now finalizing draft options to present for senior management review. Selection of an option is expected by October 2022. Once an option is selected, Ministry will begin implementing the approved option. The Ministry estimates the implementation to be completed by March 2023.
Recommendation 11 The Standing Committee on Public Accounts recommends that to enable hospitals to take timely action to improve patient safety, the Ministry of Health should ensure that it is easier and less costly for hospitals and ultimately the taxpayer to address physician human resources issues, especially in cases when doctors may have harmed patients. Status: In the process of being implemented by March 2023.	The Ministry of Health developed a jurisdictional questionnaire and sent it to five provinces or territories (Nunavut, Nova Scotia, Alberta, Northwest Territories and Saskatchewan) to seek information to help inform it of the applicability in Ontario to make it easier and less costly for hospitals and ultimately the taxpayer to address physician human resources issues, especially in cases when doctors may have harmed patients. The Ministry has obtained the responses from all five provinces or territories, and completed the analysis of jurisdictional scan results to inform next steps. The Ministry conducted series of consultations with internal stakeholders to identify potential options for implementation. The Ministry is now finalizing draft options to present for senior management review. Selection of an option is expected for October 2022. Once the selection is completed, Ministry will begin implementing the approved option. The Ministry estimates the implementation to be completed by March 2023.
Recommendation 12 The Standing Committee on Public Accounts recommends that to improve patient safety, the Ministry of Health should: review the Accreditation Canada hospital reports and identify areas where hospitals may consistently not be meeting required patient safety practices and high-priority criteria; Status: Little or no progress.	The Ministry of Health and Ontario Health have not collected the Accreditation Canada reports from hospitals to review and identify areas where hospitals may consistently not be meeting required patient safety practices and high-priority criteria. Since the Accreditation Canada reports are the property of each individual hospital, Ontario Health is establishing a relationship with Accreditation Canada and will explore opportunities for this information sharing. The Ministry plans on working with Ontario Health to ensure that hospital patient safety practices are reviewed and assess how patient safety in hospitals is being addressed to address potential deficiencies.

Committee Recommendation	Status Details
• follow up with hospitals with respect to problem areas to confirm that actions are taken to correct deficiencies. Status: Little or no progress.	The Ministry of Health and Ontario Health have not collected the Accreditation Canada reports from hospitals to review and identify areas where hospitals may consistently not be meeting required patient safety practices and high-priority criteria, however, the Ministry has included patient safety as a priority in the 2020- 2021 and 2021-2022 Ontario Health Mandate Letters. Ontario Health's mandate includes holding health-care providers accountable for health system performance and quality by undertaking a review of the Accountability Agreements with health-service providers and working closely with the Ministry of Health to outline roles and responsibilities related to accountability and performance management because further investigation is required to outline patient safety elements of accountability. Also, Ontario Health updated its publicly reported indicators on hospital patient safety through 2020-21 on the Health Quality Ontario platform. As well, Ontario Health, via the Health Quality Ontario platform, publicly reports on medication safety. Ontario Health will review its health system performance and quality reporting structure and take these recommendations into account during this process. The Ministry plans on working with Ontario Health to ensure that hospital patient safety practices are reviewed and assess how patient safety in hospitals is being addressed to address potential deficiencies.
Recommendation 13 The Standing Committee on Public Accounts recommends that hospitals should reinforce with staff the importance of the medication reconciliation documentation processes in order to reduce the risk to discharged patients, and so that hospitals have all the necessary patient information to properly investigate any medication-related incidents that might occur and trigger hospital readmission. Status: In the process of being implemented by December 2022.	The majority of hospitals have fully implemented this recommendation by having medication reconciliation policies and procedures in place, having dedicated staff to do the work and review it to ensure completeness, provide ongoing education to nursing and pharmacy staff on completing medication reconciliation, and some hospitals audit patients' charts to ensure medication reconciliation is done at admission and discharge with the results shared with staff for continuous improvement. One hospital established a medication reconciliation task force to reinforce the importance of medication reconciliation on a corporate level. Another hospital is in the process of implementing this recommendation by having its medication reconciliation policy and procedures revised to clearly outline staffs' roles and responsibilities for inpatients, and continuing to educate staff on this implemented policy.
Recommendation 14 The Standing Committee on Public Accounts recommends that to reduce the risk of medication errors and readmissions to hospital, the Ministry of Health should continue to: • require hospitals to ensure that medication reconciliation is completed for all patients; Status: Fully implemented.	During 2020-21, Ontario Health developed a quality standard on medication safety that will support hospitals and other health-care settings in their efforts to reduce errors and risks related to medication use and administration. The medication safety quality standard was publicly released in March 2021 and addresses care for people of all ages who are taking one or more medications. It focuses on care in all settings relevant to medication safety, including primary health care, specialist health care, long-term care, and home and community care. Also, Ontario Health publicly made available a patient guide to medication safety that accompanies the quality standard on medication safety. The guide outlines the top five areas to improve care for people taking one or more medications – one area being an accurate and up-to-date list of medications is available to people taking medication (and their families and caregivers, as appropriate) and to relevant health care professionals.

Committee Recommendation	Status Details
- require hospitals to include medication reconciliation in their Quality Improvement Plans as needed; Status: In the process of being implemented by March 2024. - in conjunction with relevant hospitals, review their IT system needs to be able to track necessary medication reconciliation information and take action for improvement where needed. Status: In the process of being implemented by March 2023.	Ontario Health and the Ministry of Health discussed and agreed to include a medication reconciliation indicator for the 2022/23 Quality Improvement Plans (QIPs) for hospitals. An indicator on medication reconciliation is now included in the 2022/23 QIP for hospitals. However, due to priorities related to the COVID-19 pandemic, the Ministry has decided that there would be no mandatory indicators for the 2022/23 QIP cycle. As result, while a medication reconciliation indicator is a priority indicator in the 2022/23 QIP cycle, it is not a requirement for hospitals to include this indicator in their QIP for 2022/23. The Ministry and Ontario Health have decided not include the medication reconciliation as a mandatory indicator for 2023/24, however they will consult with each other to determine its inclusion as a mandatory indicator for the 2024/25 fiscal year. The Ministry carried out a series of consultations with internal stakeholders to identify IT system needs to be able to track necessary medication reconciliation information and is analyzing this information to prepare draft options for implementation for senior management review. Selection of an option is expected by October 2022. Once the selection is completed, the Ministry will begin implementing the approved option. The Ministry estimates the implementation to be completed by March 2023.
Recommendation 15 The Standing Committee on Public Accounts recommends that to improve patient safety, hospitals should reinforce with nurses necessary medication administration processes to ensure that: - independent double-checks of high-risk medications are done to verify that correct medication and dosage are administered; Status: Fully implemented. - nurses witness patients taking and swallowing high-risk medications; Status: Fully implemented. - nurses use two unique identifiers to confirm the identity of patients before administering medication to them. Status: Fully implemented.	All 13 of the hospitals have policies in place to support safe medication practices, and provide education to nurses for the independent double-check process by providing training through online modules and during nursing medication safety orientation. The majority of the hospitals use a hospital information system (HIS) with barcode verification that prompts nurses of the requirement of an independent double-check, thus providing additional safety checks at the bedside. Almost all of the hospitals specifically state in their medication administration policy or through a statement in the hospital information system (HIS), that nurses must witness the patient swallow medication according to practice standards for medication administration. For the hospital that does not explicitly state this in its policy, it reinforces medication administration procedures through training and other educational opportunities. All 13 of the hospitals provide education for nurses for the patient unique identification process by providing training through online modules and during nursing medication safety orientation. The majority of the hospitals use a hospital information system (HIS) with barcode verification as an additional means of confirming patient identification with the use of mobile workstations and wireless barcode scanners.

Committee Recommendation	Status Details
Recommendation 16 The Standing Committee on Public Accounts recommends that to minimize patient safety incidents due to missing information or miscommunication, hospitals should adopt, based on patient condition, the practice of making nursing shift changes at the patients' bedside and where possible involving the patients and their families (with the consent of the patients) in the process. Status: In the process of being implemented by March 2023.	More than half of the hospitals have fully implemented this recommendation and do have a policy in place of making nursing shift changes at the patients' bedside and where possible involving the patients and their families, with the consent of the patients, in the process. Two hospitals are in the process of implementing this recommendation, however, due to the COVID-19 pandemic and issues related to resources and restrictions, this implementation was delayed. One hospital is currently reviewing this but has human resources challenges. Another hospital indicated that it had past experience with this approach but achieving widespread sustainability was difficult. Due to logistics and patient caseloads this process has been very difficult to achieve, however, it fully intends to re-explore if an adapted approach may be accomplished with the introduction of the new HIS. One hospital indicated that it will not implement this recommendation because of roadblocks encountered that prohibited continuing this practice, one of which is the collective agreements related to both unions that represent their nursing staff and the lack of overlap in shifts. Additionally, the move to a bedside report meant the nurse stopped writing a shift handover report. It came to light that other disciplines were using the written report and didn't want it to be eliminated. Doing both created a duplication in work for the nursing staff. Another hospital has also indicated that it will not implement this recommendation because discussions at the bedside of a double room leads to privacy breaches.
Recommendation 17 The Standing Committee on Public Accounts recommends that to improve patient safety with respect to medication administration and where a compelling business case for cost-effectiveness can be made, the Ministry should work with hospitals toward the automation of pharmacy-related tasks, if feasible. Status: In the process of being implemented by March 2023.	The Ministry held consultations with internal stakeholders regarding automation of pharmacy-related tasks as part of their annual capital planning process and is analyzing this information to prepare draft options for implementation for senior management review. Selection of an option is expected by October 2022. Once the selection is completed, the Ministry will begin implementing the approved option. The Ministry estimates the implementation to be completed by March 2023.

Committee Recommendation	Status Details
Recommendation 18 The Standing Committee on Public Accounts recommends that to improve the accuracy of reported hand hygiene compliance, while at the same time encouraging hand hygiene, the Ontario Hospital Association should work with hospitals to evaluate and further the adoption of additional methods to assess and monitor hand hygiene, such as asking patients to observe and record the hand hygiene compliance of their healthcare providers. Status: In the process of being implemented by December 2022.	One hospital does use patients to observe and record the hand hygiene compliance of their health-care providers. This hand hygiene compliance is monitored and included in appropriate dashboards. Some hospitals complete random “blind” audits for hand hygiene compliance and use these observational inspections of handwashing techniques to better identify training gaps, more accurately monitor compliance and provide reminders to staff about the importance of basic infection control. One hospital implemented a hand hygiene coordinator to support hand hygiene and is in the process of educating staff and creating hand hygiene reports for front line staff, managers and senior leadership to increase awareness and accountability. Half of the hospitals have not progressed with this recommendation because they are awaiting guidance from the Ontario Hospital Association. Of these hospitals, one hospital has begun to investigate the use of artificial intelligence to monitor hand hygiene in some hospital rooms and is considering expanding this to more rooms in 2022 subject to funding availability. One hospital stated that its Intensive Care Units have been part of a research study looking at electronic measurement of hand hygiene monitoring, however, this study was compromised by the COVID-19 pandemic and without funding to implement/ maintain and research validation of the role of patients in hand hygiene this work will not continue. Some hospitals will not be implementing this recommendation because of the cost so there are no current plans to implement electronic measurement and also, having patients observe and record hand hygiene compliance is not something that will be considered at this time.
Recommendation 19 The Standing Committee on Public Accounts recommends that so that sterile-rooms and the equipment used in the mixing and preparation of intravenous medications are cleaned according to required standards, we recommend that hospitals: • provide their pharmacy and housekeeping staff, including contracted staff, with proper training on how to conduct the cleaning; Status: Fully implemented. • monitor the cleaning to ensure proper processes are being followed. Status: Fully implemented.	Eleven of the 13 hospitals (two hospitals are not applicable) provide their pharmacy and housekeeping staff with training on how to conduct the cleaning, and in addition, the majority of hospitals test their staff afterwards using theoretical and practical assessments. A hospital participates in a Shared Service Agreement within their region that provides guidance and oversight to meet the Ontario College of Pharmacists NAPRA standards for the preparation of sterile products (hazardous and non-hazardous). As part of this agreement, certification of all staff entering clean rooms is conducted by the Sterile Compounding Supervisor with annual recertification required. In addition, staff at this hospital are tested using theoretical and practical assessments. Eleven of the 13 hospitals (two hospitals are not applicable) have fully implemented this action item by having staff maintain cleaning logs based on the frequency noted in their policy documents and monitored by their certified senior staff. As well, some hospitals perform surface sampling testing to ensure cleaning standards are met. In addition, the effectiveness of the cleaning can be assessed by an external company.

Committee Recommendation	Status Details
Recommendation 20 The Standing Committee on Public Accounts recommends that to improve hospitals' compliance with the Canadian Standards Association's standards pertaining to the washing and sterilization of surgical tools and medical equipment, hospitals should have their washing and sterilization of surgical tools and medical equipment—whether conducted in-house or by contracted providers—inspected internally on an annual basis. Status: In the process of being implemented by February 2023.	The majority of hospitals have implemented dedicated staff who are responsible for conducting inspections of their surgical tools and medical equipment to meet the Canadian Standards Association's (CSA) standards, in addition to the daily quality testing of the tools and equipment conducted by these hospitals, and the preventative maintenance conducted by the vendors. One hospital is in the process of contacting peer hospitals to get a better understanding of how they approached this recommendation and is exploring options for a shared agreement with another organization to complete audits of their surgical tools and medical equipment to ensure compliance with the Canadian Standards Association's standards. Another hospital is in the process of using the Provincial Infectious Diseases Advisory Committee (PIDAC) medical device reprocessing (MDR) best practice audit tools to perform audits of their MDR department. This hospital's auditing process will be added to its "Quality Management Policy for Medical Device Reprocessing" as part of its next annual review.
Recommendation 21 The Standing Committee on Public Accounts recommends that in order for contracts with private providers of sterilization services to be managed effectively by hospitals, hospitals should: - include all the necessary service standards and performance indicators in these contracts; Status: Fully implemented. - on a regular basis, assess the private service provider's compliance with all contract terms. Status: Fully implemented.	Of the hospitals that contracted with a third-party provider, all have included the necessary service standards and/or performance indicators in these contracts. One hospital monitors and reviews the performance indicators on a quarterly basis, in addition, the hospital's senior team reviews compliance on an annual basis and has annual meetings with the third-party provider executives. Another hospital's senior team meet with the third-party provider regularly to review its performance. One hospital that uses sterilization services from a third-party provider for one of its programs reports in real-time the defects from its review of products received and any recurring issues to the third-party provider. One hospital's renewed contract with the third-party provider now includes a section related to key performance indicators (KPI) and reporting expectations. A KPI dashboard was implemented and is reviewed quarterly and annually to monitor reprocessing performance. In addition, this hospital developed an audit tool to include a review of contract deliverables such as delivery of service. This audit is performed annually by the hospital and reviewed with the third-party provider at the annual executive meeting.

Committee Recommendation	Status Details
Recommendation 22 The Standing Committee on Public Accounts recommends that so that patients with a life- or limb-threatening condition receive timely care from the closest hospital, the Ministry of Health should leverage learned lessons from hospitals that utilize “command centres” and work with CritiCall toward the development of a provincial bed command centre. Status: Fully implemented.	We found that the Provincial Hospital Resource System (PHRS), housed at CritiCall Ontario, provides up-to-date hospital level information on acute bed occupancy and resource availability in Ontario's acute-care hospitals. The Provincial Hospital Resource System (PHRS) Repatriation Tool, an electronic tool used by hospitals to initiate and track requests for patient transfer, supports efficient and timely repatriation back to the home hospital. CritiCall Ontario is beginning Admission/ Discharge/Transfer (ADT) automation of acute-care bed boards and occupancy information from hospitals directly into the PHRS. This near real-time information will further support timely patient transfers by allowing speedy and accurate identification of available beds across the province. The Provincial Hospital Resource System (PHRS), combined with ADT feed automation, provides the same information that would be available in a provincial bed command centre. CritiCall Ontario's core services, supported by the PHRS and ADT automation, ensure that patients requiring urgent, emergent and critical care, including those with a life-or-limb-threatening condition, receive timely care from the nearest appropriate facility. With the information available from the PHRS, CritiCall Ontario can accurately identify the closest appropriate hospitals with available beds and, hence, direct patient transfers to these hospitals accordingly. Out of 166 hospital sites currently reporting to the PHRS, 100 are ADT-enabled hospitals. The remaining 66 hospitals reporting to the PHRS are not ADT-enabled. Non-ADT-enabled hospitals are those that do not have their ADT feed set up for the Critical Care Information System (CCIS) (because they do not have Adult, Maternal Neonatal or Pediatric ICU beds) and will continue to enter all of their bed data manually. These sites are smaller hospitals in the province that would normally not have the throughput that larger sites have. In 2020, CritiCall Ontario also launched a business intelligence tool, CORD-BI, which generates dashboards based on data reported by hospitals to the PHRS. The CORD-BI dashboards are an effective performance monitoring tool, helping hospitals identify, among other items, potential gaps in their communication or processes (for example, when physicians reported no bed and the appropriate bed type occupancy showed occupancy on the PHRS), as well as capacity issues at the hospital for patients by bed type. To support Ontario's COVID-19 pandemic response, CritiCall Ontario became the single point of contact for all Incident Management System (IMS) transfers in Ontario, working closely with Ontario Health, the Ontario COVID-19 Critical Care Command Centre, regional IMS tables and hospital partners. CritiCall Ontario developed the Ontario Patient Transfer System, which combines data from the PHRS Repatriation Tool with data from ORNGE and Ontario's Central Ambulance Communications Centres, to enable all partners involved in IMS patient transfers to co-ordinate and track planning efforts and patient movement in near real-time.

Committee Recommendation	Status Details
Recommendation 23 The Standing Committee on Public Accounts recommends that the Ministry of Health should ensure that annual funding to hospitals is sufficient to address chronic overcrowding. Status: Will not be Implemented.	Through a number of initiatives over the past five years, the Ministry of Health has increased the number of beds and spaces available to patients to improve access to health care for patients and to reduce hospital overcrowding. In 2017/18, the government provided \$140 million in Surge Bed Funding, \$100 million to make 2,000 additional hospital beds available and \$40 million for post-hospital and preventative care at home. Surge bed funding was also provided in 2018/19 and 2019/20. As response to increased pressure on hospitals due to the COVID-19 pandemic, the Ministry allocated additional funds to add new beds for the first wave of the pandemic. Additionally, as part of the fall Preparedness Plan, in 2020/21, the Ministry provided funds to add more than 2,250 new beds at 57 hospitals and alternate health facility beds. The Ministry has continued to provide funds to maintain the over 3,100 surge beds for COVID-19 for 2021/22 and 2022/23. In addition, the Ministry has made a capital plan commitment to build approximately 3,000 new beds in ten years. In 2018/19, the Ministry launched the Post-Construction Operating Plan (PCOP) program, and has been providing additional annualized operating funding to eligible hospitals following completion of their approved capital projects to support expansions in the services and post-construction operational requirements, these include funding for clinical services, facility costs and equipment amortization. The government also recognizes the important role that home care services have in supporting health system capacity and addressing hospital overcrowding. Home care provides personal support services, nursing and other professional services to people who need care to stay at home or recover from a hospital stay. This provides Ontarians with the choice to recover in their home, which helps with hospital capacity. As part of Ontario's 2021 Fall Economic Statement, the Ontario government announced \$548.5 million over three years to expand home care services. This funding will support expanded home care services, while recruiting and training more home care workers. To build on this, the Ontario government is planning to invest \$1 billion more over the next three years to further expand home care. In addition, the government plans to increase capacity in the Long-term Care (LTC) sector by 30,000 net new long-term care beds in the province by 2028. Making investments in bed and staffing capacity in the LTC sector should help alleviate Alternate Level of Care (ALC) pressures in hospitals. ALC patients are those who occupy acute-care hospital beds but are not acutely ill or do not require the intensity of resources or services provided in a hospital setting. These patients would be transferred to a setting with lower intensity of resources or services such as long-term care homes, thus freeing up acute-care beds in hospitals and reduce overcrowding. As of 2022, Ontario has 31,705 new and 28,648 upgraded beds in development. The Ministry of Health has informed us that while it remains committed to end the hallway health care and chronic hospital overcrowding, this is a multi-faceted problem that requires complex solutions and initiatives across broader health sector and ministries, not limited to just annual funding to hospitals. Investments in bed and staffing capacity in the Long-Term Care sector helps alleviate Alternate Level of Care (ALC) pressures in hospitals. The Ministry has noted that creation of long-term care beds is the responsibility of Ministry of Long-Term Care and it falls beyond the scope of Ministry of Health's authority. As a result, this recommendation will not be implemented by the Ministry of Health.

Chapter 3

Section 3.02

Ministry of Health

Blood Management and Safety

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, *2020 Annual Report*

On May 27, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit of Blood Management and Safety. The Committee tabled a report on this hearing in the Legislature in February 2022. A link to the full report can be found at auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 13 recommendations and asked the Ministry of Health (Ministry) to report back by June 2022. The Ministry formally responded

to the Committee on June 21, 2022, and again on August 12, 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 2022 and August 2022, and obtained written representation from the Ministry that effective October 31, 2022, it has provided us with a complete date of the status of the recommendations made by the Committee.

Figure 1: Summary Status of Actions Recommended in February 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	5		5			
Recommendation 4	1		1			
Recommendation 5	1		1			
Recommendation 6	2		2			
Recommendation 7	2		2			
Recommendation 8	3		3			
Recommendation 9	1		1			
Recommendation 10	3	1	2			
Recommendation 11	3	2	1			
Recommendation 12	4		4			
Recommendation 13	1	1				
Total	31	7	22	2	0	0
%	100	23	71	6	0	0

Overall Conclusion

As of October 31, 2022, 23% of the Committee's recommended actions had been fully implemented, and 71% of the recommended actions were in the process of being implemented. There has been little or no progress on two recommended actions.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of Health, 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 Ministry of Health should: establish a process to regularly receive information from Health Canada regarding which hospital blood banks and Canadian Blood Services donor centres are inspected and share the results with Ontario Health; Status: Little or no progress.	Health Canada had suspended its inspections of hospital blood banks in Ontario in March 2020 because of the COVID-19 pandemic. In March 2021, the Ministry provided Health Canada with the names of program staff to whom it should share inspection documents directly, once it resumes inspections. In August 2021, Health Canada noted that it was exploring other ways to inspect facilities instead of traditional on-site inspections. The Ministry indicated that it will establish a mechanism to share blood bank inspection information with Ontario Health by March 2023, once Health Canada resumes its inspections.
better monitor compliance with federal regulations regarding blood storage by regularly reviewing Health Canada's hospital inspection reports to identify common risks and target these areas through education initiatives with hospitals. Status: Little or no progress.	The Ministry had not been able to review any Health Canada inspection reports to identify common risk areas and target these problem areas in future education initiatives for hospitals because Health Canada had not conducted any inspections of Ontario hospital blood banks during the pandemic. In May 2022, Health Canada indicated it had resumed inspections of hospital blood banks using a hybrid model that involves remote inspections of certain sites, but it had not scheduled inspections of hospital blood banks up to August 2022. The Ministry expects that it will implement this recommendation by March 2023, once Health Canada resumes its inspections of Ontario hospital blood banks using a hybrid model.
Recommendation 2 The Ministry of Health and Ontario Health should work together to improve data-driven decision-making to manage the supply of blood components and products by: regularly reminding hospitals of the requirement to report inventory to Canadian Blood Services; Status: Fully implemented.	The Ministry indicated that during much of July 2021, the National Emergency Blood Management Committee (which consists of Canadian Blood Services, the National Advisory Committee on Blood and Blood Products, and government representatives) announced that there was a shortage of O negative red blood cells. The Ministry and the Committee made multiple requests to all Ontario hospitals that they report inventory daily to Canadian Blood Services. In addition, the Ministry engaged the Ontario Regional Blood Coordinating Network to monitor that hospitals report their inventories daily. This particular inventory advisory was resolved by the first week of August 2021.

Committee Recommendation	Status Details
- regularly assessing potential information technology solutions for blood management across multiple hospital systems, including Canadian Blood Services' plans to expand electronic ordering and McMaster University's blood-management data system; Status: Fully implemented. - sharing Ontario data with Canadian Blood Services to improve insights and strengthen analysis. Status: Fully implemented.	The Ministry informed us that in November 2020 after our audit was completed, Canadian Blood Services launched the "Hospital Portal" to help establish a single location for all interactions between hospitals and Canadian Blood Services, and in January 2022, it launched a national online ordering solution within this portal. This solution allows hospitals to submit blood and blood product orders and monitor the progress of the order. Canadian Blood Services had onboarded all hospitals by August 2022. Also, the Ministry and representatives from McMaster University met in December 2021 to consider the Transfusion Data Ontario proposal. As well, the Ministry was working with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. In March 2022, the Ministry met with a small group of people within the Consultation Group to determine the approach and mandate of this new subcommittee, and in July 2022 it held a brainstorming session with all members of the Consultation Group to determine the type of work this subcommittee will undertake once formed. Canadian Blood Services meets with all ministries of health twice a year on forecasting, including meeting with the Ministry in October 2021. At that time, the Ministry provided information about hospital blood product usage to Canadian Blood Services to help it forecast the use of plasma protein and related products up to 2024/25. In preparation for this, the Ministry gathered information including product use for patients living with haemophilia, factors impacting immunoglobulin use, and changes in use of C1 Esterase products that are on the product formulary. The Ministry continues to regularly review monthly forecasting data from Canadian Blood Services to inform its own forecasting on expenditures and utilization, both internally and with stakeholders such as those in the blood programs.
Recommendation 3 The Ministry of Health, working together with Ontario Health, should better manage the demand and supply of immunoglobulins by: - supporting the implementation of an electronic hospital ordering system for immunoglobulins; Status: In the process of being implemented by December 2024. - eliminating the option of prescribing immunoglobulin where the Ontario Immune Globulin Utilization Guidelines do not recommend its use; Status: In the process of being implemented by December 2024.	The Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review the business requirements for an online immunoglobulin ordering system. These requirements included, for example, which specific medical conditions should be available to select as specified indications on the order form. The Ministry expects the online immunoglobulin ordering system to go live by December 2024. The Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review business requirements for an online immunoglobulin ordering system, which is expected to go live in December 2024. The new online ordering system will capture information such as the immunoglobulins being ordered, in what dosages and for what medical conditions. After this system is implemented, it will aid in physicians not prescribing immunoglobulin where the provincial guidelines do not recommend its use.

Committee Recommendation	Status Details
• updating the Ontario Immune Globulin Utilization Guidelines to ensure immunoglobulins are only recommended for use where there is evidence to prove their effectiveness; Status: In the process of being implemented by December 2024. • working with the Ontario Regional Blood Coordinating Network to regularly educate physicians on the use of the Ontario Immune Globulin Utilization Guidelines; Status: In the process of being implemented by March 2023. • developing a system to monitor hospitals' adoption of the Ontario Immune Globulin Utilization Guidelines. Status: In the process of being implemented by March 2023.	The Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review business requirements for an online immunoglobulin ordering system, which is expected to go live in December 2024. The new online ordering system will capture information such as the immunoglobulins being ordered, in what dosages and for what medical conditions. After this system is implemented, prescribing of immunoglobulins by physicians will align with the provincial guidelines. This ensures immunoglobulins are only recommended for use where there is evidence to prove their effectiveness. The Ontario Regional Blood Coordinating Network, through the funding provided by the Ministry, has updated continuing education resources on blood-related products to highlight the importance of following the Guidelines. For example, it revised and relaunched the Bloody Easy Blood Administration eLearning program in November 2021. The Network was also redeveloping the Technologist Assessment Competency program, which it expected to launch in the Network's new online learning platform with annually updated tests. The Network was also updating the content of Bloody Easy 4 and expects to release Bloody Easy 5 in 2022/23 to keep it current with up-to-date best practices. As well, the Network has included the Guidelines in its online "Immunoglobulin Toolkit," which is intended to help hospital transfusion services manage immunoglobulins. In November 2021, the Network presented the results of its survey of immunoglobulin prescribers and transfusion service laboratories in Ontario to the Ontario Blood Consultation Group. This survey was designed to collect expert opinion on current practices related to the management of immunoglobulins in Ontario. The group discussed ways to better communicate with immunoglobulin prescribers to improve compliance with the Guidelines. The Ministry expects that the Network will develop a mechanism for tracking hospital adoption of the Guidelines and physician education by March 2023.
Recommendation 4 The Ministry of Health should improve the tracking of transfusion errors and injuries by requesting that all hospitals report serious transfusion-related events. Status: In the process of being implemented by March 2023.	The Ministry informed us that the National Advisory Committee on Blood and Blood Products' Adverse Transfusion Reactions Reporting Subcommittee (Subcommittee) created and distributed a survey to Ontario and other provinces in late 2021 to better understand how each province collects and reports transfusion reactions to the Public Health Agency of Canada. At the time of our follow-up, the Subcommittee was analyzing the survey results and developing guidance for reporting adverse transfusion reactions. The Ministry expects this guidance will be finalized and posted on the National Advisory Committee's website by the end of 2022. Furthermore, the Ontario Regional Blood Coordinating Network visited 162 hospitals to present transfusion reaction data for 2020, which was reported by hospitals that participated in the Ontario surveillance program. The presentation summarized the types of reactions seen according to blood component/product and their rates of incidence, which were extrapolated to suggest possible expected transfusion reactions. According to the Ministry, the comparison of the reported reactions to the potential expected reactions fostered discussions on the importance of educating hospitals on identifying and reporting reactions. In addition, the Ministry indicated that McMaster University, which administers the Ontario surveillance program, has started work to raise awareness about reporting adverse transfusion events. Also, the university has developed an online training tool that includes videos and questions to show proof of training. Once answers are submitted, training will be automatically logged into the Ontario surveillance program database. The Ministry expects that all hospitals will begin reporting serious transfusion-related events by March 2023.

Committee Recommendation	Status Details
Recommendation 5 The Ministry of Health should request that Canadian Blood Services accelerate the plan to achieve 50% national plasma collection self-sufficiency, with clear timelines and provisions to monitor the plan's implementation. Status: In the process of being implemented by March 2023.	The Ministry noted that Canadian Blood Services requested Ontario and other provincial and territorial governments provide funding to establish additional collection centres and increase plasma collection capacity by 2023/24. Canadian Blood Services expects that its new collection centres, once fully operational, along with other activities, will help drive Canada's domestic sufficiency to about 25%, up from 13.7% in 2019/20. The Canadian Blood Services proposal outlined a plan for establishing eight additional plasma collection centres by 2023/24, in addition to three existing proof-of-concept sites, one of which is located in Ontario. Ontario and other provincial and territorial governments reviewed Canadian Blood Services' proposal and through the annual budget process approved its funding for 2021/22 and 2022/23, and expect to review its 2023–2026 corporate plan and 2023/24 budget request by March 2023. In addition, Ontario and other funding provinces and territories established a steering committee in October 2021 to recommend a national policy framework that supports Canadian Blood Services' mandate to source enough plasma from Canadians to produce immunoglobulins for Canadian patients. The Ministry expects the steering committee to finalize its report by March 2023.
Recommendation 6 The Ministry of Health, in order to increase the effectiveness of the Ontario Regional Blood Coordinating Network (Network) guidelines on transfusion medicine best practices, should: - work with the Ontario Hospital Association to develop a plan to increase hospitals' participation in the Network; Status: In the process of being implemented by March 2023. - monitor hospitals' adoption of the Network's best practices to help achieve better patient outcomes. Status: In the process of being implemented by March 2023.	The Ministry noted that the Ontario Regional Blood Coordinating Network surveyed hospitals in 2021 about their compliance with the provincial guidelines on immunoglobulin use. According to survey results, the compliance rate was high, but there was room for improvement in communicating and engaging with prescribers. The Network has included several other educational, engagement and communication activities in its 2022–23 business plan; the Ministry met with the Network in March 2022 to discuss these and expects the Network to work with the Ontario Hospital Association to develop a plan to increase hospitals' participation in these activities by March 2023. The Ministry met with the Network in March 2022 to discuss its 2022–23 business plan. The plan includes audits of top hospital users of albumin, ongoing monitoring and evaluation of massive haemorrhage protocol quality metrics, and an analysis of immunoglobulin order requests. The Ministry will receive progress reports through the Network's mid-year and year-end reports and monitor how hospitals are participating in Network activities by March 2023.

Committee Recommendation	Status Details
Recommendation 7 The Ministry of Health, in order to encourage more effective, evidence-based use of blood components, blood products, and alternatives to blood, should: - work with the Canadian Agency for Drugs and Technologies in Health and Canadian Blood Services to periodically assess cost-effective alternatives to blood; Status: In the process of being implemented by December 2024. - use data on the uses of immunoglobulins to inform areas of focus for the Ministry's decision-making on alternatives to blood. Status: In the process of being implemented by December 2024.	Canadian Blood Services and provinces and territories have formed a working group to discuss this recommendation. The working group met in June 2021, October 2021 and January 2022 to consider collecting more patient-specific data such as age, diagnosis, treatment doses, frequency and duration as a way to assess cost-effective alternatives to blood. In addition, in October 2021, the National Advisory Committee on Blood and Blood Products proposed to work on a National Immunoglobulin Shortages Management Plan, including identifying alternatives to immunoglobulins. As part of this project, a literature review will be conducted, using funding approved by Health Canada, to examine alternative therapies for clinical conditions for which immunoglobulin is used, and to assess if and how other jurisdictions across Canada are using these alternatives. The work for the project will start in 2022/23 and will take a minimum of 18 months. The Ministry expects to finalize funding for this new plan with other provinces and territories, as well as Canadian Blood Services, by December 2024. The Ministry met with the Ontario Blood Consultation Group in November 2021 and the Ontario Immune Globulin Advisory Panel in January 2022 to review business requirements for an online immunoglobulin ordering system, which is expected to go live in December 2024. The new online ordering system will capture information such as the immunoglobulins being ordered, in what dosages and for what medical conditions. The Ministry expects to use this data to inform its areas of focus for its decisions on using alternative therapies.
Recommendation 8 The Ministry of Health, in order to better evaluate and improve the effectiveness of the Ontario Nurse Transfusion Coordinators Program (Program), should: collect and analyze data on transfusion activities in hospitals with and without the Program, including the number of units of blood transfused, costs, and the number of patients transfused to determine value-for-money; Status: In the process of being implemented by December 2023.	The Ministry met with leads of the Program in January 2022 and April 2022 on how to collect data on and assess the Program. The Ministry was made aware that a number of nurse co-ordinators in the Program were reassigned to other areas of their hospitals to support the response to COVID-19 and a number of surgeries were deferred or cancelled, making it difficult to collect data about the Program. The Ministry has determined that it is best to collect data and assess the Program when the impacts of COVID-19 on nurse deployment and surgeries are less significant. Furthermore, the Ministry worked with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. In March 2022, the Ministry met with a small group of people within the Consultation Group to determine the approach and mandate of this new subcommittee, and in July 2022 it held a brainstorming session with all members of the Consultation Group to determine the type of work this subcommittee will undertake once formed. The Ministry expects to request the subcommittee develop metrics that compare the results of hospitals with nurse co-ordinators to hospitals without nurse co-ordinators, and begin collecting and assessing this data by December 2023.

Committee Recommendation	Status Details
- request that the Program administrators establish performance indicators and outcome measures to demonstrate the effectiveness of the Program, and report this information on an annual basis; Status: In the process of being implemented by December 2023. - explore mechanisms to require hospitals with the Program to follow best practices. Status: In the process of being implemented by December 2024.	The Ministry has worked with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. In March 2022, the Ministry met with a small group of people within the Consultation Group to determine the approach and mandate of this new subcommittee, and in July 2022 it held a brainstorming session with all members of the Consultation Group to determine the type of work this subcommittee will undertake once formed. The Ministry expects to request the subcommittee develop metrics that compare the results of hospitals with nurse co-ordinators to hospitals without nurse co-ordinators, and begin collecting and assessing this data by December 2023. The Ministry noted that the Program is already an evidence-based program that supports best practices and improves outcomes of patients at participating hospitals by reducing exposure to transfusion when appropriate. As noted above, the Ministry has worked with the Ontario Blood Consultation Group to establish a new data strategy subcommittee to review and analyze blood use information. The Ministry expects to request the data strategy subcommittee develop metrics that compare the results of hospitals with nurse co-ordinators to hospitals without nurse co-ordinators, and discuss approaches that have supported best practices in hospitals with the Program. Based on this work, the Ministry will work with the Program leads and the data strategy subcommittee to establish mechanisms to require hospitals with the Program to follow best practices by December 2024.
Recommendation 9 The Ministry of Health should establish a process to ensure its payments to Canadian Blood Services are for products shipped and received by Ontario hospitals on a regular basis, with underlying unit costs based on audited financial statements of Canadian Blood Services. Status: In the process of being implemented by December 2023.	The Ministry met with Canadian Blood Services and the Ontario Regional Blood Coordinating Network in March 2022 to discuss approaches to verify payments against products shipped. In June 2022, the Network was granted access to the disposition data hosted by Canadian Blood Services, which allows the Ministry to review a sample of data from different sources to verify payments made to Canadian Blood Services. The Ministry, working with the Network, plans to establish a process to verify payments using existing data shared by Canadian Blood Services, and establish criteria to identify which hospital shipments to review, by December 2023.
Recommendation 10 The Ministry of Health and Ontario Health should work together to: clarify responsibilities for monitoring transfusion surveillance data reported by hospitals; Status: Fully implemented.	The Ministry worked with the Public Health Agency of Canada and McMaster University to update the funding arrangement between parties involved in surveillance programs. In June 2022, the Ministry terminated its 2012 agreement with the Public Health Agency of Canada and confirmed with McMaster University that the Public Health Agency of Canada will be providing funding for the two transfusion surveillance programs directly to the University, and not through the Ministry, beginning 2021/22. The Ministry noted that the Public Health Agency of Canada oversees the monitoring of transfusion errors. For transfusion injuries or reactions, the Adverse Transfusion Reactions Reporting Subcommittee (part of the National Advisory Committee on Blood and Blood Products) will review the 2021 survey responses from all provincial and territorial surveillance system programs. It believes it can then use the survey responses to create a guidance document that will help provinces and territories, as well as the Public Health Agency of Canada, monitor transfusion surveillance data in the future and better assess accurate trends of serious transfusion incidents, including across Ontario.

Committee Recommendation	Status Details
- monitor trends of serious transfusion incidents; Status: In the process of being implemented by March 2023. - establish a plan for hospitals to share investigation reports of serious transfusion incidents on a timely basis. Status: In the process of being implemented by March 2023.	The Ministry had consulted with McMaster University, which administers the Injury Surveillance System in Ontario, in December 2020. Under the 2021–2024 funding agreement for the surveillance system with the Public Health Agency of Canada, McMaster also monitors trends of serious transfusion incidents in Ontario. The Ministry plans to review monthly and biannual reports on these incidents and share information with relevant stakeholders by March 2023. The Ontario Regional Blood Coordinating Network visited hospitals to present transfusion injury data for 2020, which was reported by hospitals that participated in the Ontario surveillance program. It presented this information to 162 hospitals, including those that did not themselves participate in the surveillance program. The Ministry will work with the Network to establish a mechanism to share other information, such as transfusion errors that resulted in investigation reports, and communicate lessons learned to other hospitals by March 2023.
Recommendation 11 The Ministry of Health should improve its ability to evaluate Canadian Blood Services' performance to provide safe blood to hospitals in a cost-efficient manner by: - requesting that Canadian Blood Services provide Ontario-specific results for national performance measures; Status: Fully implemented. - regularly reviewing and assessing Canadian Blood Services' performance through national performance measures; Status: In the process of being implemented by December 2023. - requesting that Canadian Blood Services provide information on Ontario's trends on an annual basis. Status: Fully implemented.	The Ministry noted that Canadian Blood Services created an annual report of performance metrics in October 2021. The report consolidates all performance indicators already provided to governments and presents them in the following format: actuals of each metric for the prior three years, current year actuals and targets, and targets for the next three fiscal years. As well, Canadian Blood Services reviewed all performance metrics to see which ones could be broken down to show Ontario-specific results. It determined that it could only break down shipment data for red blood cell and platelets. In addition, Canadian Blood Services continues to provide Ontario-specific shipment data to the Ministry directly through an information-sharing portal on plasma protein and related products on a monthly basis. The Ministry established an internal process to regularly review reports from Canadian Blood Services and share updates with the Ministry's senior management. Dedicated ministry staff review the reports and prepare summary documents for filing and discussion purposes. The Ministry also shares these reports with other provinces and territories and addresses questions from them, if any, in meetings without Canadian Blood Services. The Ministry reviewed a draft of the annual performance report, provided input to Canadian Blood Services, which it incorporated. Canadian Blood Services will submit a completed 2023 annual report on performance metrics to ministries of health in 2023. The Ministry will share any additional feedback as part of its annual review of the final report by December 2023. The Ministry indicated that Canadian Blood Services has created an annual report of performance metrics in October 2021, which consolidates all Canadian Blood Services' performance indicators already provided to governments and presents them over a seven-year window including three prior years, current three-year actuals and targets, and targets for the next three fiscal years. Canadian Blood Services shares this with all provinces and territories via email and also through its information-sharing portal. Through this report, Ontario receives annual performance metrics, which includes Ontario-specific results on shipment data.

Committee Recommendation	Status Details
Recommendation 12 The Ministry of Health should prepare for a limited supply of immunoglobulins (Igs) and protect Ontarians by: - ensuring Ontario hospitals comply with the National Emergency Blood Management Committee's action items, including developing shortage management plans, following Ig best practices and utilization guidelines, and updating laboratory information systems to accept all Ig brands and vial sizes carried by Canadian Blood Services; Status: In the process of being implemented by December 2024. - exploring additional measures, if necessary, and consider enforcement mechanisms to ensure hospitals follow provincial utilization guidelines or guidelines within the National Immune Globulin Shortage Plan (Shortage Plan); Status: In the process of being implemented by December 2024. - continuing to work with the National Emergency Blood Committee, the Ontario Emergency Blood Committee, Canadian Blood Services and the Provincial/Territorial Blood Liaison Committee to participate in a national response; Status: In the process of being implemented by December 2024.	In October 2020, the Ministry had instructed hospitals to comply with the National Emergency Blood Management Committee's directions by December 31, 2020, including following immunoglobulin best practices and utilization guidelines, and updating laboratory information systems to accept all immunoglobulin brands and vial sizes carried by Canadian Blood Services. In addition, in October 2021, the National Advisory Committee on Blood and Blood Products developed a proposal for a National Immunoglobulin Shortages Management Plan, which would include identifying alternatives to immunoglobulins. As part of this project, a literature review will be conducted, using funding approved by Health Canada, to examine alternative therapies for clinical conditions for which immunoglobulin is used, and to assess if and how other jurisdictions across Canada are using these alternatives. The work for this project will start in 2022/23 and will take a minimum of 18 months. The Ministry expects to finalize funding for this new plan with other provinces and territories, as well as Canadian Blood Services, by December 2024. In October 2021, the National Advisory Committee on Blood and Blood Products—which consists of health-care professionals with expertise in transfusion medicine and appointed by their respective provincial and territorial ministries, as well as Canadian Blood Services representatives—developed a proposal for a new National Immunoglobulin Shortages Management Plan to address complex scenarios that could emerge in severe shortages. The Ministry expects to finalize a mechanism with other provinces and territories, as well as Canadian Blood Services, to fund this new plan by December 2024.

Committee Recommendation	Status Details
regularly updating calculations to estimate the number of patients in most critical need of Ig in the event of an amber or red advisory to ensure the equitable distribution of Ig across Ontario. Status: In the process of being implemented by December 2024.	The Ministry had participated in discussions on the National Advisory Committee on Blood and Blood Products' proposal for a National Immunoglobulin Shortages Management Plan, and was working with other provinces and territories to determine a funding mechanism for the plan. The funding will support four key areas: ethical framework, triage and adjudication process, alternative therapies, and plan operationalization. If funding is received, the Ministry expects that, by December 2024, the National Advisory Committee will define a process by which to distribute immunoglobulins equitably in the event of a shortage, while taking into account ethical considerations.
Recommendation 13 The Ministry of Health should confirm that the production of the immunoglobulin manufacturing facility being built in Quebec will be in a position to serve all of Canada and ensure the facility has national outreach. Status: Fully implemented.	The Ministry noted that according to Grifols' press release in October 2020, Grifols will become the only large-scale commercial manufacturer of plasma products in Canada and will begin operating in 2023 once it obtains the necessary licences and authorizations. As an independent corporation, Grifols has full control of the strategic direction of its Montreal facility. The Ministry will continue to engage with Canadian Blood Services on any developments regarding Grifols' Montreal facility. The Ministry further noted that Canadian Blood Services will actively monitor Grifols' progress in operationalizing its Montreal facility. Any future contractual relationship, including the purchase of fractionation services at Grifols' Montreal facility, must be a result of a market-competitive process led by Canadian Blood Services.

Chapter 3

Section 3.03

Office of the Chief Coroner and Ontario Forensic Pathology Service

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, *2019 Annual Report*

On October 21, 2020, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2019 audit of the Office of the Chief Coroner and Ontario Forensic Pathology Service. The Committee tabled a report on this hearing in the Legislature in June 2021. A link to the full report can be found at auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 11 recommendations and asked the Ministry of the Solicitor General (Ministry)

to report back by September 2021. The Ministry formally responded to the Committee on September 29, 2021. A number of the issues raised by the Committee were similar to the audit observations of our 2019 audit, which we followed up on in our *2021 Annual Report*. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between March 2022 and July 2022, and obtained written representation from the Ministry that effective October 19, 2022, it

Figure 1: Summary Status of Actions Recommended in June 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	3	3				
Recommendation 6	1		1			
Recommendation 7	3	0.5	2		0.5	
Recommendation 8	1	1				
Recommendation 9	1	1				
Recommendation 10	1	1				
Recommendation 11	1	1				
Total	15	9.5	4	0	1.5	0
%	100	63	27	0	10	0

has provided us with a complete update of the status of the recommendations made by the Committee.

Detailed Status of Recommendations

Overall Conclusion

As of October 19, 2022, 63% of the Committee's recommended actions had been fully implemented, and 27% of the recommended actions were in the process of being implemented. In addition, 1.5 or 10% of the recommended actions will not be implemented.

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of the Solicitor General, 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 Ministry of the Solicitor General develop an oversight framework to ensure that the Office of the Chief Coroner and the Ontario Forensic Pathology Service address the recommendations provided by the Death Investigation Oversight Council, as well as other oversight bodies and reviews. Status: In the process of being implemented by March 2023.	The Ministry of the Solicitor General (Ministry) agrees that quality control and accountability should be in place to monitor compliance with all Ministry-accepted recommendations from oversight bodies. Under the <i>Coroners Act</i>, the Death Investigation Oversight Council (Council) has the authority to request updates on the implementation status of all oversight body recommendations issued to the Office of the Chief Coroner and the Ontario Forensic Pathology Service. The Office has designated project management functions to respond, implement and oversee recommendations made by oversight and review bodies, including a tracking tool that tracks progress on each action item. As well, the Office provides updates on its implementation progress to the Council at least on a quarterly basis. The Council plans to review the oversight model of the death investigation system under the Act. The Ministry expects that the Council-led review will be completed by March 2023.
Recommendation 2 The Office of the Chief Coroner and Ontario Forensic Pathology Service (Office) make the current status of implementation of, and responses to, recommendations made by coroner inquests and death review committees publicly available online. Status: Will not be implemented.	As noted in our Office of the Chief Coroner and Ontario Forensic Pathology Service follow-up (Section 1.08, 2021 Annual Report), the Office indicated that inquest recommendations are made public and responses to the recommendations are available by request and on online legal research sites. The Office asserted that it does not have the authority or mandate to require respondents to provide the current implementation status of inquest and death review committee recommendations for the purposes of making that information available to the public. The Office's position is that the public should make their own inquiries on the implementation status of these recommendations directly to the receiving government body or organization. The Office also noted the low volume of requests from the public and media and the cost of monitoring, translating and posting the status of implementation of and responses to recommendations made by coroner inquests and death review committees. Given that, the Office stated making the status available on the Ministry website would not constitute value for money.

Committee Recommendation	Status Details
Recommendation 3 The Office of the Chief Coroner and Ontario Forensic Pathology Service publish an annual online report on their performance and provide updates in future years if statistics pertaining to a particular year are revised. Status: Fully implemented.	The Office of the Chief Coroner posted its annual reports providing data on death investigations and inquest statistics up to 2019 on the Ministry website in March 2021. The Office indicated that there is at least a one-year lapse on reporting death statistics due to the investigation process. Death investigation statistics for 2020 are not yet finalized for publication due to some regions experiencing investigation backlog. The Office has assigned a regional supervising coroner to monitor that these backlogs be cleared. Similarly, the Ontario Forensic Pathology Service has made public its annual reports providing progress updates on its achievement of strategic and operational objectives, quality metrics and educational initiatives up to 2020/21, as of September 2022.
Recommendation 4 The Ministry of the Solicitor General obtain necessary expertise to evaluate the steps taken by the Office of the Chief Coroner and Forensic Pathology Service to address the billing irregularities (high combined coroner and OHIP billings) and potential conflict-of-interest cases identified by the Auditor, with a view to protecting public safety and ensuring fiduciary duty, and provide the Standing Committee on Public Accounts its assessment of the Office's actions taken as a result of its investigation. Status: Fully implemented.	The Office of the Chief Coroner and Forensic Pathology Service (Office) has implemented the following to address concerns raised in the 2019 audit report on high combined coroner and OHIP billings and potential conflict-of-interest cases: • reviewed the quality of death investigations in question; • established operational policies to prohibit double billing and manage conflict of interest; and • established a data-sharing process with the Ministry of Health to exchange information to detect billing irregularities and potential conflict-of-interest cases. The Office shared its internal review summarizing these actions and supporting documentations with the Ontario Internal Audit Division in the Treasury Board Secretariat in early August 2021. Internal audit conducted an independent review and in late August 2021 issued a letter to the Chief Coroner, the Chief Forensic Pathologist and the Deputy Solicitor General, Community Safety, concluding that the Office's actions were reasonable, sufficient and appropriate. The Ministry submitted this letter to the Standing Committee on Public Accounts in September 2021.
Recommendation 5 The Office of the Chief Coroner and Ontario Forensic Pathology Service should: • work with the College of Physicians and Surgeons of Ontario to develop more effective ways of sharing information about physicians with serious performance issues who are appointed as coroners who already have or may have serious performance issues; Status: Fully implemented.	The Office has outlined in its operational policy its process of informing the College of Physicians and Surgeons of Ontario to report on physicians who work as coroners and who are being investigated; who cease becoming a coroner; or if the Chief Coroner has determined that a coroner has practice-related concerns. The Office has worked with the College to establish a process to share information about physicians with performance issues. As of April 2022, a dedicated unit within the Office that provides quality control and continuous improvement functions has taken over the responsibility from a deputy chief coroner to liaise with the College. The Office last shared a listing of practicing coroners with the College in May 2021. The College indicated in spring 2022 that it will provide more regular updates to the Office now that it has resolved its IT challenges and staff turnover issues.

Committee Recommendation	Status Details
• update its policy to address when to suspend or terminate coroners with identified cases of professional misconduct, incompetence, other quality issues or ethical concerns; Status: Fully implemented.	The Office's updated policies, effective November 2020, outline situations to address investigating, suspending and terminating coroners. These situations include violating the code of ethics and where a coroner is under investigation for a civil or criminal matter or under investigation with respect to a complaint received by the Office. As well, Office policy now outlines the process of reviewing serious allegations of coroners by the Chief Coroner's Investigative Panel Steering Committee.
• report instances of professional misconduct, incompetence or other quality issues or ethical concerns to the College of Physicians and Surgeons of Ontario on a timely basis. Status: Fully implemented.	Under the regulatory requirements in the <i>Coroners Act</i>, the Chief Coroner is responsible for notifying the College of Physicians and Surgeons of Ontario with respect to professional misconduct, incompetence or other quality or ethical concerns. In addition, the Office has formalized the expectation in its operational policies to inform the College if the Chief Coroner has determined that a coroner has practice-related concerns. As well, the Office has amended its coroner hiring practices so that regional supervising coroners cross-reference potential applications with the disciplinary list on the College website to confirm that coroners do not have any concerns on their profile as shown on the regulatory college's website. Furthermore, the Office's hiring practice includes reviewing an official Certificate of Professional Conduct from the College for all potentially successful applicants prior to their appointments. The certificate confirms their standing and provides details regarding any disciplinary matters.
Recommendation 6 The Ministry of Health, in conjunction with the Office of the Chief Coroner and Ontario Forensic Pathology Service, should develop a process to, on a quarterly basis, obtain relevant coroner data and compare it with physician billing data, identify anomalies and investigate any billing violations and/or illegal practices. Status: In the process of being implemented by December 2022.	In 2021, the Office and the Ministry of Health (Ministry) established a data-sharing process for the purpose of auditing coroner compliance with the Office's policies regarding conflict of interest and performance management. Specifically, the Office will be providing relevant coroner data to the Ministry to extract relevant Ontario Health Insurance Plan (OHIP) data such that the Office can: • confirm coroners are not billing OHIP for death investigation services; • assess whether a coroner has investigated the death of a former patient, allowing the Office to determine if a conflict existed; and • assess reasonableness of the physician's workload via evaluation of estimated time expended on coroner and clinical work. The Ministry established a unit in April 2022 to support inter-ministerial data integration projects, including this data transfer project with the Office. The Ministry and the Office were in the process of finalizing a Memorandum of Understanding to outline their respective roles and responsibilities regarding data transfer and analysis in fall 2022. The Office expects to obtain the needed data from the Ministry to conduct its assessment and have the results by December 2022, and will then conduct data review every quarter thereafter.

Committee Recommendation	Status Details
Recommendation 7 The Office of the Chief Coroner and Ontario Forensic Pathology Service should: establish minimum and maximum caseload guidelines for coroners' work and engage an external reviewer to examine the appropriateness of these guidelines; Status: Fully implemented establishing guidelines; will not be implementing recommendation on engaging an external reviewer.	The Office has added minimum and maximum caseload guidelines to its operational policy effective March 2021. According to the policy, regional supervising coroners will identify coroners who complete fewer than 10 investigations or more than 200 investigations in a year and include this information for consideration in the coroner's performance review. The range was established following consultation with regional supervising coroners in February 2021. The Office indicated that there is no accepted industry standard regarding coroner caseloads given the variation in death investigation systems across Canada. Also, it did not engage and does not plan to engage an external reviewer to examine the appropriateness of these caseload guidelines. Nevertheless, the Office recognizes the potential for caseload to affect quality. At the time of our follow-up, the Office was developing a new service delivery model within the death investigation system. The Office plans to, with consultants' assistance, establish a new performance management framework for death investigators, which may include additional parameters and guidelines for coroner caseloads.
assess the reasonableness of coroners' caseloads periodically by analyzing caseload and total workload using Ontario Health Insurance Plan (OHIP) claims data; Status: In the process of being implemented by December 2022.	The Office's regional supervising coroner reviews the quality and timeliness of communication and reports as well as the effectiveness and completion of other investigative tasks of low caseload coroners. The Office has established a data-sharing process with the Ministry of Health where the Office will provide the Ministry of Health with a list of all days that the coroner worked and the corresponding number of investigations per day worked, for any coroner who exceeded 200 investigations in a year. The Ministry of Health would then link the OHIP billing data to those coroners and those days to allow the Office to analyze whether the coroner's overall workload associated with the combined OHIP billings and death investigations was reasonable. The Office expects to conduct its first audit in fall 2022 and have the results by December 2022; it intends to repeat this audit every year.
establish a policy prohibiting coroners from billing OHIP for the same services as the Office, and monitor compliance with this policy with a view to pursuing legal/disciplinary options for violators. Status: In the process of being implemented by December 2022.	The Office developed a policy in late 2020 that prohibits coroners from billing for OHIP services provided as part of a death investigation. As well, in 2021, the Office implemented a data-sharing process with the Ministry of Health to identify coroners who bill OHIP for death investigation services. The Office expects to have the results of its first analysis by December 2022 and expects that it will repeat this review every quarter for a random sample of 10% of all coroners.

Committee Recommendation	Status Details
Recommendation 8 The Office of the Chief Coroner and Ontario Forensic Pathology Service require all coroners to attend ongoing annual competency-based training as a requirement to maintain a coroner designation, in accordance with the recommendation from the Death Investigation Oversight Council in 2014, and put in place consequences for non-attendance, such as suspension/termination of the right to practice as a coroner in Ontario. Status: Fully implemented.	The Office implemented a policy in November 2020, which states that coroners shall strive to increase their knowledge of the proper and effective performance of their duties and shall attend or complete required programs and courses conducted by the Chief Coroner for the instruction of coroners, both in their initial qualification and in the ongoing performance of their duties. The Office provides training for new coroners as well as an annual education course for all coroners. The Office, as indicated in its policy that became effective in October 2021, expects all coroners to attend the annual education course. The policy further indicates that coroners who cannot attend must arrange an equivalent program with their regional supervising coroner. The Office last delivered the annual education course in November 2021. As of April 2022, 26 coroners had not taken the course at least once in the last three years and 95 coroners had yet to take the course. The Office's regional supervising coroners committed to act on these cases, including monitoring that these coroners either take the 2022 course, which is scheduled to occur before the end of 2022, or review the course material electronically. The Office has put in policy to indicate that violating the Coroner's Code of Ethics, which includes attending training, will result in an investigation and could result in suspension or termination.
Recommendation 9 The Office of the Chief Coroner and Ontario Forensic Pathology Service develop policies to describe the proper and systematic storage of bodies and for performing inventories of bodies, and to monitor compliance. Status: Fully implemented.	With respect to hospital-based forensic pathology units, the Office prepared minimum body management standards to inform the proper and systematic storage of bodies, and included them in its transfer payment agreements with all regional units, starting in 2020/21. These standards include, for example, requirements that each gurney or storage shelf should have a unique identifier to mark its location, bodies must not be stored on the floor, and the temperature in the cooler where bodies are kept must be electronically monitored 24 hours a day, seven days a week. With respect to community hospitals, the Office distributed best practice guidelines for body management storage practices for all deaths to all hospitals through the Ontario Hospital Association in February 2021. With respect to the provincial forensic pathology service unit in Toronto, the Office developed a body cooler management policy, which became effective in June 2020, to provide direction to pathology staff. The policy includes a description of what each cooler and each freezer is to be used for and the temperature ranges of these pieces of equipment. The Office performs weekly inventory in the Toronto unit to monitor whether staff have conformed to the standard operating procedures. As well, the Office hired additional morgue technologists in September 2021 and an unidentified/unclaimed human remains co-ordinator in January 2022 to improve its ability to manage bodies.

Committee Recommendation	Status Details
Recommendation 10 The Office of the Chief Coroner and Ontario Forensic Pathology Service provide the Committee with an explanation of how the separation between the dispatch and body management roles has improved body management practices in Toronto. Status: Fully implemented.	The following is an excerpt of the formal response from the Ministry to the Committee in September 2021: - Historically, a single full-time-equivalent position called Dispatcher and Mortuary Assistant was responsible for all calls related to death investigation in the province, along with receipt and release of remains, identification of remains and overall morgue management at the Toronto provincial forensic pathology unit. - As a result of unprecedented case numbers of the past few years related to, for instance, suspected opioid- and drug-related deaths, Office management has determined one position to support call volume and body management was unsustainable. It proposed the separation of the dispatch role from the mortuary assistant function to ensure sufficient around-the-clock coverage, decrease the risk of errors and streamline workflow. - The Office created a new position of morgue technologist in 2020 to support body accession and release functions and provide dedicated management of body storage and tracking at the Toronto unit morgue; permanent staff have been in place since September 2021. - The Office reported that with new dedicated and focused capacity, there have been no critical errors in body management at the Toronto unit, pressure on other staffing roles has been relieved and overall body management workflow has been streamlined to adhere to best practices. Management continues to monitor and improve the performance metrics related to this new function.
Recommendation 11 The Office of the Chief Coroner and Ontario Forensic Pathology Service, in coordination with the Ministry of Health, develop a communication strategy (with a public education component) to educate relevant parties from the healthcare community on the legislative requirement to report deaths for investigation. Status: Fully implemented.	The Office in March 2021 approved a communication strategy, which includes leveraging existing public education resources available on the Ministry website and Ontario.ca, developing education content by Queen's University for the health-care sector on legislative requirements on reporting deaths for investigation, and continuing outreach and education delivered by regional supervising coroners to law enforcement and the medical community. Regional supervising coroners also provide ongoing education to hospitals and other justice sector partners on the requirement of reporting deaths to the Office. During the COVID-19 pandemic, the Office has participated in developing and delivering education programs that are now offered virtually. For example, the Office participated in a convention related to long-term care and retirement living in April 2022 about legislatively obligated death reporting processes. As well, the Office has two information guides for families and loved ones—one on death investigations in Ontario and the other specifically for deaths in long-term-care homes—that provide information on the types of deaths that must be reported to a coroner. These guides were developed in 2014 and July 2020, respectively.

Chapter 3

Section 3.04

Retirement Homes Regulatory Authority

Standing Committee on Public Accounts Follow-Up on the Retirement Homes Regulatory Authority, *2020 Annual Report*

On April 21, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit of the Retirement Homes Regulatory Authority. The Committee tabled a report on this hearing in the Legislature in February 2022. A link to the full report can be found at <http://www.auditor.on.ca/en/content/standingcommittee/standing-committee.html>.

The Committee made 30 recommendations and asked the Ministry for Seniors and Accessibility (Ministry) and the Retirement Homes Regulatory

Authority (Authority) to report back by June 2022.

The Ministry and the Authority formally responded to the Committee on June 22, 2022 and again on August 12, 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 2022 and August 2022, and obtained written representation from the Ministry and the Authority that, effective October 31, 2022, they have provided us with a complete update of the status of the recommendations made by the Committee.

Figure 1: Summary Status of Actions Recommended in February 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	2				2	
Recommendation 4	4	2	1	1		
Recommendation 5	2		2			
Recommendation 6	1		1			
Recommendation 7	4	1	2	1		
Recommendation 8	4	2	1	1		
Recommendation 9	2	2				
Recommendation 10	1		1			
Recommendation 11	3	1	2			
Recommendation 12	1	1				
Recommendation 13	2	2				

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 14	2		2			
Recommendation 15	5	1	4			
Recommendation 16	1	1				
Recommendation 17	1	1				
Recommendation 18	1		1			
Recommendation 19	3			3		
Recommendation 20	4	3	1			
Recommendation 21	2		1	1		
Recommendation 22	1	1				
Recommendation 23	1		1			
Recommendation 24	5	1	3	1		
Recommendation 25	1		1			
Recommendation 26	3	2	1			
Recommendation 27	3		3			
Recommendation 28	1	1				
Recommendation 29	1	1				
Recommendation 30	1		1			
Total	64	22	32	8	2	0
%	100	34	50	13	3	0

Overall Conclusion

As of October 31, 2022, 34% of the Committee's recommended actions had been fully implemented, and 50% of the recommended actions were in the process of being implemented. There has been little or no progress on 13% of the recommended actions, and the Ministry will not be implementing two of the 64 recommended actions. The Ministry has requested the Committee to redirect these two recommendations to the Ministry of Health, the Ministry of Municipal Affairs and Housing and the Ministry of Long-Term Care.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry for Seniors and Accessibility and the Retirement Homes Regulatory Authority, 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 Ministry for Seniors and Accessibility should work with other relevant ministries, as applicable, to clarify the responsibility of and establish a process for effective inspection and complaint-handling for individuals in retirement homes who were designated as alternate level of care (ALC) or who occupy subsidized beds. Status: In the process of being implemented by December 2022.	In November 2020 the Ministry for Seniors and Accessibility (Ministry) formed a cross-ministry internal advisory committee that included representatives from the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Municipal Affairs and Housing and the Ministry of Government and Consumer Services. The purpose of the committee was to build and enhance support for Ontario seniors living in retirement homes and other settings. As well, the Ministry established a working group to clarify the responsibility of inspection and complaints handling for spaces in retirement homes exempt from the <i>Retirement Homes Act, 2010</i> (Act). The working group reports into the internal advisory committee. The working group met in May, June and October 2021 and March 2022; the advisory committee met in May, September and December 2021 and January and March 2022. The Authority shared data, information and advice with the ministries on which retirement homes have subsidized suites and other pertinent information on subsidized programs throughout 2021. The Ministry, in April 2021, confirmed via a memo to the Authority, that the Authority has full regulatory oversight responsibility for patients designated as alternate level of care who are transferred to a licensed retirement home under the Ministry of Health's short-term transitional care program. This responsibility encompasses the complaints and inspection provisions of the Act. The Authority indicated that it will seek clarification from the ministries on the appropriate program authority and service provider(s) for those subsidized beds that are exempt under the Act. The Ministry informed us that it will work with the Authority, the Ministry of Health, the Ministry of Long-Term Care and Ontario Health to facilitate the sharing of information with the Authority to support alternate level of care residents in retirement homes, and to communicate by December 2022 with residents and families about the rights and protections afforded under provincial legislation. The Authority has been tracking the number and types of complaints received since April 1, 2021. Two formal complaints have been received involving residents in subsidized beds. The Authority indicated that it plans to address complaints involving subsidized residents with available resolution under the <i>Retirement Homes Act, 2010</i> and through referrals to appropriate agencies. The Authority has inspected retirement homes that have subsidized beds since 2021 and is engaging other ministries and agencies to seek clarification at a program level about determining whether a home or a portion of a home falls within an exemption of a retirement home in the Act. The Authority plans to update its communications about the complaints process, where appropriate, by December 2022.
Recommendation 2 The Ministry for Seniors and Accessibility and the Retirement Homes Regulatory Authority should work together to raise public awareness regarding the complaints process for alternate level of care residents and individuals occupying subsidized beds. Status: In the process of being implemented by December 2022.	In July 2021, the Authority added new information to its website to clarify its oversight role and to refer complainants to the correct regulatory authority. The Authority noted that it will continue to monitor care programs when it becomes aware of them in retirement homes through its inspection process. The Authority is engaging other ministries and agencies to seek clarification at a program level about determining whether a home or a portion of a home qualifies as an exemption of a retirement home in the Act. The Authority plans to update its communications about the complaints process, where appropriate, by December 2022.

Committee Recommendation	Status Details
Recommendation 3 The Ministry for Seniors and Accessibility should require the Retirement Homes Regulatory Authority to publish performance indicators and data: - on alternate level of care patients and subsidized beds in retirement homes on a regular basis (e.g., bed occupancy, length of stays, percentage of residents admitted to long-term care homes); Status: Will not be implemented; the Ministry for Seniors and Accessibility requests that this recommendation be redirected to the Ministry of Health and the Ministry of Municipal Affairs and Housing. - on all other retirement home residents that are waiting for placements in long-term care homes (e.g., number of residents on long-term care placement waiting lists and length of time on waiting lists). Status: Will not be implemented; the Ministry for Seniors and Accessibility requests that this recommendation be redirected to the Ministry of Long-Term Care.	The Ministry indicated that the Authority is required by legislation to publish information relating to inspections and complaints handling in its annual report; such information may include data on alternate level of care patients and patients in transitional care spaces and subsidized beds in retirement homes. The Authority does not have data on bed occupancy, length of stays and percentage of residents admitted to long-term care homes. The Ministry recommended that the Committee redirect the recommendation to the Ministry of Health and the Ministry of Municipal Affairs and Housing to collect and publish performance indicators and data on alternate level of care patients and subsidized beds in retirement homes. The Ministry of Health provides funding for spaces in retirement homes occupied by patients in transitional care program; the Ministry of Municipal Affairs and Housing provides funding for spaces in retirement homes occupied by individuals in the Homelessness Prevention Program. The Ministry recommended that the Committee redirect the recommendation to the Ministry of Long-Term Care to collect and publish performance indicators and data on all other retirement home residents that are waiting for placements in long-term care homes. The Ministry indicated that the Authority does not manage or have oversight with respect to long-term care home wait lists or wait time. The Ministry noted that the public can access wait lists and wait times for long-term care homes via the Health Quality Ontario website; however, the information is not specific to those waiting in retirement homes. Health Quality Ontario operates as part of Ontario Health; the Chair of Ontario Health is accountable to the Minister of Health.
Recommendation 4 The Retirement Homes Regulatory Authority should work with partner ministries to better protect retirement home residents who require increased levels of care by: - accelerating the Retirement Homes Regulatory Authority's work to develop different approaches to regulating different retirement homes, including finalizing the licence classes evaluation; Status: In the process of being implemented by March 2023. - determining the best practice of delivering support services in retirement homes while protecting the safety of residents; Status: Little or no progress. - establishing an inspection process with clear roles and responsibilities to address the complexities and various levels of care for residents in retirement homes; Status: Fully implemented.	The Authority assigned a project manager in fall 2021 to advance its licence classes evaluation project and develop the project charter. The Authority has identified data it needs to collect from licensed retirement homes to inform an assessment of evolving resident health profiles and plans to start collecting this data by fall 2022. It has also established a working relationship with McMaster University to help interpret data for recommendations on next steps. By March 2023, the Authority expects to work with the Ministry for Seniors and Accessibility (Ministry) and other government agencies to develop an oversight model proportionate to a resident's care needs, provide advice to the Ministry in its review of the <i>Retirement Homes Act, 2010</i> to identify potential statutory amendments that would provide the Authority with flexibility to address the evolving nature of care service delivery in retirement homes, and develop a purposeful approach to regulatory oversight, given varying and evolving business models, that ensures residents are protected from harm. The Authority noted that it had not implemented this action due to resource constraints. It plans to address this audit recommendation by December 2023. The Authority increased its number of inspectors to 20 (in 2021/22) from 13 in the three years prior. It has hired inspectors with increased clinical knowledge to better understand and address issues related to the increasingly complex levels of care of retirement home residents. As well, it has updated its inspection approach to take into account the compliance history and a risk assessment of individual homes and their resident population.

Committee Recommendation	Status Details
strengthening enforcement mechanisms for retirement homes that provide insufficient care services to residents. Status: Fully implemented.	The Authority restarted its compliance support processes in March 2021, to assist homes in understanding the legislative requirements and ways to come into compliance outside of enforcement action. As well, between March 2021 and November 2021 the Authority added staff resources in the area of compliance support. These new positions are intended to assist retirement home operators in meeting compliance requirements; this may in turn mitigate the number of incidents requiring enforcement action. Between 2019/20 and 2021/22, the number of retirement homes that have participated in compliance support increased from 14 to 52. Further, in July 2021 it implemented a new procedure to guide staff in the finance, compliance, licensing, inspections and complaints departments, as well as the Registrar or Deputy Registrar, to make discretionary referrals to the enforcement department. The procedure includes instructions on the type of information needed to refer, including a description of the issue and an assessment of urgency. Between 2019/20 and 2021/22, the number of enforcement actions taken increased from 24 to 61.
Recommendation 5 The Retirement Homes Regulatory Authority should improve data-driven decision-making to strengthen the oversight of staffing and care services by: - establishing a process to collect aggregate data on residents and retirement homes (including staffing); Status: In the process of being implemented by March 2023. - establishing resident profiles for different levels of care using aggregate data and publishing this information publicly. Status: In the process of being implemented by October 2023.	Legislative changes under the <i>Retirement Homes Act, 2010</i> to support the collection of resident and substitute decision-maker contact information came into effect in March 2022, following collaborative work between the Authority and the Ministry during 2021. As well, the Authority had been working with Ontario Health since September 2021 to obtain data on retirement home residents. It also began a data management project in September 2021 to establish data governance and security and perform a privacy impact assessment to ensure protection of all data, including personal health information. Further, it established an understanding with the Office of the Chief Coroner about data the Office has on retirement home deaths. Moreover, the Authority established a Memorandum of Understanding with the Ministry of Finance in January 2022 to set out the terms and conditions for the collection, use and disclosure of information between the two parties. By March 2023, the Authority expects to have a list of relevant organizations that collect information on retirement homes and their residents, with a focus on the services the residents receive, in order to assess the data quality and usefulness for internal use. The Authority developed, in September 2021, a stakeholder consultation plan to support a planned routine collection of data from licensed retirement homes, such as information on care services that residents receive. Following consultation with the sector, expected to begin in January 2023, the Authority will develop a framework for collecting this data and begin collecting it by October 2023. Ultimately the data would be analyzed and used to inform policy development.

Committee Recommendation	Status Details
Recommendation 6 The Ministry for Seniors and Accessibility should work with other relevant ministries to ensure retirement homes with individuals designated as alternate level of care or who occupy subsidized beds are inspected on a regular basis and standards of care are enforced. Status: In the process of being implemented by March 2024.	The Ministry provided \$5 million to the Authority in 2021 to conduct increased inspections and respond to emergency and crisis situations in retirement homes due to the COVID-19 pandemic. In addition, the Authority has identified that 39 retirement homes have subsidized beds. Since 2021, it has conducted at least one inspection at each of these retirement homes. In December 2021, legislative changes have permitted the Authority to receive data and information from retirement homes on beds occupied by people who are designated as alternate level of care or funded by subsidized programs that are subject to requirements under the <i>Retirement Homes Act, 2010</i>. The Authority plans to continue conducting inspections in retirement homes with residents designated as alternate level of care or in subsidized spaces and address allegations involving these residents on a case-by-case basis. The Authority indicated that it will seek clarification from the ministries on the appropriate program authority and service provider(s) for those subsidized beds that are exempt under the Act, and expects to collect information related to these beds from retirement home operators. Where possible, the Authority will collaborate with appropriate programs and service providers in order to conduct focused inspections at these homes by March 2024.
Recommendation 7 The Retirement Homes Regulatory Authority should improve the inspections process by: - determining additional data needs, finalizing data collection, and updating the risk assessment model accordingly; Status: In the process of being implemented by January 2024. - regularly reviewing its risk assessment model and incorporating relevant data and updating the model accordingly; Status: Fully implemented.	The Authority was including instances of injuries reported to it for inclusion in the risk assessment model. To further augment its risk model, in May 2022 the Authority requested data from Home and Community Care Support Services and began discussions with the Ministry of Finance about the process of sharing data. Furthermore, in January 2021, the Minister for Seniors and Accessibility approved the Authority's policy to request information such as clinical and functional profiles of residents and care services that the retirement home makes available in order to rank retirement homes based on risk of harm to residents. The Authority will be collecting additional resident data to update its risk model in January 2024. The Authority reviews its risk model annually for continuous improvements, including adjusting harms attributions and adding data elements to inform the risk model. For example, the Authority has identified internal data such as mandatory report inquiry for inclusion in assessing risk of harm, outside of information collected through inspection. The Authority has adjusted the method of calculating routine inspection frequency based directly on risk of harm, as of January 19, 2021. Further, the Authority completed the complaints analysis in August 2021. It reviewed complaints trends findings and did not identify any significant trends. To better inform the selection of retirement homes for earlier inspections, the Authority has amended its risk model to take into consideration reported incidents that did not result in inspections. The revised model was put in place in April 2022.

Committee Recommendation	Status Details
- ensuring they have the information required (e.g., alternative level of care status or external care needs) to assess inspection needs; Status: In the process of being implemented by October 2023. - publicly sharing the actions it takes to ensure compliance for homes that fail to provide adequate care and publish information about homes that fail to comply on its website to improve accountability. Status: Little or no progress.	In September 2021, the Authority developed a stakeholder consultation plan to support a planned routine collection of data from licensed retirement homes, such as information on care services that residents receive. Following consultation with the sector, expected to begin in January 2023, the Authority will develop a framework for collecting this data and begin collecting it by October 2023. Ultimately the data would be analyzed and used to inform policy development. As well, to better incorporate the work of public health in the Authority's inspections of retirement homes, the Authority came to an agreement with the Ministry of Health to obtain retirement home outbreak data until July 2022. The Authority has been receiving this data on a monthly basis. By June 2023, it aims to obtain information from the Ministry of Health with respect to public health orders issued at licensed retirement homes. Pending receipt of compliance data, the Authority will review and incorporate relevant lessons learned from this data into its operational processes and training by August 2023. The Authority plans to publish by March 2024 the nature and quantity of complaints for each retirement home when it takes enforcement action against a home where a complaint originated. It also plans to incorporate the nature and quantity of complaints into the retirement home database in the context of the future development of a public report card by March 2024, and consider increased transparency regarding the nature and quantity of complaints for each retirement home in the development of enhanced inspection reports and the report card.
Recommendation 8 The Retirement Homes Regulatory Authority, in order to ensure that retirement homes have appropriate infection and prevention controls in place, should: - assess whether retirement homes have appropriate practices on infection and prevention control; Status: Fully implemented. - regularly collect data on retirement homes' practices and infection prevention control; Status: In the process of being implemented by June 2023. - regularly incorporate any lessons learned from public health inspections into inspector training; Status: Little to no progress.	The Authority, in November 2020, updated its inspection checklist to include a section on infection prevention and control. At that time it developed guidelines to clarify how licensed retirement homes should conform with applicable legislative and regulatory requirements. It also shared with licensed retirement homes the compliance assistance materials available to support their implementation of sound infection prevention and control practices. As well, the Authority updated the COVID-19 checklist in June 2021 and again in September 2021 to align with Chief Medical Officer of Health directives, Authority directives and applicable legislation and regulations. Further, the Authority updated its routine inspections process in September 2021 to incorporate an assessment of infection prevention and control risks, to determine whether inspections of certain homes needed to be prioritized. To better incorporate the work of public health in the Authority's inspections of retirement homes, the Authority came to an agreement with the Ministry of Health to obtain retirement home outbreak data until July 2022. The Authority has been receiving this data on a monthly basis. By June 2023, it aims to obtain information from the Ministry of Health with respect to public health orders issued at licensed retirement homes. The Authority told the Committee it will review information and lessons from public health compliance data and update its inspector training, including inviting public health units to provide training where appropriate.

Committee Recommendation	Status Details
request that retirement homes incorporate pandemic plans in emergency plans, including personal protective equipment supply. Status: Fully implemented.	The regulation under the <i>Retirement Homes Act, 2010</i> was amended, effective March 2022, to require that retirement homes address pandemics and epidemics in their emergency plans, which are to be tested annually. The regulation also requires that emergency plans meet certain requirements, including setting aside resources such as personal protection equipment so that they are readily available during an emergency. In September 2022, the Authority communicated guidance to the sector on compliance expectations to reflect the new regulatory requirement and provided training to its inspectors.
Recommendation 9 The Retirement Homes Regulatory Authority should: - clear the entire backlog of proactive routine inspections with enhanced infection and prevention controls; Status: Fully implemented. - implement a plan for routine inspections to avoid future backlogs. Status: Fully implemented.	The Authority updated its inspection checklist in November 2020 to include a section on infection prevention and control. The Authority suspended all proactive inspections in the first week of March 2020 because of the COVID-19 pandemic. A backlog of proactive routine inspections had accumulated between March and November 2020, at which time the Authority resumed these inspections. By March 2021 the backlog had grown to over 450, compared to 93 in June 2020. The Ministry provided \$5 million to the Authority in 2021, which supported increased inspections. The Authority cleared the backlog noted in the 2020 audit by the Office of the Auditor General as of March 2022. In April 2021, the Authority developed a prioritization plan to overcome its inspection backlog. The plan prioritizes homes that are newly licensed or have not received a routine inspection within three years. The Authority also hired 10 additional inspectors between January 2020 and September 2021 (for a total of 23 inspectors) to help address the inspections backlog. As well, the Authority has developed a tracking spreadsheet to monitor any unexpected backlog of routine inspections above its normal throughput of work.
Recommendation 10 The Retirement Homes Regulatory Authority should better manage inspector caseloads by regularly monitoring inspector caseloads, reassessing caseload targets, and reassigning cases if necessary. Status: In the process of being implemented by December 2022.	The Authority has developed a report to monitor inspector caseloads and time taken to finalize inspections assigned to them each year. It has also developed estimates for the number of hours and days needed for each type of inspection, based on average times reported by inspectors. The Authority plans to review these metrics and revise them as needed by December 2022 in order to deploy resources optimally and distribute inspection work based on individual skill sets, workloads and knowledge.
Recommendation 11 The Retirement Homes Regulatory Authority, in order to reduce the impacts to residents of retirement homes when implementing management orders, should: maintain a formal roster of qualified management candidates that could be quickly deployed if necessary; Status: Fully implemented.	In August 2021, the Authority established a list of potential managers within its compliance monitoring department such that suitable managers are accessible and can be deployed to retirement homes during times of crisis.

Committee Recommendation	Status Details
- determine guidelines for making emergency funding available for homes under management orders that require financial resources; Status: In the process of being implemented by March 2023. - work together with the Ministry for Seniors and Accessibility to ensure residents in retirement homes are protected in a similar manner to residents in long-term care during public health emergencies. Status: In the process of being implemented by March 2024.	The Authority advised the Ministry, in January 2021, that the Authority lacks the ability to implement effective changes without co-operation, financial commitment and/or funding from the home operator needed to improve operation. The Authority recommended to the Ministry that they work together to explore various funding models for the costs associated with the use of a management order. In August 2021, the Authority piloted a program to provide temporary crisis funding to retirement homes under a management order where financial constraints are a barrier for the manager to protect residents. The temporary crisis fund, of up to \$100,000 for each eligible retirement home that applies to this program, is funded by the Ministry. This funding was part of a \$5 million Ministry grant to the Authority in 2021 to conduct increased inspections and respond to emergency and crisis situations in retirement homes due to the COVID-19 pandemic. This program ended in March 2022. The Authority expects to hold additional discussions with the Ministry by March 2023 to determine in principle whether and how funding may apply post March 2022. The Authority provided input to the Ministry in spring 2021 to develop guidance for retirement homes regarding visitors' policies. This guidance followed the Chief Medical Officer of Health's directive on long-term-care homes, which also applied to retirement homes. Similarly, the Authority issued recommendations and guidance to retirement homes about asymptomatic COVID-19 screen testing and vaccination in July 2021, September 2021 and March 2022. The Authority also distributed newsletter updates to retirement home operators and posted resources on its website regarding matters such as vaccination rollout and COVID-19 screening tools—these apply to both long-term-care homes and retirement homes. As well, throughout 2021 and 2022, the Authority provided feedback to the Ministry on matters related to modifying restrictions, such as when organized social activities were allowed to take place in retirement homes as compared to long-term-care homes. By March 2024, the Authority expects to continue to be supporting and advising the Ministry, as the province responds to the pandemic in a post-emergency state, about recalibrating measures related to the COVID-19 pandemic.
Recommendation 12 The Retirement Homes Regulatory Authority should ensure that family and friends providing caregiving services can continue to do so throughout a public health emergency while following appropriate public health measures. Status: Fully implemented.	The Authority had shared concerns about retirement home residents' physical and mental well-being with the Ministry and the Chief Medical Officer of Health in spring 2021. The concerns were based on feedback from residents and families regarding the timing and nature of restrictions placed on social activities. As well, between March 2020 and January 2022, the Authority supported the Ministry for Seniors and Accessibility in developing and posting guidance and the latest updates on visitors' policies to residents, families and operators. The Authority likewise communicates with and supports retirement homes via disseminating newsletters and resources on its website to help them adhere to public health directives and guidance, such as appropriate infection prevention and control procedures for visitors. Lastly, the Authority took the step of referring 25 retirement homes to the Canadian Red Cross for support between January 2021 and March 2022; these independently operated homes were typically smaller, served individuals at the low end of the economic scale, and did not have the support from head offices of retirement homes that are part of a chain operation. These efforts were facilitated by the Ministry's contract with the Canadian Red Cross, at a ceiling price of about \$1.5 million, to provide on site mobile support teams to licensed retirement homes.

Committee Recommendation	Status Details
Recommendation 13 The Retirement Homes Regulatory Authority should better inform the public about the number of infections in retirement homes throughout a pandemic by: • working with the Ministry for Seniors and Accessibility to obtain data from the Ministry of Health or local public health agencies; Status: Fully implemented. • publishing COVID-19 data on a regular basis. Status: Fully implemented.	The Authority had been obtaining from the Ministry of Health (Ministry) COVID-19 outbreak data on a monthly basis since November 2020, pursuant to an information-sharing agreement established between the Ministry and the Authority in July 2020. The Authority uses the public health data to validate its own records and has updated its own data, for instance in September 2021, when it noted that the public health data contained information that it did not already have. However, Authority staff have found that, overall, the data they collect directly from retirement homes is more current, complete and reliable, primarily due to the public health units not consistently defining retirement homes and categorizing outbreak locations as retirement homes. The Authority began posting the number of resident and staff COVID-19 cases and deaths per retirement home on March 16, 2021. The Authority updates the “COVID-19 dashboard” daily from Monday to Friday, except on statutory holidays, based on information it obtains directly from retirement homes and direct inquiries.
Recommendation 14 The Retirement Homes Regulatory Authority should: • require retirement homes to report occupancy data on a monthly basis and enforce capacity limits set by their licence, as determined by the Authority; Status: In the process of being implemented by December 2022. • work with the Ministry for Seniors and Accessibility to establish a regular reporting schedule to share this information. Status: In the process of being implemented by March 2023.	The Authority had been collecting, between December 2020 and February 2022, occupancy information and vaccination data from retirement homes via a survey, and provided this information to the Ministry. By December 2022, the Authority plans to include occupancy data as part of its data collection plan and will undertake consultation to advise stakeholders of its intent to collect occupancy data. The Authority indicated that creating and enforcing capacity limits are not within the regulatory framework for licensing, but it will work with the Ministry to assess the feasibility of amending the <i>Retirement Homes Act, 2010</i>, by December 2022. Amendments to the Act may be made as a result of this work. In January 2021, the Authority requested the Ministry provide direction on the need for ongoing occupancy data collection and the frequency of such collection. The Ministry indicated in June 2021 that it expected the Authority to collect occupancy data in accordance with the request-for-information policy the Ministry had approved in January 2021. It proposed that the Authority continue to collect occupancy data quarterly for the remainder of 2021/22. The Authority had not collected occupancy data from retirement homes on a regular basis since December 2020 but committed to consulting with the sector by December 2022 and collecting occupancy data, subject to the outcome of consultation, by March 2023.
Recommendation 15 The Retirement Homes Regulatory Authority should improve the licensing process for retirement homes by: • revoking licences of homes which continually fail to meet all the requirements within a reasonable amount of time; Status: Fully implemented. • finalizing work on its licence classes and submitting this work to the Ministry promptly; Status: In the process of being implemented by March 2023.	The Authority informed the Committee that it will continue to apply the appropriate statutory and common law principles, including resident safety, and proportionality when making enforcement decisions, including statutory decisions to revoke licences. For example, it revoked the licence of one home in August 2021 and two other homes in November 2021 because they did not meet the licence condition to have fire sprinkler systems installed. The Authority received internal approval in December 2021 to resume work on the licence class project, which was reframed to look more broadly at assurance of quality. Following the completion of this work, the Authority expects to provide advice to the Ministry for Seniors and Accessibility regarding strengthening the licensing framework by March 2023.

Committee Recommendation	Status Details
- ensuring licensing procedures include a review of the application and the applicant's background checks; Status: In the process of being implemented by March 2023. - ensuring applicants monitor licence conditions and report updates or changes as necessary; Status: In the process of being implemented by December 2022. - following up on licence conditions made. Status: In the process of being implemented by December 2022.	The Authority has revised its licence application forms in September 2021 to require an applicant to give consent to the Authority to collect, use and disclose personal information and to share any information in the course of determining qualification for a licence to allow for background checks. As well, the Authority has developed criteria in November 2021 to guide its staff in determining when background checks should be conducted for licensing applicants over and above the standard process so as to reduce the risk of financial solvency issues. It also updated its internal review process in October 2021 to include guiding questions to assess the financial health of applicants. By March 2023, the Authority will explore methods to confirm applicants' financial viability and monitor homes' financial viability once licensed, identify indications of financial irresponsibility, and work with industry associations to develop an approach to inform and educate licensees about financial responsibility. The Authority was in the process of developing a communications strategy and will, by December 2022, communicate to retirement homes to remind them about financial responsibility and work with industry associations to understand what training and supports retirement homes may require to be better equipped to meet their licence conditions. The Authority expanded its capacity—including consulting with other regulators about the role of a compliance monitor and hiring an individual for this role at the Authority—to address issues related to ongoing compliance monitoring for certain issues, including compliance with licence conditions, in September 2020. Then, in September 2021, the Authority developed internal procedures to outline its compliance monitoring process so as to more systematically follow up, apart from inspections. By December 2022, the Authority expects to have staff resources to better enable follow up on any licence conditions on a timelier basis.
Recommendation 16 The Retirement Homes Regulatory Authority should ensure that all licensed retirement homes have installed fire sprinkler systems that are in working order. If homes do not comply, the Authority should take appropriate enforcement measures. Status: Fully implemented.	The Authority had imposed November and December 2020 deadlines for all licensees that had not completed the installation of their fire sprinkler systems. For some of these homes, the deadline was extended to September 2021. The Authority took actions on those homes that failed to meet requirements by the deadlines. In 2021, the Authority revoked the licences of three of the five retirement homes that had not installed sprinklers, as noted by the Auditor General in her 2020 audit. The remaining two homes had complied with sprinkler requirements and remained open.
Recommendation 17 The Retirement Homes Regulatory Authority should protect consumers from unknowingly purchasing accommodation and care services from unlicensed and unregulated retirement homes by finalizing its review of the 234 congregate settings identified in the audit that may require a licence and taking enforcement measures as appropriate to ensure all retirement homes are licensed according to the law. Status: Fully implemented.	The Authority has been assessing, since June 2021, whether the 234 (ultimately 231) congregate settings may or may not be subject to the <i>Retirement Homes Act, 2010</i> due to a change in their circumstances. The assessment strategy guides staff on how to collect current information about these settings and on next steps, which may include follow-up and inspection. By August 2022, the Authority had assessed all 231 homes. Also, the Authority indicated that the amended Act allowed it to better protect residents in unlicensed retirement homes. Effective December 2021, the Authority could impose requirements on licensees during the licensing application process in cases where the Registrar has issued an order to direct the operator of an unlicensed home to apply for a licence. The Authority provided an update on the outcomes of the unlicensed homes review to the Ministry in March 2022 and indicated it plans to provide an annual update thereafter.

Committee Recommendation	Status Details
Recommendation 18 The Retirement Homes Regulatory Authority should work with the Ministry for Seniors and Accessibility to assess the effectiveness of its enforcement tools, particularly the maximum administrative penalty, make changes if needed, and recommend measures to ensure the regulations are enforced. Status: In the process of being implemented by December 2022.	During 2021, the Authority provided advice and feedback to the Ministry for Seniors and Accessibility on administrative monetary penalties and enhanced management orders, which would allow the Registrar to act more expeditiously in emergency situations. The Ministry consulted with stakeholders in 2021 to consider increasing the maximum administrative monetary penalty amount under the Act and did not proceed with amendments. The Authority will, by December 2022, further its efforts to assess the effectiveness of the administrative monetary penalty amounts as a compliance tool.
Recommendation 19 The Retirement Homes Regulatory Authority should reduce the risk to retirement home residents affected by loss or damage to their homes by: - requesting retirement homes renew insurance policies 30 days prior to expiry and notify the Authority of continued coverage; Status: Little or no progress. - determining the appropriate specific minimum amount of extra expense insurance coverage for licensees to obtain; Status: Little or no progress. - recommending a regulatory change that specifies a minimum amount of extra expense insurance coverage to the Ministry for Seniors and Accessibility or gives the Authority the ability to set the minimum amount of extra expense insurance coverage. Status: Little or no progress.	The Authority noted that, due to resource constraints, it plans to undertake work in relation to implementing this recommendation by March 2023. This work would include connecting with the insurance industry to better understand current renewal timing practices and assessing the potential for retirement homes to submit extra expense insurance certificates at least 30 days prior to expiry. The Authority noted that, due to resource constraints, it plans to undertake work in relation to implementing this recommendation by March 2023. This work would include completing an assessment of its current research on an appropriate minimum amount of insurance and undertaking further research as necessary to derive an appropriate minimum standard for implementation. The Authority noted that, due to resource constraints, it plans to undertake work in relation to implementing this recommendation by March 2023. Advice to the Ministry will be drafted in the following fiscal year based on the outcome of its work.
Recommendation 20 The Ministry for Seniors and Accessibility and the Retirement Homes Regulatory Authority should improve public understanding of the complaints process by: - establishing a process to refer complaints outside of its jurisdiction to the appropriate regulatory body, including necessary follow-up; Status: Fully implemented. - including contact information for other relevant regulatory bodies in the retirement homes sector on its website; Status: Fully implemented.	The Authority established a process in July 2021 to allow it to forward a complaint not within its jurisdiction directly to the appropriate regulatory body if the complainant was unable to independently do so, such as from lack of Internet access or a language barrier. The Authority requires that the complainant explicitly provides consent. Staff document the details in a case file. The Authority updated its website in July 2021 to include the contact information of other applicable agencies and regulatory bodies.

Committee Recommendation	Status Details
- establishing a performance indicator to measure turnaround time for investigating and resolving complaints, reviewing such targets on an annual basis, and monitoring performance; Status: Fully implemented. - publishing service standards for its complaint resolution process and posting information about its performance against these standards on its website regularly. Status: In the process of being implemented by April 2023.	The Authority gathered data on its staff's turnaround time in February 2022 and established targets on the expected duration of time to investigate and resolve complaints. For example, the Authority aims to issue a Registrar decision following an inspection within 150 days of receiving a complaint, and refer a complaint to external agencies within 10 days of receiving it if it is not within its jurisdiction to investigate. The Authority established these targets by considering the significant variation in the complexity of complaints and accessibility of information-gathering to adjudicate complaints. The Authority plans to review and revise targets on an annual basis and monitor performance against these standards. The Authority in September 2022 published on its website the expected service standards about its complaint resolution process, and expects to publish metrics on how the Authority is measuring against these standards by April 2023.
Recommendation 21 The Retirement Homes Regulatory Authority should increase transparency throughout the complaints process by: - publishing the nature, quantity, and outcomes of complaints filed with the Authority at the aggregate level as well as for each retirement home on a monthly basis; Status: Little or no progress. - establishing a training module for the retirement home sector, and updating training for inspectors with the most frequent and significant complaints. Status: In the process of being implemented by December 2022.	The Authority completed an analysis in June 2021 on the trends and patterns in complaints made from 2014/15-2020/21. The Authority plans to publish by March 2024 the nature and quantity of complaints for each retirement home when it takes enforcement action against a home where a complaint originated. It also plans to, by March 2024, incorporate the nature and quantity of complaints into the retirement home database in the context of the future development of a public report card, and consider increased transparency regarding the nature and quantity of complaints for each retirement home in the development of enhanced inspection reports and the report card. The Authority compared common complaint areas against the current routine inspection process to determine whether additional focus areas needed to be added or amended, and completed inspector training in November 2021 incorporating the results of this analysis. The Authority will review data on significant, frequent complaints by December 2022 to identify any gaps in the current compliance assistance modules and update them for the retirement home sector.
Recommendation 22 The Retirement Homes Regulatory Authority should analyze complaints for trends to identify areas of focus and better inform the selection process for routine inspection. Status: Fully implemented.	The Authority completed an analysis in June 2021 on the trends and patterns in complaints made from 2014/15-2020/21. It noted that the most common complaints did not vary much over the years: improper/incompetent care, abuse/neglect, complaints procedure, food, and building/maintenance. To better inform the selection of retirement homes for earlier inspections, the Authority has amended its risk model to take into consideration the types of incidents that had led to complaints but did not result in inspections. The revised model was put in place in April 2022.

Committee Recommendation	Status Details
Recommendation 23 The Retirement Homes Regulatory Authority should establish a network comprised of residents and/or family members of retirement home residents to improve awareness and provide feedback on retirement home challenges from their perspective. Status: In the process of being implemented by March 2023.	The Authority used paid advertisement on social media, between September 2020 and March 2021, to target seniors and their family members who were either currently in or considering living in retirement homes. As well, a sponsored article about the Authority appeared in the media in December 2020. In May 2021, the Authority commissioned a public relations firm to propose a communications strategy to help connect with the Authority's target audience. The communication campaign, as informed by the firm, ran for the remainder of 2021. The Authority will continue promoting its role on social media in fall and winter of 2022/23 to encourage health partners and other audiences to report complaints to it. In terms of complaints, the Authority launched a new, plain-language complaint form on its website in March 2021. As well, it finalized its internal process in July 2021 and ran a social media campaign in September and October 2021 about referring matters to third-party authorities when a complaint falls outside of the Authority's jurisdiction. The Authority has increased awareness with public health units and Home and Community Care Support Services of its mandate through meetings and distribution of the Authority's weekly e-newsletter to help amplify its messages regarding complaints and how to bring them to its attention. Furthermore, the Ministry had worked with the Public Appointments Secretariat in 2021 to appoint two individuals with insights into the needs and interests of seniors to serve on the Authority's Board. As well, the Ministry has included a provision in its updated Memorandum of Understanding (MOU) with the Authority that requires the Board to make reasonable efforts to include members who reflect a variety of perspectives, including consumer protection and public interest perspectives. The provision, expected to take effect by March 31, 2023, also requires the Authority to make the Board competency and selection criteria public. The Authority established a residents' network to improve awareness and feedback about retirement home living and the Authority's mandate. It will identify resident and family-focused strategies for implementation in 2022/23 in accordance with approved budget allocation.
Recommendation 24 The Ministry for Seniors and Accessibility should: • recommend amending the <i>Retirement Homes Act, 2010</i> to provide the Retirement Homes Regulatory Authority with oversight of retirement home care services fees; Status: In the process of being implemented by December 2022. • amend the <i>Residential Tenancies Act, 2006</i>, and/or the <i>Retirement Home Act, 2010</i>, to protect retirement home residents from price gouging by setting fair limits on price increases for care services; Status: In the process of being implemented by December 2023.	The Ministry for Seniors and Accessibility (Ministry) had researched analyses of comparisons between retirement homes and long-term-care homes in Ontario and retirement homes across Canada, as well as obtained research conducted by the Ministry of Health that examined the regulation of care service fees in retirement homes. The Ministry plans to conduct further analysis of the costs of care services and the role of various government authorities in other sectors with regards to oversight of fees. The Ministry intends to, by December 2022, make recommendations for care service fees to be considered for policy options, following consultation with stakeholders and partner ministries. According to the Ministry for Seniors and Accessibility (Ministry), the Ministry of Municipal Affairs and Housing advised that the <i>Residential Tenancies Act, 2006</i> is not the appropriate mechanism for regulating the cost of care services since care services are not included in the definition of rent. The Ministry is working on a project workplan to review and identify the appropriate authority for setting care fees in retirement homes. This work includes reviewing how legislation governing other administrative authorities in Ontario, such as the Bereavement Authority of Ontario, addresses fee oversight. It expects to develop recommendations related to care service fees regulation by December 2023.

Committee Recommendation	Status Details
- recommend that the regulatory framework for the Retirement Homes Regulatory Authority be amended so that the Authority can determine fair and reasonable ancillary costs that retirement homes can charge residents; Status: In the process of being implemented by December 2023. - request that the Retirement Homes Regulatory Authority require all licensed retirement homes to make price lists for rent and services available; Status: Fully implemented. - include retirement home prices for rent and services in its public report cards. Status: Little or no progress.	The Ministry indicated that the <i>Retirement Homes Act, 2010</i> (Act) neither regulates fees nor empowers the Authority to set fees. Meanwhile, the <i>Residential Tenancies Act, 2006</i> prohibits any additional charges over and above what is explicitly allowed under the Act. In addition, a regulation under the <i>Residential Tenancies Act, 2006</i> prescribes additional services that may result in an increased rent charge if they are provided. Examples of such services include provision of a parking spot, cable or satellite TV, and a storage locker. The Ministry will continue to work with the Ministry of Municipal Affairs and Housing, other partner ministries and key stakeholders regarding amendments to the <i>Residential Tenancies Act, 2006</i>, analysis of care and accommodation for residents of retirement homes and to examine potential impacts on related programs and statutes. The Ministry made amendments to the <i>Retirement Homes Act, 2010</i> that became effective March 16, 2022. Retirement homes are to provide an itemized list in electronic and/or paper form of the different types of accommodation and care services provided in the retirement home, and their prices, to anyone upon request. On March 21, 2022, the Ministry and the Authority participated in a sector association webinar with retirement home operators to advise them of the legislative and regulatory amendments and to respond to inquiries. The Authority has deferred its public report card development initiative to 2023/24.
Recommendation 25 The Ministry for Seniors and Accessibility should work with the Public Appointments Secretariat to propose appointees to the Retirement Homes Regulatory Authority's Board with seniors' interests in mind or request the Board's Chair consider such individuals as current Board members' terms expire. Status: In the process of being implemented by March 2023.	The Ministry had worked with the Public Appointments Secretariat in 2021 to appoint two individuals with insights into the needs and interests of seniors to serve on the Authority's Board. As well, the Ministry has included a provision in its updated Memorandum of Understanding (MOU) with the Authority that requires the Board to make reasonable efforts to include members who reflect a variety of perspectives, including consumer protection and public interest perspectives. The provision, expected to take effect by March 31, 2023, also requires the Authority to make the Board competency and selection criteria public.
Recommendation 26 The Ministry for Seniors and Accessibility should finalize a schedule of reporting requirements with input from the Retirement Homes Regulatory Authority and update the Memorandum of Understanding between the two parties by: requiring the Authority to establish targets for its performance indicators; Status: Fully implemented.	The Ministry and the Authority revised their Memorandum of Understanding (MOU) to include a provision that requires the Authority to establish performance measures regarding the administration of the <i>Retirement Homes Act, 2010</i> to enable year-to-year comparison. The MOU further requires the Authority to provide the Minister with performance targets and results on an annual basis. According to an implementation timeline established in March 2022 by the Ministry and the Authority, the Authority will establish new or additional performance measures by April 2023.

Committee Recommendation	Status Details
- requiring the Authority to publish actual versus targeted performance indicators annually; Status: In the process of being implemented by September 2025. - determining an appropriate oversight fee. Status: Fully implemented.	In March 2022, the Ministry and the Authority established an implementation timeline for performance measures and targets to support the achievement of the MOU provision on providing performance results. The Ministry will monitor implementation and expects that by April 2023, the Authority will establish new or additional performance measures; by April 2024, the Authority will begin collecting data for performance measures; by April 2025, the Authority will begin collecting data for targets; and by September 2025, the Authority will publish performance against targets in its annual report. The Ministry assessed, in fall 2021, the level of resources it requires to oversee the Authority and determined that it would continue to not charge the Authority oversight fees, considering factors such as the operational efficiency review of the Authority that was under way and the transfer payments it provided to the Authority at inception and during the COVID-19 pandemic. The updated MOU, which took effect on March 31, 2022, provides discretion for the Minister to charge fees.
Recommendation 27 The Ministry for Seniors and Accessibility should improve the co-ordination and effectiveness of overall services to seniors in Ontario and act as a leader in the sector by: assuming its role as the lead ministry to provide or oversee the provision of seniors' congregate living and care services; Status: In the process of being implemented by December 2023.	The Ministry had established, in November 2020, an internal advisory committee with key ministry partners including the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Public and Business Service Delivery and the Ministry of Municipal Affairs and Housing to discuss cross-sector issues, including how to improve co-ordination along the continuum of care and housing for seniors. In January 2021, the Ministry participated in a discussion session hosted by the Ministry of Municipal Affairs and Housing that focused on seniors. Also in January 2021, the Ministry, together with the Ministry of Health and the Canadian Institute of Health Research, held a two-day session to facilitate exchanging of information and ideas on options in service delivery models and regulatory approaches to improve the health and safety of older Ontarians living in care settings. Furthermore, the Ministry in February 2022 established a working group with representatives from the Ministry of Municipal Affairs and Housing, the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Children, Community and Social Services and the Authority to develop a policy framework on seniors' housing and care. Between March 2022 and July 2022, the working group developed a "blueprint document" that describes all of the ministries, legislation and regulations, as well as policies and guidelines that govern housing and care for seniors. The working group also developed draft "journey maps" that describe how diverse seniors access housing and care settings, exposing the challenges faced by seniors in doing so. The Ministry expects this information will inform the development of a seniors housing and care policy framework. The working group also discussed applying a health equity impact assessment tool in the development of the framework to ensure health equity is considered. By December 2023, the Ministry expects to have created a policy framework to improve co-ordination and effectiveness of housing and care sectors, addressing the evolving needs of the retirement home sector and promoting the development of innovative housing and care models.

Committee Recommendation	Status Details
- working with partner ministries to develop a coordinated seniors' housing policy framework that defines the health, independence, and financial profile of seniors; Status: In the process of being implemented by December 2023. - finalizing a cross-ministry seniors' strategy. Status: In the process of being implemented by March 2023.	In January 2021, the Ministry participated in a discussion session hosted by the Ministry of Municipal Affairs and Housing that focused on seniors. Also in January 2021, the Ministry, together with the Ministry of Health and the Canadian Institute of Health Research, held a two-day session to facilitate exchanging of information and ideas on options in service delivery models and regulatory approaches to improve the health and safety of older Ontarians living in care settings. Furthermore, the Ministry in February 2022 established a working group with representatives from the Ministry of Municipal Affairs and Housing, the Ministry of Health, the Ministry of Long-Term Care, the Ministry of Children, Community and Social Services and the Authority to develop a policy framework on seniors' housing and care. Between March 2022 and July 2022, the working group developed a "blueprint document" that describes all of the ministries, legislation and regulations, as well as policies and guidelines that govern housing and care for seniors. The working group also developed draft "journey maps" that describe how diverse seniors access housing and care settings, exposing the challenges faced by seniors in doing so. The Ministry expects this information will inform the development of a seniors housing and care policy framework. The working group also discussed applying a health equity impact assessment tool in the development of the framework to ensure health equity is considered. By December 2023, the Ministry expects to have created a policy framework to improve co-ordination and effectiveness of housing and care sectors, addressing the evolving needs of the retirement home sector and promoting the development of innovative housing and care models. The Ministry updated the seniors' strategy to incorporate lessons from the COVID-19 pandemic. Although not publicly released, the Ministry indicated that the strategy guides the work of the province and progress is being made through many government initiatives that align with and support the strategy pillars. The Ministry informed us that it was updating the strategy and aimed to obtain central agency approval by March 2023.
Recommendation 28 The Retirement Homes Regulatory Authority should collect adequate fees to cover its mandated activities and annually reassess the appropriateness of its fees or identify other revenue sources in order to protect current and former retirement home residents. Status: Fully implemented.	After the Minister's review and stakeholder feedback, the Authority's Board in September 2022 approved changes to the fee schedule effective January 1, 2023. The most significant change is increasing the annual fee from \$11 to \$14 per suite per month. The Authority indicated that this change will help it attain financial stability in 2023/24. The Authority notified the sector of the 2023 fee changes in early October.

Committee Recommendation	Status Details
Recommendation 29 The Ministry for Seniors and Accessibility should recommend legislative changes to the <i>Retirement Homes Act, 2010</i> to better ensure retirement home residents receive safe and quality care. Status: Fully implemented.	The <i>Retirement Homes Act, 2010</i> (Act) was amended and a number of legislative and regulatory provisions relating to resident care came into effect on December 9, 2021 and March 16, 2022. These provisions include, for example: • enhanced protections for vulnerable residents in retirement homes where there is a risk of harm and by supporting homes to provide safe accommodation and care through the authority for the Authority to make orders in extraordinary circumstances prescribed in regulation; • new protection for residents residing in unlicensed retirement homes; • facilitating communication between the Authority and residents or substitute decision makers by requiring licensees to provide the Authority with contact information for residents or substitute decision makers when requested, which would allow the Authority to contact residents and better inform them of their rights and responsibilities; and • requiring that licensees provide external care providers with information on the home's policy to promote zero tolerance for abuse and neglect of residents. The Ministry is reviewing the Act and its regulation for potential additional amendments that would further enhance the care and safety of retirement home residents.
Recommendation 30 The Ministry for Seniors and Accessibility should conduct a review to assess whether the Ministry should disband the Retirement Homes Regulatory Authority and take over its responsibilities. Status: In the process of being implemented by December 2023.	The Ministry indicated that the government conducted a series of province-wide consultations in developing the <i>Retirement Homes Act, 2010</i>, which resulted in a recommendation to establish a new agency, independent from the government, to enforce standards. The government determined that the administrative authority model had been successful in regulating other public safety and consumer protection services in the province, and did so at a much lower cost than if sector oversight and enforcement was provided directly by the government. The government proceeded to employ the administrative authority model of regulatory enforcement to improve safety and protection of retirement home residents. More recently, the Ministry has worked with an external consultant to conduct an operational efficiency review of the Authority's operations and governance. The review found that the operations of the Authority are run efficiently overall with a focus on consumer protection, but also identified areas for improvement in the Authority's operations and governance. The Ministry and the Authority are working to implement the operational efficiency review recommendations, and the Ministry has asked the consultant to conduct a more comprehensive governance review to build on the findings and recommendations related to governance. The Ministry expects the governance review will be completed by March 2023. The Ministry will consider recommendations from both reviews, along with other information such as recommendations from the Authority's Risk Officer's annual report submitted to the Minister in September 2022, to identify opportunities to improve oversight of the retirement home sector by December 2023.

Chapter 3

Section 3.05

Ministry of Health

Virtual Care: Use of Communication Technologies for Patient Care

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, 2020 Annual Report

On May 26, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit of Virtual Care: Use of Communication Technologies for Patient Care. The Committee tabled a report on this hearing in the Legislature in December 2021. A link to the full report can be found at auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 13 recommendations and asked the Ministry of Health (Ministry) and the

Telemedicine Network within Ontario Health (Ontario Health) to report back by April 2022. The Ministry and Ontario Health formally responded to the Committee on April 14, 2022. A number of the issues raised by the Committee were similar to the audit observations of our 2020 audit, which we followed up on in 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 2022 and August 2022, and obtained written representation

Figure 1: Summary Status of Actions Recommended in December 2021 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	1	1				
Recommendation 3	2	2				
Recommendation 4	2		2			
Recommendation 5	5	4	1			
Recommendation 6	1	1				
Recommendation 7	1	1				
Recommendation 8	1		1			
Recommendation 9	2	2				
Recommendation 10	2	1	1			
Recommendation 11	1		1			
Recommendation 12	4	4				
Recommendation 13	2	2				
Total	28	20	8	0	0	0
%	100	71	29	0	0	0

from the Ministry and Ontario Health that effective October 19, 2022, they have provided us with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

As of October 19, 2022, 71% of the Committee's recommended actions had been fully implemented, and 29% of the recommended actions were in the process of being implemented.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of Health (Ministry) and the Telemedicine Network within Ontario Health (Ontario Health), 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 To achieve the virtual-care objectives in its Digital First for Health Strategy, the Ministry of Health should: specifically define what virtual care includes and how it fits into the provincial healthcare system in terms of technology and physician billing; Status: In the process of being implemented by December 1, 2022.	The Ministry has refreshed its virtual-care strategy. Its renewed virtual-care strategy is aligned with the existing Digital First for Health Strategy (2019), which now includes a refined definition of virtual care: "Virtual care is the use of technology (e.g., phone, video, secure messaging, remote monitoring) to deliver health care when patients and providers are not face-to-face." This refined definition specifically defines what virtual care includes compared with the broad definition of virtual care provided in the Digital First for Health Strategy in 2019: "Virtual care will allow patients to have more options to interact with the health care system. Providers can also benefit from innovative virtual care technologies to better serve their patients." The refined virtual-care strategy and definition also highlight the importance of ensuring the availability of private, secure, and integrated digital technologies. The Ministry is using various channels to recommend or require the use of virtual-visit solutions that have been verified by Ontario Health (see further details in Recommendation 2). The Ministry indicated that it did not include specific details related to physician billing for virtual care in the refined definition because it was expecting a new Physician Services Agreement that would affect virtual-care fees; this Agreement has since been ratified as of March 27, 2022. The Ministry plans to include payment parameters related to physician phone and video visits in the updated OHIP Schedule of Benefits once new virtual-care fee codes are implemented, which will take effect December 1, 2022.

Committee Recommendation	Status Details
revisit its Digital First for Health Strategy in light of the COVID-19 pandemic and lessons learned; Status: Fully implemented.	The Ministry's Digital Health Program Branch has continued to refresh the existing Digital First for Health Strategy (Strategy) in light of lessons learned through the COVID-19 pandemic. For instance, the Ministry: - began piloting (in collaboration with the Ministry of Government and Consumer Services and Ontario Health) a cyber security shared services model to improve health-care organizations' cyber capabilities and readiness while reducing the risks of health-care disruptions and large costs related to cyber incidents. - created the Ontario Health Data Platform, which enables secure, accurate, and privacy-protective data transfers. As well, the Ministry funded the Centre for Digital Health Evaluation (CDHE) at Women's College Hospital to lead a national evaluation of virtual-care adoption during COVID-19. The Ministry then used the findings from this evaluation when updating its Strategy. For example, the Ministry: - provided funding to Ontario Health Teams to use for various virtual-care delivery models (e.g., remote care monitoring and video visits) and made funding available for primary-care settings; and - provided funding to Ontario Health to lead development of guidance to support clinically appropriate use of virtual care. Additionally, the Ministry has extended the temporary virtual-care fee codes for OHIP-insured phone and video visits until November 30, 2022, to support patients' continued access to health care as the government gradually reopened the province and rolled out the COVID-19 vaccine. The new Physician Services Agreement that was ratified as of March 27, 2022, includes fee codes for OHIP-insured physician phone and video visits that will replace the temporary virtual-care fee codes in the 2022/23 fiscal year. The new Physician Services Agreement also includes a proof-of-concept pilot of secure messaging to determine whether this delivery option can be implemented in the future. Furthermore, the Ministry has updated the provincial virtual-care strategy's focus from one of adoption to one that ensures patients have access to the right balance of virtual and in-person care, and to prioritizing virtual care that is appropriate, equitable and integrated.
identify annual and long-term targets for virtual care availability and use; Status: Fully implemented.	The Ministry's annual multi-year planning process has established funding to meet government direction on virtual care, and has defined results to be achieved and metrics to measure progress. The Ministry has also established a key performance indicator—that is, the percentage of Ontarians who have had a virtual visit (for example, through phone, email/website, video call, text/instant messaging) in the last 12 months—to capture long-term targets for virtual care adoption in 2019/20 with a three-year outlook to align with the government's multi-year planning process. As mentioned in the second action item of Recommendation 1, the Ministry has refreshed the overall focus of the provincial virtual-care strategy in response to lessons learned from the COVID-19 pandemic. The refreshed strategy has moved away from focusing on virtual-care adoption to focusing more on ensuring patients have access to the right balance of virtual and in-person care, and prioritizing virtual care that is appropriate, equitable and integrated. Included within the refreshed virtual-care strategy and in response to the broad adoption of virtual care during the pandemic, the Ministry has renewed the long-term target for 2022/23 and beyond: 40% to 50% of Ontarians have had a virtual visit in the last 12 months (as measured through the Healthcare Experience Survey). This target accounts for an appropriate balance between in-person and virtual care.

Committee Recommendation	Status Details
• measure and report publicly on its results against these targets. Status: In the process of being implemented by March 31, 2024.	Apart from the Ministry, Ontario Health has also worked with the Ministry to advance the Digital First for Health Strategy through various digital health solutions operated by Ontario Health. According to its 2021/22 Business Plan, Ontario Health's key deliverables with respect to virtual care in the next few years include: • 2021/22: expand and evaluate virtual-care programs (such as remote care monitoring, urgent virtual care, and home and community virtual care); support virtual-care initiatives that build long-term virtual capacity into the home and community system across the province; evaluate the impact of COVID-19 regional funded initiatives to guide planning and future funding of sustainable virtual-care models in alignment with Ontario Health Teams; and develop a plan to sustain and optimize virtual care after the pandemic. • 2022/23: support continued innovation in care at home, mental health and addictions care and primary care that aligns with regional and Ontario Health Team's priorities; and continue to support the Ministry's ongoing virtual-care policy development. • 2023/24: continue to implement the prior year's deliverables to enable patient-provider engagement from any location; and sustain virtual-care innovations in primary care, care at home and mental health and addictions care to ensure they align with regional and Ontario Health Teams' priorities. The Ministry has established performance measures and will publicly report its results against the virtual-care targets it has set (as detailed in the third action item of Recommendation 1). For example: • Ontario Health's 2022/23 Annual Business Plan sets out a three-year plan for publicly reporting performance measures specific to virtual care. The current plan sees public reporting occurring in March 2024. • Ontario Health has measured performance metrics related to virtual care and reported them internally through the Ontario Health Corporate Scorecard. It has also reported these metrics publicly through its Annual Report. The 2020/21 Annual Report has yet to be approved for release. Additionally, the Ministry has been working with the Canadian Institute for Health Information (CIHI) to report on virtual-care metrics as part of the federal government's support for Pan-Canada Virtual Care Priorities in Response to COVID-19. The metrics have been publicly reported in the Virtual Care in Canada: Strengthening Data and Information report released by the CIHI in April 2022, and will be included again in CIHI's spring 2023 report on virtual care. The agreed-upon metrics reported publicly by CIHI include: • the percentage of Ontarians with a virtual visit (via any form of virtual-care delivery such as through phone, video call, email/website, and text/instant messaging) in the last 12 months (as measured through the Health Care Experience Survey, which is conducted regularly by the Ministry via a third-party contract, including the most recent one that showed cumulative results from June 2021 to February 2022); and • the number of patients and volume of virtual-care services delivered through multiple projects in, for example, virtual urgent care, pre- and post-virtual surgical transition, and integrated virtual care. The CIHI has also released the following recent data reports related to virtual care: • March 24, 2022—Virtual care: A major shift for physicians in Canada and Virtual care: A major shift for Canadians receiving physician services, which included data from Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. The data analysis covered the period between April 2019 and March 2021. It showed the percentage of services that patients received virtually in Ontario increased significantly, from 2% in 2019/20 to 30% in 2020/21, which was higher than Alberta (24%) but lower than British Columbia (42%), Saskatchewan (34%) and Manitoba (33%).

Committee Recommendation	Status Details
	• April 28, 2022—How Canada Compares: Results from the Commonwealth Fund's 2021 International Health Policy Survey of Older Adults in 11 Countries, which included the proportion of respondents who reported having a virtual appointment with a doctor or other health-care professional, with a focus on the views and experiences of older adults (aged 65 and older).
Recommendation 2 To provide Ontarians with convenient virtual care options, the Ministry of Health, in collaboration with OTN within Ontario Health, should review its policies and structures around physician delivery of, and billing for, virtual care to identify ways of expanding the availability of virtual-care options in Ontario as appropriate. Status: Fully implemented.	The Ministry and Ontario Health have been reviewing their policies and structures around virtual care. For example: • The Ministry and Ontario Health brought new policies and proposed structures for discussion as part of their regular monthly priorities and planning meetings. • The Ministry set up, in conjunction with the Ontario Medical Association (OMA), a Virtual Care and Digital Health Table, which met regularly in 2019/20 to advance virtual-care policy priorities such as expanding the availability of non-Telemedicine Network solutions, and expanding other virtual-care delivery options under the provincial billing framework. • As mentioned in Recommendation 1, the new Physician Services Agreement has expanded OHIP-insured virtual-care delivery options to include phone and video visits. Additionally, the agreement includes a proof-of-concept pilot to publicly fund secure messaging services as another delivery option. • Ontario Health, which is the Province's primary delivery and implementation partner, established the Virtual Visits Verification Program (Program) to identify a list of verified solutions, including many of the larger vendors that account for significant market share in Ontario's virtual-care solution marketplace. The Program gives providers choices to select virtual-care delivery options that meet both their needs and provincial standards, such as for privacy, security, and interoperability. Physicians have been encouraged to use verified solutions when billing for virtual-care services using the temporary OHIP codes. Upon implementation of the new billing codes (expected in 2022/23), the new OHIP virtual-care billing codes may require physicians to use verified solutions for insured video visits to be eligible for payment under OHIP. The use of a verified solution is also a requirement for secure messaging services under the proof-of-concept pilot. As mentioned in Recommendation 1, the Ministry has refreshed the overall approach to its virtual-care strategy. The new strategy is focused more on ensuring patients have access to the right balance of virtual and in-person care, and prioritizing virtual care that is safe, equitable and integrated. Overall, the Ministry indicated that the review of policies and structures around physician delivery of and billing for virtual care is an ongoing activity. The Ministry also indicated that it will continue to collaborate with Ontario Health to perform this review and identify ways of expanding the availability of virtual-care options in Ontario.

Committee Recommendation	Status Details
Recommendation 3 To provide Ontarians with an opportunity to access care virtually through a reliable platform in a timely and convenient way, the Ministry of Health, in collaboration with OTN within Ontario Health, should: engage physicians and others who have used OTN and those who have chosen not to, to identify their specific concerns and issues with the platform, identify opportunities for improvement, and implement appropriate solutions; Status: Fully implemented.	Ontario Health has partnered with physicians and other users to provide them with meaningful opportunities to share their concerns and issues with virtual-care solutions and associated processes in order to improve provider and patient experiences on an ongoing basis. Ontario Health has engaged with physicians and other users of virtual care to solicit feedback in multiple ways, including: - administering a Customer Satisfaction Survey twice annually to physicians and care providers who have used Ontario Health’s virtual-care services, and conducting follow-up interviews; - creating an online feedback form; - directly engaging with individuals and groups of care providers who co-design or co-develop virtual-care solutions; - engaging with organizations representing groups of care providers and other users to solicit their thoughts; and - engaging with third-party vendors who work closely with care providers in developing their virtual-care solutions. Ontario Health has also included a general “contact us” email form on its website, through which any physician or other health-care provider that uses virtual care, or those who choose not to, can provide feedback on their issues or concerns with the platform. Ontario Health has a process for responding to those who provide input, analyzing feedback, and using that feedback to identify areas for improvements. Additionally, Ontario Health has routinely collected user experience data through the Voice of the Customer program. A general Customer Feedback Form is available at all times through Ontario Health’s website. Ontario Health has reviewed these forms and follows up directly with users to address the feedback. Ontario Health has analyzed the feedback it received from the various forms and surveys, as well as from telephone inquiries, to identify specific concerns and issues with the Telemedicine Network, such as technical problems and service availability. It was also able to identify opportunities for improvement and implement appropriate solutions, namely by introducing the Virtual Visits Verification Program (Program) as mentioned in Recommendation 2. Given the issues it identified with the Telemedicine Network and users’ desire for more delivery options, the Ministry established the Program to provide Ontarians with more opportunities to access care virtually through a reliable platform outside the Telemedicine Network platform. The Program gives care providers more choices to better meet their needs while also maintaining provincial standards, such as for privacy, security, and interoperability. Apart from Ontario Health, as mentioned in Recommendation 1, the Ministry was also able to understand the specific concerns and issues with virtual-care delivery and use of the Ontario Telemedicine Network platform through the Centre for Digital Health Evaluation’s (CDHE’s) findings on virtual-care adoption during COVID-19. The CDHE’s report outlined patient and provider preferences for alternative virtual-care delivery models or solutions.

Committee Recommendation	Status Details
study virtual-care delivery models and practices in other jurisdictions to determine whether to revise the role of OTN. Status: Fully implemented.	The Ministry has evaluated virtual-care delivery models or practices in other jurisdictions in order to provide Ontarians an opportunity to access care virtually in a timely and convenient way. For example: - As mentioned in Recommendation 1, the Ministry funded the Centre for Digital Health Evaluation (CDHE) to lead a national digital evaluation of virtual-care adoption during COVID-19. Its findings identified which delivery models were effective and where gaps and challenges existed with the delivery of virtual care. The Ministry and Ontario Health used these findings to inform their approach to investing into Ontario Health Teams to support their use of digital health and virtual care solutions. These investments, along with Ontario Health's Virtual Visits Verification Program, which provides verified alternatives to the Telemedicine Network (as mentioned in Recommendation 2), have created an environment in which health-service providers have choice in their use of virtual-visit solutions. They also give the Ministry an opportunity to support the creation and expansion of innovative virtual-care delivery models. - In addition to the CDHE's report, the Ministry has reached out to all other provinces and territories about their experiences with compensating physicians for virtual care. The Ministry has also commissioned a jurisdictional scan through its Research, Analysis and Evaluation Branch to collect information that supported policy and program development in Ontario. - Additionally, the Ministry contributed to two major cross-jurisdictional reports on virtual care, which focused on the state of virtual care in Canada during the third wave of COVID-19, as well as the federal, provincial and territorial virtual-care strategy. These two reports have provided further insights into other jurisdictions' virtual-care initiatives and priorities, which the Ministry has used, as appropriate, to inform its strategic thinking on the future of virtual care in Ontario. Apart from the Ministry, Ontario Health has also continued to monitor and learn best practices in delivering virtual care, and to leverage a broad network of experts in other jurisdictions with experience in virtual care. Apart from learning and implementing best practices, the role and certain functions of the former Ontario Telemedicine Network remain relevant. Ontario Health has taken the following actions to keep abreast of emerging practices in other jurisdictions: - Participated in formal and informal leadership and working groups and routinely liaised with peer organizations in other jurisdictions both within Canada and internationally. Ontario Health representatives have participated in the following groups: - Centre for Digital Health Evaluation (CDHE) Oversight Committee; - Ontario Digital Health Collaboration Table together with Canada Health Infoway and the Ministry; - Telehealth International Community of Practice led by New Zealand; - International Telehealth Working Group; and - International Medical Informatics Association. - Met with international organizations (including the Agency for Clinical Innovation at New South Wales in Australia; the Health Systems Innovation Branch of Queensland Health in Australia; and Digital Health and Care in Scotland) to exchange information. - Retained a third party to conduct a jurisdictional scan to learn best practices in implementing virtual-care guidelines. It also continues to seek opportunities to liaise with other jurisdictions and gather information that could benefit virtual-care practice in Ontario. Based on the evaluation of various models and practices in other jurisdictions, the Ministry has revised and adjusted the roles and functions of the Ontario Telemedicine Network, and incorporated those functions that remain relevant to the current environment into Ontario Health. These functions include, but are not limited to, provincial leadership and support for virtual care programs, innovation and change management, infrastructure support and maintenance of provincial virtual care-related assets.

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Recommendation 4 To provide Ontarians with more options to access care virtually in a convenient way, the Ministry of Health, in collaboration with OTN within Ontario Health should: engage virtual-care providers in other jurisdictions and in the private sector to learn about and apply best practices in the delivery of expanded virtual care in Ontario; Status: In the process of being implemented by March 31, 2023.	The Ministry has established relationships with digital health and virtual-care providers in other jurisdictions to learn from their experiences in collaborating with the private sector. The Ministry plans to use the lessons learned and best practices from other provinces with similar health-care systems to inform its approach to virtual care on an ongoing basis. For example: - Person-Centred Virtual Cancer Care Clinical Guidance Version 2 was released in January 2022. - Phase 1 of Primary Care Clinical Appropriateness Guidance will be implemented in the third quarter of 2022/23, and Phase 2 Guidance will be implemented in the fourth quarter of 2022/23. - As mentioned in Recommendation 1, the Ministry plans to include payment parameters related to physician phone and video visits in the updated OHIP Schedule of Benefits once new virtual-care fee codes are implemented. By participating in the Federal, Provincial, and Territory Virtual Care Table and through jurisdictional information sharing, the Ministry has learned about various virtual-care delivery frameworks and the role of the private sector, which it will consider incorporating into future virtual-care policies in Ontario. The Ministry has continued to work closely with Canada Health Infoway, the federal government's lead agency for advancing national digital health priorities, to further Ontario's virtual-care modernization effort and align it with other jurisdictions, and to share lessons learned. As mentioned in Recommendation 3, the Ministry has reached out to all other provinces and territories about their experiences with compensating physicians for virtual care. The Ministry has also commissioned a jurisdictional scan through its Research, Analysis and Evaluation Branch to collect information that supports policy and program development in Ontario. Additionally, the Ministry contributed to two major cross-jurisdictional virtual-care reports, which focused on the state of virtual care in Canada during the third wave of COVID-19, as well as the federal, provincial and territorial virtual-care strategy. These two reports have provided further insight into other jurisdictional virtual-care initiatives and priorities, which the Ministry has used, as appropriate, to inform its strategic thinking on the future of virtual care in Ontario. Apart from the Ministry, engaging with other jurisdictions to learn about their practices has also been an ongoing activity for Ontario Health. For example: - As mentioned in Recommendation 3, Ontario Health has been an active member on Health Canada's federal, provincial and territorial work in virtual care. For example, Ontario Health has collaborated with the state of New South Wales, Australia, to compare the two jurisdictions' approaches to virtual care. Ontario Health will continuously monitor and learn about best practices in virtual-care delivery, and leverage a broad network of experts in other jurisdictions with experience in virtual care. - Ontario Health has demonstrated a commitment to work with and learn from the private sector through multiple initiatives. For example, it established the Virtual Visits Verification Program (Program), as discussed in Recommendation 2, to assess third-party vendors against a provincial standard in order to verify they can be used by the broader health sector. Through its implementation of the Program, Ontario Health will continue to gain insights into private sector best practices. - In February 2021, Ontario Health conducted a jurisdictional scan regarding secure messaging and submitted recommendations to the Ministry for consideration.

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• evaluate the feasibility of allowing physicians to bill for virtual-care services provided through multiple technologies outside of OTN (for example, secure messaging, or phone calls) and implement changes that protect data security and privacy, and enable the Ministry to monitor the reasonableness of billings. Status: In the process of being implemented by January 1, 2023.	The Ministry and Ontario Health have taken the following actions to address this recommendation: • The Ministry launched the Virtual Visits Verification Program (Program) as mentioned in Recommendation 2. The Program assesses virtual-care delivery solutions to ensure they meet provincial standards, such as for data security, privacy, and interoperability, and maintains a list of verified solutions that care providers can choose from. The Program has identified over 35 verified virtual-visit solutions; they include solutions from many of the larger vendors that account for a significant market share in the Ontario virtual-care solution marketplace. By presenting alternatives to physicians who want to offer virtual services through solutions other than the Telemedicine Network, the Program provides a competitive landscape that is both responsive to market needs and ultimately improves the patient and provider experience. • As mentioned in Recommendation 3, the Ministry has conducted multiple jurisdictional scans to understand how different virtual-care delivery models are remunerated and structured to inform its strategy for introducing different methods of delivering virtual care. • As mentioned in Recommendation 1, the new Physician Services Agreement includes virtual-care fee codes for phone and video visits. Physicians may be required to use a verified solution from the Virtual Visits Verification Program to be eligible for payment by OHIP for insured video visits. The new Agreement also allows physicians to conduct virtual visits through a proof-of-concept pilot on secure messaging, as long as they use a verified solution from the Program. Changes to the OHIP claims system are under way reimburse physicians for virtual care according to the terms in the new Physicians Services Agreement. Implementation of the new OHIP funding model for insured phone and video visits will be implemented on December 1, 2022, and the secure messaging services under the Ontario Virtual Care Program is tentatively planned for January 1, 2023. • To monitor the reasonableness of billings for virtual care, as discussed in Recommendation 5, the Ministry has implemented a Post Payment Review Framework to identify unusual billing volumes and evaluate for compliance with the requirements of the Ontario Virtual Care Program (OVCP), which administers virtual-care programs in the province. Virtual-care billing for the three physicians identified in the 2020 audit report have been assessed, and these physicians have been removed from the OVCP.

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Recommendation 5 To detect, deter, and reduce inappropriate billings for virtual-care services, the Ministry of Health, in collaboration with OTN within Ontario Health, should: • develop a framework for monitoring virtual-care visit and billing data continuously as well as identifying red flags and risks that warrant further reviews; Status: Fully implemented. • conduct reviews when unreasonable or unusual trends are noted; Status: Fully implemented. • collaborate with the College of Physicians and Surgeons of Ontario to evaluate the quality of virtual care being provided by physicians with an unreasonable number of virtual-care visits; Status: Fully implemented.	The Ministry has developed a Post Payment Review Framework to detect, deter and reduce inappropriate billings for virtual-care services. This framework has been implemented within the Ontario Virtual Care Program (OVCP) to identify unusual billing volumes and evaluate for compliance with program requirements. The Ministry has also set up a process, in collaboration with Ontario Health, to identify discrepancies between the billings submitted and the usage data from the Telemedicine Network. Apart from developing the Post Payment Review Framework, the Ministry has taken the following actions to address this recommendation: • consulted with the Ministry's OHIP Division and Legal Services Branch on existing and plausible post-billing review options and on the legal authority to conduct reviews; • developed a draft educational letter to remind physicians of their OVCP billing obligations and requirements; • worked with the Ontario Medical Association (OMA) to review its draft educational letter and to develop the next steps for addressing reoccurring inconsistent billing practices; and • reviewed the top billing physicians identified by the 2020 audit, and analyzed virtual-care billing claims against usage data from the Ontario Telemedicine Network platform. The Ministry has developed a Post Payment Review Framework to detect, deter and reduce inappropriate billings for virtual-care services (as detailed in the first action item in Recommendation 5). The Ministry has also set up a process, in collaboration with Ontario Health, to identify discrepancies between the billings submitted and usage data from the Ontario Telemedicine Network. As part of the Post Payment Review Framework, the Ministry has reviewed and assessed the OVCP billing of three physicians identified in the 2020 audit report. The Ministry has also taken actions against these physicians, including the termination of claim submissions. The Ministry has also completed further reviews of the top-billing physicians for virtual care (that is, for those physicians who saw over 100 patients virtually in a single day) in 2019/20. In their reviews, the Ministry compared billing data to time spent conducting the virtual visits; reviewed the type of fees submitted, services provided and the specialty of the physician; and reviewed the location of the patients. Additionally, the Ministry has started reviewing the Ontario Virtual Care Program's (OVCP's) virtual-care billing claims data for 2020/21; it will continue to monitor this data to identify ongoing occurrences of unusual claims. The Ministry has collaborated with the College to evaluate the quality of virtual care being provided by physicians with an unusual number of virtual-care visits in the Ontario Virtual Care Program (OVCP). The Ministry received information from the College, including the status and history of investigations into physicians' virtual-care billing in the OVCP, which it also took into account when considering what action to take as part of the Ministry's Post Payment Review Framework. For example, as mentioned in the second action item in Recommendation 5, the Ministry took actions against the three physicians identified in the 2020 audit report, including terminating their claim submissions for virtual care, in order to reduce and deter inappropriate billing practices.

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develop criteria for following up on cases of inappropriate billing and taking disciplinary actions to deter and prevent recurrences; Status: Fully implemented.	The Ministry has developed a Post Payment Review Framework to detect, deter and reduce inappropriate billings for virtual-care services (as detailed in the third action item in Recommendation 5). The Ministry has also set up a process, in collaboration with Ontario Health, to identify discrepancies between the billings submitted and the usage data for the Telemedicine Network. As part of its Post Payment Review Framework, the Ministry has developed criteria to screen for evidence of a physician's inappropriate billing within the Ontario Virtual Care Program (OVCP), including: - number of unique patients in a day over a fiscal year; and - number of billings submitted compared to usage data from the Ontario Telemedicine Network platform to verify the accuracy of billings. If evidence of inappropriate billing is found, the Ministry looks at whether disciplinary actions (for example, education or termination from the program) are needed to deter or prevent reoccurrences, and also considers the following criteria: - a history of inquiries and complaints received from the public (for example, through the ServiceOntario fraud hotline); and - the status and history of any investigations or referrals from the College of Physicians and Surgeons of Ontario.
evaluate the effectiveness of the above actions taken in preventing, detecting, and reducing inappropriate virtual-care billings. Status: In the process of being implemented by May 31, 2023.	The Ministry's Post Payment Review Framework includes steps to ensure that the framework is effective in reducing inappropriate virtual-care billings within the Ontario Virtual Care Program (OVCP). For example: - The Post Payment Review Framework itself includes a "Re-evaluate and Review Framework" stage that revisits the billings of physicians who were subject to disciplinary actions for non-compliance. The Ministry indicated, however, that re-evaluation has not yet occurred because the only disciplinary actions issued to date were termination letters to three physicians identified in the 2020 audit report, and these physicians' billing privileges have been removed from the OVCP. - Six months following the issuing of educational letters to physicians found to have inappropriate billing practices, the Ministry will review these same physicians' billings to assess whether their billing practices have improved. Educational letters for eight physicians were issued in May 2022. However, since video visit billings within the OVCP will be replaced by new codes within OHIP on December 1, 2022, these physicians' billings will not be re-evaluated until four months after this transition in order to capture the majority of their final billings for analysis. The review is expected to be completed in May 2023.

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Recommendation 6 To make informed decisions on virtual care, the Ministry of Health, in collaboration with OTN within Ontario Health, should work with stakeholders (such as the College of Physicians and Surgeons of Ontario and the Ontario Medical Association) to collect information on the availability of virtual care provided outside of OTN and the usage of such services across the province. Status: Fully implemented.	Ontario Health has conducted the provincial Health Care Experience Survey regularly, and has shared the data with the Ministry quarterly. The most recent Health Care Experience Survey includes cumulative results from June 2021 to February 2022. New data collection is currently under way through this survey, which includes additional questions about Ontarians' experience with the use of virtual care. Examples of these questions include: • For your last appointment, why did you not use any of these virtual methods such as video call, email or text message to communicate with your specialist? • If you had not been able to communicate with the specialist virtually, would you have needed an appointment with a different specialist, visited a walk-in clinic, or visited an emergency department? • During the past 12 months, were your home care services provided virtually or in person? • Overall, would you say the medical care that you received from this virtual health care provider was excellent, very good, good, fair, or poor? • Would you say the length of time from when you first made the appointment for this virtual visit until you had the appointment was about right, somewhat too long, or much too long? Following receipt of the survey results, both the Ministry and Ontario Health will be able to gauge how much virtual care is being used across the province. Additionally, the Ministry has made changes to enhance its data collection related to the temporary virtual-care fee codes under OHIP. For example, it now requires that physicians submit claims with a modality tracking code to differentiate between video and phone visits.
Recommendation 7 To offer convenient virtual care access to Ontarians with a more integrated virtual healthcare system, the Ministry of Health should collaborate with OTN within Ontario Health, and Telehealth Ontario, to assess the feasibility of integrating services. Status: Fully implemented.	The Ministry has led the procurement for a Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), aimed at modernizing and enhancing Telehealth Ontario, which is currently an exclusively telephone-based service. HCO will introduce new, digitally based access channels and will ultimately provide users with connections to virtual-care services as part of the overall strategy. Ontario Health has supported the Ministry throughout the procurement process. The HCO Request for Bids was issued February 8, 2021, and closed on March 29, 2021. The Ministry and Ontario Health jointly evaluated the bids and selected a top bidder, and then conducted contract negotiations over the course of August 2021. The Ministry entered into a contract with the top bidder, which was executed as of October 1, 2021. The contract has been assigned to Ontario Health to ensure appropriate clinical and technical oversight of the implementation of HCO. Ontario Health has worked closely with the successful proponent. The launch of the initial HCO platform took place on April 1, 2022. The platform will gradually integrate an online symptom checker, chat, voice, and video to better meet the needs of Ontarians. Ontario Health has also established the Patient Access and Navigation Program to focus on integrating and aligning virtual-care programs such as internet-based cognitive behavioural therapy (iCBT), Breaking Free (an evidence-based wellbeing and recovery program for alcohol and drugs), and AccessMHA (a web-based service that provides a point of entry for Ontarians to access mental health and addictions services).

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Recommendation 8 To improve patient access to virtual primary-care services, the Ministry of Health, in collaboration with OTN within Ontario Health, should work with primary-care physicians and stakeholders to identify and implement solutions that enable all Ontarians to receive virtual primary-care services when requested by patients and deemed clinically appropriate by primary-care physicians. Status: In the process of being implemented by January 1, 2023.	The Ministry has committed funding to Ontario Health to support virtual primary-care initiatives led by Ontario Health Teams in 2020/21 and 2021/22. Funding has been provided for responding to the COVID-19 pandemic and for developing and implementing new digital health and virtual-care programs. Ontario Health Teams are the Province's new way of organizing and delivering care that is more connected to patients in their local communities and focuses on access to primary care. The Ministry has funded new programs that, for example, support Ontario Health Teams in establishing the technology, licences, infrastructure, and training needed to implement and enhance their virtual-care offerings. Other new programs are helping Ontario Health Teams develop local virtual-care pathways and pilot their integration with the Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), as mentioned in Recommendation 7. The Ministry is currently evaluating the newly funded programs to determine their effectiveness. These evaluations will inform the future of virtual primary-care models led by Ontario Health Teams. As mentioned in Recommendations 1, 2 and 4, the new Physician Services Agreement that was ratified as of March 27, 2022, includes virtual-care fee codes for phone and video visits. The new Physician Services Agreement also covers virtual visits using secure messaging through a proof-of-concept pilot that will be launched in the Ontario Virtual Care Program (OVCP). These virtual-care fee codes are accessible by all physicians, including those in primary care. Changes to the OHIP claims system are also under way to allow physicians to be compensated for virtual care according to the terms in the new agreement. The Ministry plans to implement the new OHIP funding model for insured phone and video visits on December 1, 2022, and the secure messaging services under the OVCP is tentatively planned for January 1, 2023. Apart from the Ministry, Ontario Health has been working closely with primary-care physicians and stakeholders to improve access to virtual care in primary-care services when requested by patients and clinically appropriate. To this end, Ontario Health, with the support of the Ministry, has launched the following initiatives: Virtual Visits Verification Program—As noted in Recommendation 2, Ontario Health assesses and verifies third-party solutions for use by physicians when providing virtual care. • Ontario Virtual Care Clinic—A new 24/7 service offered during the COVID-19 pandemic, the Clinic can direct patients who call Telehealth Ontario to physicians for virtual primary-care services. • Enhanced Access to Primary Care/eVisit Primary Care— Allows patients to request care from their primary-care physicians using virtual means. Ontario Health will continue to work closely with primary-care providers and stakeholders and, in collaboration with the Ministry, to assess the degree to which these initiatives are meeting the needs of Ontarians and whether modifications to these services would better meet these needs. Additionally, Ontario Health has been funded by the Ministry to lead the development of Guidance for Clinically Appropriate Use of Virtual Care. To achieve this, Ontario Health has established a Primary Care Expert Panel with primary-care physicians, nurse practitioners and patient partners to provide advice on when virtual care can be used appropriately. It is also consulting more broadly with patient advisors and provincial primary-care-related stakeholders to better understand their needs. Also, it has contracted with a third party to extract and analyze data related to the use of virtual care in primary care through the pandemic period.

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Recommendation 9 To effectively estimate the financial savings resulting from virtual care, OTN within Ontario Health, in collaboration with the Ministry of Health, should: - revisit its cost-saving metrics to ensure realistic assumptions are used in calculating the savings (such as savings from patient travel costs); Status: Fully implemented. - incorporate patients' Northern Health Travel Grant applications after receiving virtual care into its calculation methodology for savings. Status: Fully implemented.	Ontario Health convened an expert panel to review the recommendation and current methodologies for calculating cost-saving metrics. The expert panel consisted of representatives from Ontario Health and representatives from the Ministry's Digital Health Division, Primary Health Care Branch and Northern Health Travel Grants, as well as an external expert in the area of telehealth evaluation. Ontario Health and the expert panel have explored various options for analyzing the data to address this recommendation. The expert panel concluded to retain the current methodology because alternative assumptions and methodologies would introduce further inaccuracies in calculating the estimated financial savings resulting from virtual care. As mentioned in the first action item in Recommendation 9, Ontario Health convened an expert panel to review the recommendation and current methodologies for calculating cost-saving metrics. The analysis performed by the panel indicated that patient care pathways, specifically for specialists, generally require multiple visits. Some of these visits can be done virtually, while some are best performed in person. For example, an initial surgical consultation is often appropriately handled with a virtual visit, while the surgical procedure would of course need to be conducted in person. The analysis also showed that some patient-care pathways can be performed quite successfully using a combination of virtual and in-person care, which delivers a better patient experience when they do not need to travel for every visit. Therefore, the panel determined that given the geography involved, it may be reasonable for a patient living in the north to have a virtual visit followed by an in-person visit to prevent unnecessary travel. Altering the current assumptions and methodology may result in further inaccuracies in calculating the estimated financial savings resulting from virtual care. Regarding the possibility of linking Telemedicine Network data to the Northern Health Travel Grant database to identify cases of subsequent travel claims by individual patients, the panel found that data linkage is unfeasible due to the following factors: - A health card number is not retained on most virtual visits, and no patient identifiers are available to enable a linkage between Telemedicine Network data and the Northern Health Travel Grant database. - Privacy restrictions, and the legislative authority granted under the Health Information Network Provider status, prevent linkage of Telemedicine Network data with other datasets. The Ministry indicated that there is no planned action to address the legislative or regulatory framework that prevents the data linkage. Therefore, according to Ontario Health's current authority related to personal health information, Ontario Health is not able to receive and link Northern Health Travel Grant and usage data on the Telemedicine Network.

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Recommendation 10 To effectively evaluate the impact of Telehealth Ontario services on patients and the healthcare system, the Ministry of Health should: develop performance metrics to measure patient responses after receiving advice provided by Telehealth Ontario; and Status: Fully implemented	The Ministry led the procurement for a Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), to offer convenient virtual-care access by creating an integrated virtual health-care system experience for Ontarians (as detailed in Recommendation 7). HCO will modernize and enhance the former Telehealth Ontario service, which was an exclusively telephone-based service. Ontario Health has supported the Ministry throughout the procurement process. A key goal of modernizing the existing Telehealth Ontario service is to effectively evaluate the impact of HCO on patients. In accordance with this, the HCO Request for Bid outlined specific requirements for bidders to demonstrate the ability to collect performance metrics on patient responses after interacting with the HCO service and to evaluate the effectiveness of the service on an ongoing basis (more frequently than on an annual basis). The HCO contract includes terms such as service credits tied to key performance indicators (KPIs). Examples of KPIs include: - application response time and usage monitoring; - service request fulfilment (service desk); - time to respond; - time spent on calls; - customer satisfaction; - service request response time and resolution time; and - narrative report on corrective and preventative actions in response to service level misses. The HCO contract was awarded in October 2021 and the initial HCO service was launched on April 1, 2022. The platform will gradually integrate an online symptom checker, chat, voice, and video as virtual-care delivery models, among other resources, to better meet the needs of Ontarians. The HCO vendor will share data on performance metrics with the Ministry and Ontario Health to ensure that service standards will be met. Going forward, the Ministry plans to identify and implement enhancement opportunities, such as improving the existing service based on user feedback and adding new functionality (for example, access to health records or service provider results by wait time). The Ministry led the procurement for a Health Care Navigation Service (HCNS), now called Health Connect Ontario (HCO), to create an integrated virtual health-care system experience for Ontarians (as detailed in Recommendation 7). The Ministry outlined specific requirements for the HCO vendor to collect performance metrics on patient responses after interacting with the HCO service and to evaluate the effectiveness of the service on an ongoing basis (more frequently than on an annual basis). The HCO contract was awarded in October 2021 and initial service was launched on April 1, 2022. The platform will gradually integrate an online symptom checker, chat, voice, and video as virtual-care delivery models, among other resources, to better meet the needs of Ontarians. The HCO vendor will share data on performance metrics with the Ministry and Ontario Health to ensure service standards are being met. It will also document patient survey results and provide evidence on how patient survey results are being used to improve the effectiveness of the HCO. The Ministry and Ontario Health received the first monthly performance report from the HCO vendor at the end of May 2022; it contained reporting on the metrics outlined in the Service Reporting, Monitoring and Evaluation Plan, which includes the following components:
continuously assess the effectiveness of Telehealth Ontario services on an annual basis using follow-up surveys of patients. Status: In the process of being implemented by December 31, 2022.	

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	• Reporting requirements and identification of the data source to produce the reports, with a view to assess and evaluate program and service performance. • An overview of service information available to support decision-making on service improvement and service investment. • A benefits-realization plan that identifies key performance indicators (KPIs). • A performance management plan. • A data dictionary. By December 31, 2022, the HCO vendor will implement a quality-improvement framework and report back to the Ministry and Ontario Health on a monthly basis. At the end of the first year of implementation, the Ministry will implement a value-based incentive framework to provide the vendor with further incentive to improve performance and outcomes.
Recommendation 11 To adequately evaluate the effectiveness of virtual-care services, OTN within Ontario Health, in collaboration with the Ministry of Health, should work with experts in the area of patient health outcomes and virtual care to identify and implement metrics that other jurisdictions and/or private virtual-care providers have found successful in measuring and evaluating patient and healthcare system outcomes. Status: In the process of being implemented by January 1, 2023.	Ontario Health has taken the following actions to identify and implement metrics that have proven successful in other jurisdictions and/or with private virtual-care providers for measuring and evaluating patient and health-care system outcomes: • Met with other jurisdictions including Queensland and Western Country Health Services in Australia and with telehealth managers in New Zealand to determine whether they have implemented patient outcome measures related to virtual care. Findings from these meetings noted that linking patient outcomes to virtual-care encounters is still in the nascent stage. • In response to the COVID-19 pandemic, Ontario Health designed and implemented a new virtual-care patient experience survey to allow patients and caregivers to share feedback about their last virtual visit. Responses will be used to inform providers and health system planners on opportunities to improve the patient experience. • Using its proprietary data-collection tool, the Interactive System Assessment and Collection (ISAAC) system, Ontario Health has prioritized its focus on enhancing patient reported measurements, which can be completed in-person and/or virtually through equipment such as mobile devices and desktops. • Starting in 2021, Ontario Health has conducted focus groups with health system stakeholders to capture their requirements for enhancing the usefulness of the data. Beginning December 2022, Ontario Health will engage survey design experts and health system stakeholders to redesign in-person and virtual-care patient experience surveys and reporting to address both current shortcomings and future enhancements; this redesign is targeted for implementation by October 2023. • Work is under way on a performance-evaluation framework for Ontario Health Teams, with a target implementation date of January 2023. Ontario Health is in the process of determining patient reported experience measures (PREMs) and outcome measures (PROMs) across the health system. Work has begun on hip and knee replacement PREMs and PROMs and for Chronic Heart Failure patients. Apart from Ontario Health, the Ministry has been working with the Canadian Institute for Health Information (CIHI) to align virtual-care reporting across all Canadian jurisdictions. Through this work, the Ministry is able to learn about which metrics have been effective in measuring patient and health-care system outcomes in other jurisdictions, and has used it to improve the types of metrics it uses to track progress in virtual-care services. For example, as mentioned in Recommendation 1, the Ministry has been working with CIHI to report on virtual-care metrics as part of the federal government's support for the Pan-Canada Virtual Care Priorities in Response to COVID-19. The agreed-upon metrics reported publicly by CIHI include:

Committee Recommendation	Status Details
	- the percentage of Ontarians with a virtual visit (delivered via any model, including phone, video, email, etc.) in the last 12 months (as measured through the Health Care Experience Survey); and - the number of patients and volume of virtual-care services delivered through multiple projects in, for example, virtual urgent care, pre- and post-virtual surgical transition projects, and integrated virtual care. These metrics, along with data from other jurisdictions, have been included in a number of virtual-care reports released in March and April 2022 by CIHI. The reports provide insight into the impact of virtual care on patients and providers in other jurisdictions, and allow the Ministry to revise its current metrics accordingly. The Ministry has also collaborated with Ontario Health by providing funding for virtual-care initiatives led by Ontario Health Teams to collect patient experience and health outcomes. For example, funding for virtual urgent care requires Ontario Health to collect data such as percentage of patients satisfied (collected through patient surveys) and emergency department avoidance or diversion. In addition, evaluations for remote patient-monitoring initiatives and virtual urgent-care sites are under way and will identify high-impact projects by looking at patient outcomes.
Recommendation 12 To evaluate the impacts of the COVID-19 pandemic on virtual care availability and usage in Ontario and apply lessons learned for decision-making going forward, the Ministry of Health, in collaboration with OTN within Ontario Health, should: conduct a comprehensive analysis of virtual-care usage and costs across the province during the pandemic and decide whether the temporary changes (such as new billing codes) should be made permanent; Status: Fully implemented.	The Ministry commissioned the Centre for Digital Health Evaluation (CDHE) to complete a comprehensive evaluation of virtual care in March 2021 to assess the impact of the COVID-19 pandemic on virtual-care availability and usage in Ontario (as detailed in Recommendation 1). Ontario Health played a key role in shaping the evaluation and participated in multiple evaluation streams. As part of that evaluation, administrative data for two chronic disease patient populations (congestive heart failure and chronic psychotic illness) was segmented by high and low virtual-care use. Hospitalizations, emergency room visits, diagnostic tests, labs, and primary-care visits were then tracked to measure patient outcomes. Reductions were observed across all categories, except for primary-care visits for individuals with chronic psychotic disorder, which increased for high virtual-care users. The increase in primary-care visits was paired with a significant decrease in emergency room utilization, suggesting that increased access to primary care (likely virtual) was offset by a decrease in care delivered in more costly settings (for example, emergency departments). The Ministry has used the findings from this evaluation report to inform its approach to virtual health-care policy in a number of areas, which included advancing the use of various virtual-care delivery models across the health-care system and continuing to support virtual-care adoption in primary-care settings. Following the comprehensive analysis of virtual-care usage and costs, the Ministry determined that access to medically necessary physician virtual-care services should be enabled. Therefore, as mentioned in Recommendation 1, the new Physician Services Agreement that was ratified as of March 27, 2022, includes fee codes for OHIP-insured physician phone and video visits. The virtual-care fee codes are accessible by all physicians, including those in primary care. Changes to the OHIP claims system are under way to reflect the new Physician Services Agreement.

Committee Recommendation	Status Details
engage healthcare providers to obtain feedback on their experience of offering virtual care during the pandemic; Status: Fully implemented.	Ontario Health has partnered with physicians and other users to provide meaningful opportunities to share their concerns and issues with virtual-care solutions and associated processes to improve provider and patient experiences on an ongoing basis (as detailed in Recommendation 3). Ontario Health has engaged with physicians and other users of virtual care to solicit feedback in multiple ways, including but not limited to the following: - administering a Customer Satisfaction Survey twice annually, and conducting follow-up interviews; - creating an online feedback form; - directly engaging with individuals and groups of care providers who co-design or co-develop virtual-care solutions; - engaging with organizations representing groups of care providers and other users to solicit their thoughts; and - engaging with third-party vendors who work closely with care providers in developing their virtual-care solutions. Ontario Health has also included a general “contact us” email form on its website, through which any physician or other health-care provider that uses virtual care, or those who choose not to, can provide feedback on their issues or concerns with the platform. Ontario Health has a process for responding to those who provide input, analyzing feedback, and using that feedback to identify areas for improvements. Additionally, Ontario Health has routinely collected user experience data through the Voice of the Customer program. A general Customer Feedback Form is available at all times through Ontario Health’s website. Ontario Health has reviewed these forms and followed up directly with users to address the feedback. Ontario Health has analyzed the feedback it received from the various forms and surveys, as well as from telephone inquiries, to identify specific concerns and issues with the Telemedicine Network, such as technical problems and service availability. It was also able to identify opportunities for improvement, and implement appropriate solutions, namely by introducing the Virtual Visits Verification Program (Program) as mentioned in Recommendation 2. Given the issues it identified with the Telemedicine Network and users’ desire for more delivery options, the Ministry established the Program to provide Ontarians with more opportunities to access care virtually through a reliable platform outside the Telemedicine Network platform. The Program gives care providers more choices to better meet their needs while also maintaining provincial standards, such as for privacy, security, and interoperability.

Committee Recommendation	Status Details
- collect feedback from patients across the province on their experience of using virtual care during the pandemic to gather and incorporate patient views into future decisions related to providing and funding virtual care tools; Status: Fully implemented. - develop performance metrics for measuring the experience of both healthcare providers and patients with virtual care during the pandemic and identifying areas for improvements going forward in both pandemic and non-pandemic contexts. Status: Fully implemented.	As part of its COVID-19 response planning, Ontario Health has collected feedback regarding the virtual-care approach from its Patient and Family Advisory Group (Group). For example: - The Group has provided insights on its experiences during the pandemic and has been called upon to provide input to assist Ontario Health in developing an online appointment-booking standard. - The Group has collected information about the experiences of those who used virtual care for school-based mental health consultations. - Patient and family advisors actively participated in the ongoing development of virtual-care oncology guidelines. - Patient and family advisors were recruited to participate as evaluators for the Health Care Navigation Service (HCNS) proposals, as mentioned in Recommendation 7. Ontario Health has also consulted third-party researchers who have conducted a qualitative and quantitative study with over 550 primary-care patients from across the province, and is using these insights to help develop Guidance for Clinically Appropriate Use of Virtual Care for Primary Care, as mentioned in Recommendation 8. Ontario Health has monitored the virtual-care experience of patients by building in experience and satisfaction measurement into virtual-care offerings and programs. For example, a survey offered to oncology patients at the end of their virtual appointments includes questions meant to measure the patient's experience with virtual care during the pandemic. Ontario Health has also continued to collect feedback from both care providers and patients about their experiences with virtual care through its Voice of the Customer program, as mentioned in Recommendation 3. Some of the indicators Ontario Health tracks through this program include: - number of people accessing online virtual care supported by Ontario Health; - percentage of Ontarians who had a virtual visit in the last 12 months; - number of mental health enrolments for virtual care supported by Ontario Health; - number of Indigenous Access Points, where indigenous people can connect with physicians and health-care providers virtually; - number of primary-care providers providing virtual visits; and - system cost savings related to virtual care. In addition, Ontario Health indicated that measurement and reporting that captured experiences of patients with cancer or hip and knee replacements will be leveraged for other conditions such as congestive heart failure. Apart from Ontario Health, the Ministry has developed performance metrics for measuring health-care providers' and patients' experiences. As mentioned in Recommendation 3, the Ministry funded the Centre for Digital Health Evaluation's (CDHE's) report on the experiences of patients and providers with virtual-care adoption during COVID-19, which identified areas of improvement. Specifically, the report:

Committee Recommendation	Status Details
	• Evaluated the impact of virtual care on patient outcomes and health-care utilization during the pandemic within a select group of patient populations (congestive heart failure and chronic psychotic illness). • Through its data analysis, the CDHE found that patients who used virtual care more frequently (for example, chronic disease patients) required more in-person care, while less frequent virtual-care users were likely more stable and physicians were able to delay their in-person care until pandemic risks decreased. While patients' preferences for the method of virtual-care delivery varied, perceptions were more positive when a long-standing relationship with the health-care provider was established. • Explored what helped virtual care grow rapidly during the COVID-19 pandemic, and what deterred it. • For example, with respect to clinical appropriateness, providers felt both phone and video visits were acceptable ways to deliver patient care under certain circumstances. Most providers agreed that virtual care allowed them to maintain strong patient relationships, provide patient-centred care, and engage patients similarly to in-person visits. The Ministry was able to use these findings from the CDHE's report to incorporate performance metrics into the structure and funding for virtual-care initiatives. For example, virtual-care initiatives led by Ontario Health Teams are required to capture patient experience survey information and patient outcomes.
Recommendation 13 To evaluate the impacts of the COVID-19 pandemic on calls to Telehealth Ontario and apply lessons learned to decision-making going forward, the Ministry of Health should: • continue analyzing Telehealth Ontario call volumes and wait times to ensure that adequate capacity and resources will be available if Ontario faces subsequent waves of COVID-19; Status: Fully implemented.	Telehealth Ontario transitioned call centre operations to a new vendor on April 1, 2022, coinciding with the sixth wave of the COVID-19 pandemic. To ensure that adequate capacity and resources would be available if Ontario faces subsequent waves of COVID-19, the new vendor has developed a surge-mitigation strategy to address call volume surges related to COVID-19. As mentioned in Recommendation 10, the Ministry and Ontario Health received the first monthly performance report from the vendor at end of May 2022; the report included the metrics outlined in the Service Reporting, Monitoring and Evaluation Plan, such as volumes and wait times. Apart from continuously analyzing Telehealth Ontario call volumes and wait times, the new vendor has also taken the following actions to ensure that adequate capacity and resources would be available if Ontario faces subsequent waves of COVID-19: • Increased staffing by 33% from the incumbent baseline to meet the needs of the new service and the COVID-19 surge. • Implemented a warm-transfer protocol for patients that may be eligible for Paxlovid, an oral antiviral drug that is the latest COVID-19 treatment to help keep high-risk patients from getting so sick that they need to be hospitalized. Warm transfer occurs when one staff member answers a call and then transfers the call to another staff member, but passes on any relevant information so that the caller does not have to repeat themselves. Eligible patients are warm-transferred to a virtual urgent-care program for assessment and prescription of Paxlovid. • Implemented a COVID-19 option in the interactive voice response for callers that require assistance with COVID-19 and tracked the volume of COVID-19-related callers.

Committee Recommendation	Status Details
• explore options or solutions (such as creating a separate phone number for calls related to COVID-19) that help distinguish the nature of calls and reduce wait times for non-COVID-19 calls going forward in response to potential subsequent waves of COVID-19. Status: Fully implemented.	Telehealth Ontario transitioned call-centre operations to a new vendor on April 1, 2022, coinciding with the sixth wave of the COVID-19 pandemic (as detailed in the first action item in Recommendation 13). To ensure that adequate capacity and resources would be available if Ontario faces subsequent waves of COVID-19, the new vendor has developed a surge-mitigation strategy to address call volume surges related to COVID-19. As part of the surge-mitigation strategy, the new vendor included a COVID-19 option in the interactive voice response for callers that require assistance with COVID-19, and tracks the volume of COVID-19-related callers, as noted in the first action item in Recommendation 13. This will help distinguish the nature of calls and reduce wait times for non-COVID-19 calls going forward in response to potential subsequent waves of COVID-19.

Chapter 3

Section 3.06

Waterfront Toronto

Standing Committee on Public Accounts Follow-Up on Section 3.15, 2018 Annual Report

On December 11, 2019, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2018 audit of Waterfront Toronto. The Committee tabled a report on this hearing in the Legislature in April 2021. A link to the full report can be found at auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made five recommendations and asked Waterfront Toronto and the Ministry of Infrastructure (Ministry) to report back by August 2021. Waterfront Toronto and the Ministry formally responded to the Committee on August 12, 2021.

A number of the issues raised by the Committee were similar to the audit observations of our 2018 audit, which we followed up on in December 2020. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 2022 and August 2022, and obtained written representation from Waterfront Toronto and the Ministry of Infrastructure that effective November 15, 2022, they have provided us with a complete update of the status of the recommendations made by the Committee.

Figure 1: Summary Status of Actions Recommended in April 2021 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	2	2				
Recommendation 5	4		1			3
Total	13	6	4	0	0	3
%	100	46	30	0	0	24

Overall Conclusion

As of November 15, 2022, 46% of the Committee's recommended actions had been fully implemented, and 30% of the recommended actions were in the process of being implemented. Three of the recommended actions are no longer applicable after Sidewalk Labs announced in May 2020 that it would no longer pursue the smart city project at Quayside.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from Waterfront Toronto and the Ministry of Infrastructure, and our review of the information provided.

Figure 2: Summary Status of Actions Recommended in April 2021 Committee Report

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 Infrastructure, working with partner governments, should: - clearly define the mandate of Waterfront Toronto and other waterfront-related agencies; Status: In the process of being implemented by September 2023. - strengthen Waterfront Toronto's ability to ensure its recommendations, previously approved by its government partners, are implemented; Status: In the process of being implemented by September 2023. - facilitate cooperation between waterfront-related organizations with a mandate to improve economic development of the waterfront. Status: In the process of being implemented by September 2023.	The three levels of government began a strategic review of Waterfront Toronto's mandate, current and future initiatives, governance framework and financial outlook, as well as the potential overlap between waterfront-related organizations. A consultant was retained and completed a background study in April 2021 to better inform the three levels of government on the broader strategic review. In October 2021, the City of Toronto publicly released the first City Staff Report on a renewed vision for revitalization of the waterfront and strengthening Waterfront Toronto's ability to implement previously approved recommendations. The report included the consultant's background study. A second City Staff Report was submitted to City Council in July 2022 containing the results of the City's public consultation on its renewed vision for Toronto's waterfront, project priorities, and status of discussions between the three levels of government. Specifically, the report noted that the three levels of government have been engaged in preliminary discussions on the next phase of waterfront revitalization, further intergovernmental discussions are required to determine the scope of work and available funding, and that officials of the three levels of governments are also exploring options for extending Waterfront Toronto's 25-year mandate, which will otherwise expire in 2028. The report included a report back in September 2023 with an update regarding provincial and federal interests, and an implementation action plan developed by the City. The Ministry plans on completing all action items under this recommendation by September 2023.
Recommendation 2 The Standing Committee on Public Accounts recommends that Waterfront Toronto should: prioritize its efforts to become more financially sustainable by exploring fundraising, funding, and revenue-generating opportunities; Status: Fully implemented.	As noted in our Waterfront Toronto follow-up (Section 1.15, 2020 Annual Report), Waterfront Toronto has been implementing its December 2019 Fundraising Action Plan. As part of this action plan, Waterfront Toronto hired two staff in 2021 specifically for fundraising activities, developed a philanthropic study for shared public places, developed a donor pipeline with over 100 qualified prospects, and secured the required tri-government revenue consent and draft 2022 Memorandum of Understanding (MOU) with the City of Toronto to support fundraising.

Committee Recommendation	Status Details
- ensure proper communication and accountability with prospective fundraising partners; Status: Fully implemented. - only enter into fundraising agreements after sufficient review and approval by the Waterfront Toronto Board of Directors. Status: Fully implemented.	In 2021, Waterfront Toronto initiated engagement with prospective donors, and current and past Board members to discuss opportunities for philanthropy on the waterfront. It also hosted two philanthropist boat tours to inform donor prospects on Waterfront Toronto projects. As a result of Waterfront Toronto's fundraising efforts, a \$25 million gift has been committed toward an art trail on the waterfront. Furthermore, the first fundraising agreement was executed in December 2021, where Waterfront Toronto is to receive \$1.3 million in grants from a charitable foundation for a permanent art installation. The agreement included sections on accountability to the foundation, such as written notification of the commencement of construction and reports on any significant developments during construction. The Board has delegated authority to Waterfront Toronto's CEO and executives to execute fundraising agreements. However, on a quarterly basis, management reports to the Board of Directors with respect to fundraising activities, including terms of anticipated agreements over \$5 million. For example, the terms of the draft 2022 MOU with the City of Toronto were presented to the Board for review and approval in December 2021.
Recommendation 3 The Standing Committee on Public Accounts recommends that Waterfront Toronto should consult with the Intergovernmental Steering Committee and the Board of Directors of Waterfront Toronto prior to signing official agreements or making public announcements. Status: Fully implemented.	As noted in our Waterfront Toronto follow-up (Section 1.15, 2020 Annual Report), Waterfront Toronto and the three levels of government signed a Memorandum of Understanding (MOU) in July 2020 to clarify the relationship between each party and their roles and responsibilities. The MOU establishes protocols for communications, that Waterfront Toronto "will engage the three levels of government through the Intergovernmental Steering Committee, and staff level committees as appropriate, on material matters and will ensure that advance copies of any relevant documents are circulated." Waterfront Toronto has regular quarterly meetings with the Intergovernmental Steering Committee and its Board of Directors regarding all matters, including major agreements and announcements. For example, the latest public announcement made by Waterfront Toronto on February 15, 2022 was made in accordance with the communications protocol set out in the July 2020 MOU. This announcement came after over 18 months of consultations including seven Intergovernmental Steering Committee meetings and nine Board of Directors meetings on the matter. Waterfront Toronto shared communication materials relating to this announcement with members of the Intergovernmental Steering Committee on February 11, 2022, and again on February 15, 2022 after its Board of Directors' approval.

Committee Recommendation	Status Details
Recommendation 4 The Standing Committee on Public Accounts recommends that Waterfront Toronto should: • improve communication between its senior management, its Finance, Audit and Risk Management Committee, and its Board of Directors regarding the cost and process of the Port Lands Flood Protection Project; Status: Fully implemented. • regularly update the Board of Directors on the work and findings of the third-party risk consultant, Capital Peer Review Panel, and Independent Capital Monitor firm regarding risk assessments for the Port Lands Flood Protection Project. Status: Fully implemented.	Since May 2021, Waterfront Toronto regularly provides updates to its senior management, Finance, Audit and Risk Management Committee, and its Board of Directors regarding the cost and process of the Port Lands Flood Protection project on a regular basis. Specifically, it provides quarterly reports by its independent capital monitor since November 2018, and starting in May 2021, semi-annual cost forecast and risk update reports by its third-party risk consultant, which outlines the status of the project, and contains analyses of contingencies and risks to ensure the successful completion of the project. The Capital Peer Review Panel provides comments and advice to management as per its mandate. Where appropriate, management has updated the Board of Directors on actions taken on the Panel's advice.
Recommendation 5 The Standing Committee on Public Accounts recommends that the Ministry of Infrastructure, in conjunction with its government partners, should: • continue to study the issues surrounding the creation of a smart city in Toronto to determine what legal protections are necessary to protect the public interest; Status: No longer applicable. • assess whether Waterfront Toronto needs additional direct oversight of its practices or if its governance structure can be streamlined; Status: In the process of being implemented by September 2023 • develop a policy framework, through legislation, to guide the development of a smart city, addressing issues of intellectual property, data collection, ownership, security and privacy, legal and consumer protection issues, infrastructure development, and economic development; Status: No longer applicable. • improve communication and consult with the public regarding the development and potential of a smart city project. Status: No longer applicable.	As noted in our Waterfront Toronto follow-up (Section 1.15, 2020 Annual Report), in May 2020, Sidewalk Labs announced that it would no longer pursue the smart city project at Quayside. Waterfront Toronto publicly announced in February 2022 that it selected Dream and Great Gulf to develop the Quayside for mixed-use, including more than 800 affordable housing units, public spaces, and a landmark multi-use arts venue. The Ministry initially noted that this 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 Ministry of Public and Business Service Delivery. While the recommendation asks the Ministry to continue to study issues surrounding the creation of a smart city in Toronto, the Ministry of Infrastructure has clarified that Waterfront Toronto is not pursuing a smart city approach in future developments, and Ontario Digital Service has indicated that, as there is no current province-led smart city initiative in Ontario, there has not been any direction for implementing a policy framework through legislation to guide the development of future smart cities. As noted above for Recommendation 1, the three levels of government had begun a strategic review of Waterfront Toronto's mandate and governance structure, and is expected to complete the review by September 2023. Ontario Digital Service indicated that, as there is no current province-led smart city initiative in Ontario, there has not been any direction for implementing a policy framework through legislation to guide the development of future smart cities.

Chapter 3

Section 3.07

Ministry of Finance and Treasury Board Secretariat

Public Accounts of Ontario

Standing Committee on Public Accounts Follow-Up on the Public Accounts of Ontario, 2020 Annual Report

On March 31, 2021, the Standing Committee on Public Accounts (Committee) held public hearings on the audit of the Public Accounts of Ontario, a chapter in the Auditor General's 2020 Annual Report. The Committee tabled a report in the Legislature resulting from this hearing in February 2022. A link to the full report can be found at <http://www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html>.

The Committee made five recommendations and asked the Treasury Board Secretariat (Secretariat) to report back by the end of June 2022. See **Figure 1** for the status of the Committee's recommendations.

We conducted assurance work between July 4, 2022 and October 21, 2022, and obtained written representation from the Secretariat that effective November 3, 2022 it has provided a complete status update of the recommendations made by the Committee.

Overall Conclusion

As of October 21, 2022, 17% of the Committee's recommendations have been implemented and 83% of the Committee's recommendations are in the process of being 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 1: Summary Status of Actions Recommended in June 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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		1			
Recommendation 4	1		1			
Recommendation 5	1		1			
Total	6	1	5	0	0	
%	100	17	83	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 Office of the Provincial Controller Division work with the Auditor General's Office to ensure continued transparency and accountability in the Public Accounts process. Status: Fully implemented.	The Office of the Provincial Controller Division (OPCD) of the Office of the Comptroller General (OCG), Treasury Board Secretariat (TBS) and the Auditor General's Office have a strong professional relationship including regular and ongoing discussions on significant accounting or Public Accounts matters to ensure transparency and accountability. OPCD remains committed to working with the Auditor General's Office to ensure continued transparency and accountability in the Public Accounts process.
Recommendation 2 The Standing Committee on Public Accounts recommends that the Treasury Board Secretariat work with the ministries that have contaminated sites liabilities to: - implement a uniform approach across all ministries to ensure that all identified contaminated sites are evaluated consistently across the province; and Status: In the process of being implemented by March 31, 2023. - review contaminated sites annually to determine where new detailed environmental assessments need to be completed or where estimated liabilities need to be updated to reflect changes in cost estimates, technology, remediation strategies, site conditions, environmental standards or other factors. Status: In the process of being implemented by April 1, 2023.	The Office of the Provincial Controller Division (OPCD) has worked with ministries to strengthen existing processes aimed at establishing a uniform and consistent approach to evaluate contaminated sites across the province. Ministries have started adopting a standard checklist for the assessment and evaluation for the liabilities in accordance with Canadian Public Accounting Standards. This checklist will be implemented across all ministries for the March 31, 2023 Public Accounts. Ministries and OPCD are working together to clarify and clearly define categories of contaminated sites with a view to implement consistent practice for similar categories of sites and the undertaking of critical site reassessments. Additionally, ministries continue to progress with: - adoption of the standard checklist across all ministries for the evaluation of liabilities; and - documentation on characteristic features and practice for assessing sites in each category. The Office of the Provincial Controller Division (OPCD) is working with ministries to ensure that the Environmental Contamination Financial Management Guidelines (previously released in May 2018) are reviewed and updated to provide revised information to clarify, among others, cost-effective methods and frequency for reassessments and discounting considerations. These guidelines are expected to be updated and in place by April 1, 2023 for application as part of the 2023-24 Public Accounts.
Recommendation 3 The Standing Committee on Public Accounts recommends that the Ministry of Finance continue to implement their debt burden strategy, and provide public updates on the strategy on an annual basis. Status: In the process of being implemented.	The Ministry of Finance has implemented the debt burden strategy and will continue to provide annual public updates in the Budget. The 2022 Budget established enhanced numeric targets for the three existing debt burden and sustainability targets as well as introduced the new target of Debt Maturities-to-Net Debt. The debt burden strategy is not fully implemented due to the province not formally documenting the supporting actions on progress of the strategy, nor explaining how it determined the debt targets (e.g., net debt-to-GDP or net debt-to-revenue) or clearly demonstrating how debt will be managed.
Recommendation 4	

Committee Recommendation	Status Details
The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services (Ministry) should work with the Children's Aid Societies to have their financial statement audits completed and submitted to the Ministry within the required reporting timelines. Status: In the process of being implemented by March 31, 2023	The Ministry of Children, Community and Social Services works collaboratively with all societies to meet reporting timeline requirements; however, the challenges of COVID-19 led the Ministry to provide additional flexibility on reporting timelines for all transfer payment recipients, including the societies. Non-Indigenous Children's Aid Societies who will have their financial statements consolidated into the Province's Public Accounts will be required to submit 2022-23 financial information to the Ministry earlier than was historically expected. The Ministry has held working groups with non-Indigenous societies to identify the reasons for delays in financial statement preparation, audit and submission, and to explore mitigating solutions.
Recommendation 5 The Standing Committee on Public Accounts recommends that the Treasury Board Secretariat should work with the Ministry of Children, Community and Social Services to consolidate the non-Indigenous controlled Children's Aid Societies into the Public Accounts by 2022/23. Status: In the process of being implemented by March 31, 2023.	The Ministry of Children, Community and Social Services (MCCSS) has been working with Treasury Board Secretariat (TBS) to first reassess control of Children's Aid Societies, then plan for the 2022-23 financial consolidation of non-Indigenous Children's Aid Societies including: • Non-Indigenous Children's Aid Societies were included in the listing of consolidated entities as part of the 2020-21 Public Accounts. • Professional services were acquired to assess the alignment of societies' financial statements and accounting policies with Public Sector Accounting Standards for non-profit organizations, and evaluate technology, business and financial reporting changes required to support consolidation. • A consolidation gap assessment based on a review of audited financial statements and preliminary assessments of financial reporting and accounting systems was developed and shared with societies to prepare them for the transition. • The Ministry has held one-on-one meetings with the most highly impacted societies (e.g., those required to change their accounting standards) to discuss impacts, timelines and supports needed to adopt the required standards and systems. • Overarching and topic-specific workshops have been held with all societies to discuss the new financial reporting requirements and address questions and concerns. • A detailed implementation plan including communications and training requirements and opportunities for increased standardization and digital solutions has been drafted in collaboration with societies. • Regular ongoing project meetings are held between MCCSS and the Office of the Provincial Controller Division (OPCD) to ensure the project remains on schedule. OPCD provided Public Accounts reporting data requirements and training to MCCSS to support its onboarding process with the societies. Additionally, OPCD provided a walkthrough of the Consolidated Financial Statements showing the impact of consolidation on the 2020-21 Public Accounts actuals to assist its stakeholder onboarding process with societies.

Chapter 3

Section 3.08

COVID-19 Preparedness and Management Special Report

Chapter 1: Emergency Management in Ontario—Pandemic Response

Standing Committee on Public Accounts Follow-Up on 2020 Special Report

On April 14, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 special audit of Emergency Management in Ontario – Pandemic Response. The Committee tabled a report on this hearing in the Legislature in February 2022. A link to the full report can be found at <http://www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html>.

The Committee made six recommendations and asked the Ministry of the Solicitor General (Ministry) to report back by June 2022. The Ministry formally responded to the Committee on June 22, 2022. However, the Committee was unable to accept the response at that time due to the dissolution of the 42nd parliament. As a result, the Ministry was asked to resubmit the response after the 43rd Parliament

officially begins. The Provincial Emergency Management Office (EMO), the office that is the focus of the special report, was moved from the Ministry to the Treasury Board Secretariat (Secretariat) on June 24, 2022. The Secretariat submitted its formal response to the Committee in August 2022.

A number of the issues raised by the Committee were similar to the audit observations in our 2020 audit, which we followed up on in 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between June 2022 and August 2022, and obtained written representation from the Secretariat that effective November 4, 2022, 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 the February 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	0	1	0	0	0
Recommendation 2	2	0	2	0	0	0
Recommendation 3	1	0	1	0	0	0
Recommendation 4	1	0	1	0	0	0
Recommendation 5	1	0	1	0	0	0
Recommendation 6	1	0	1	0	0	0
Total	7	0	7	0	0	0
%	100	0	100	0	0	0

Overall Conclusion

As of November 4, 2022, none of the Standing Committee on Public Accounts (Committee) recommended actions had been fully implemented and they were all in the process of being implemented.

Although progress to fully implement the recommendations has been slow to date, a number of critical developments have recently occurred at the Provincial Emergency Management Office (EMO), as noted below. These developments are expected to have a significant impact on implementing the recommendations in the future, and on the emergency management program in Ontario:

- In January 2022, staffing at EMO was increased based on a staffing review that was conducted in 2021, adding 69 positions, which is an increase from 79 at the time of the special audit in 2020. During the 2022/23 fiscal year, additional funding of \$500,000 was provided for four new positions, along with an additional \$3 million which EMO stated was for 46 additional staff, prorated for the last six months of the fiscal year. At the time of our follow-up, a total of 136 positions were currently filled at EMO and recruiting efforts were continuing to fill the remaining positions.
- In April 2022, a new Deputy Minister/Commissioner of Emergency Management position was created and filled. This new role provides dedicated leadership to Ontario's emergency management system.
- Also in April 2022, amendments were made to the *Emergency Management and Civil Protection Act through the new Pandemic and Emergency Preparedness Act*. The changes require that the Treasury Board Secretariat (Secretariat) establish an accountability and governance framework that sets out the roles and responsibilities of EMO's partners during an emergency. The changes also require the Secretariat to develop and publish a provincial emergency management plan.
- In June 2022, the new Deputy Minister/Commissioner and EMO were transferred from the Ministry of the Solicitor General to the Secretariat, which is a more centralized placement for the office in the government.
- In July 2022, a new organizational structure was rolled out for EMO, which includes the new Deputy Minister/Commissioner and three Assistant Deputy Ministers that each head up divisions (previously there was only one division).

Figure 2 shows the recommendations and status details that are based on responses from EMO, 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 Ministry of the Solicitor General make a concerted effort to expediently and fully implement the recommendations from the Auditor General's 2017 audit report on emergency management in Ontario within the next 12 months. Status: In the process of being implemented by December 2025.	EMO told us that it has balanced making progress on the recommendations in the 2017 value-for-money report on Emergency Management in Ontario, many of which are multi-year undertakings, while engaging in various emergency planning and response activities including the ongoing provincial response to COVID-19.

Committee Recommendation	Status Details
	As a result, we noted that more progress has been made in implementing these recommendations as EMO had fully implemented nine (25%, up from four or 11% in 2020) recommended actions of the 36 it was responsible for. In addition, 24 (67%, up from 18 or 50% in 2020) recommended actions were in the process of being implemented. There had been little or no progress on one (3%, down from 12 or 33% in 2020) recommended action. (EMO previously told us that it would not be implementing two of the 36 recommended actions.) However, EMO will not be able to meet the Committee's recommendation of implementing all recommended actions within 12 months of its report's tabling date (by February 2023). Under EMO's new organizational structure, it plans to implement all outstanding recommended actions by December 2025.
Recommendation 2 The Ministry of the Solicitor General: • adopt the best practices noted in other jurisdictions, such as ensuring all parties are engaged and working together in the Provincial Emergency Operations Centre, as appropriate, providing direct support to municipalities, and providing timely information; Status: In the process of being implemented by March 2024. • determine the changes needed to make its provincial response structure as effective as possible, and implement them. Status: In the process of being implemented by December 2024.	EMO regularly participates in Federal/Provincial/Territorial forums related to emergency management. These forums provide an opportunity to learn from and work with other jurisdictions to share information on approaches and best practices. However, EMO has not yet reviewed the best practices noted in other provinces in the special report, with a goal of adopting those that could improve the emergency management program in Ontario. EMO previously committed to undertaking a full review of Ontario's emergency management system post-COVID 19 in order to assess areas for improvement and to build upon successes and learnings from the COVID 19 emergency. In November 2021, it began examining Ontario's emergency management program through an internal review of its legislation. As part of this review, it will look at best practices and lessons learned from the pandemic, with a goal of making improvements to Ontario's emergency management program. It expects to complete the review of best practices noted in other provinces and the review of its legislation, and adopt any best practices, by March 2024. EMO indicated that the Province has regularly reviewed the response structure used for COVID-19 and believes it is effective for an integrated and cross-government response to the pandemic. It said that the response structure has been modified over the past year to ensure continued effectiveness. EMO also stated that as part of the broader emergency management governance and oversight structure being developed, changes to the provincial response structure will be determined by building on existing approaches, including the response structure used for the pandemic. The changes identified will then be approved by the government. However, the new structure is not in line with the one outlined in the Provincial Emergency Response Plan, since the structure in that plan does not include any of the tables and sub-tables that the new structure contains, and it is based on the Incident Management System, a best practice in emergency management. If this response structure is to be used going forward, then the Provincial Emergency Response Plan should be updated accordingly so that all stakeholders are aware of the intended new provincial approach. The related ministry response plans should also be updated to reflect this new structure. For example, the Ministry of Health's Ministry Emergency Response Plan and Ontario Health Pandemic Influenza Plan had not been updated since 2013, and the Provincial Co-ordination Plan for Influenza Pandemic had not been updated since 2006, and they have still not been updated. Therefore, these plans are not in line with the response structure being used for the pandemic.

Committee Recommendation	Status Details
	In addition, EMO has still not undertaken a full review of Ontario's emergency management system, which it committed to doing post-COVID 19 to assess areas for improvement and to build upon successes and learnings from the pandemic. EMO began examining Ontario's emergency management program through an internal review of legislation that was initiated in November 2021. Any improvements noted in the response structure as a result of this review should be updated in the Provincial Emergency Response Plan. The Secretariat expects to implement this recommendation by December 2024, after the Provincial Emergency Response Plan is updated to reflect the Province's response structure.
Recommendation 3 The Ministry of the Solicitor General determine the critical resources needed for all types of emergencies and then enter into agreements for those resources with pre-established rates and volume. Status: In the process of being implemented by December 2025.	Some amendments were made to the <i>Emergency Management and Civil Protection Act</i> through the new <i>Pandemic and Emergency Preparedness Act</i> in relation to this recommendation. The changes require ministries to identify the goods, services and resources needed to respond to the risks and hazards they are responsible for, and to provide this information to EMO annually and upon request. In addition, the Ministry of Public and Business Service Delivery (formerly the Ministry of Consumer and Government Services) introduced the <i>Personal Protective Equipment Supply and Production Act</i>. This Act requires the Province to maintain a stockpile of personal protective equipment and critical supplies and equipment. Further, the legislation requires the Minister to report on the status of the stockpile and the origin of the products in the stockpile annually. Also, a terms of reference document has been developed for a new working group involving EMO, the Ministry of Public and Business Service Delivery and Supply Ontario to develop a supply chain and logistics program that addresses preparedness of resources, goods and services needed during an emergency. Supply Ontario is a new Crown agency that was established to transform and modernize Ontario's supply chain. EMO plans to fully implement this recommendation by December 2025 after ministries have identified the resources needed to respond to the risks and hazards they are responsible for, as required by the new legislation, and then enter into agreements for those resources.
Recommendation 4 The Ministry of the Solicitor General review best practices in other jurisdictions to inform and recommend to government a governance structure that promotes and supports effective oversight of emergency management in the province, and, if required and approved, that the Ministry implement this structure. Status: In the process of being implemented by March 2023.	EMO has initiated a review of the <i>Emergency Management and Civil Protection Act (Act)</i> and was developing an updated emergency management governance and oversight structure which will include the implementation of a new executive-level committee for emergency management by December 2022, and an assessment of the role of the Cabinet Committee on Emergency Management. As part of this process, EMO has begun reviewing jurisdictional approaches and best practices to help in the development of this new structure. EMO plans to implement this recommendation by March 2023, including obtaining government approval for an updated governance and oversight structure. As part of this review process, amendments were made to the Act through the new <i>Pandemic and Emergency Preparedness Act</i>, which was proclaimed in April 2022. These changes require the Secretariat to establish an accountability and governance framework that sets out the roles and responsibilities of EMO's partners during an emergency. These changes also require the development and publication of a provincial emergency management plan, which will be a separate document from the Provincial Emergency Response Plan.

Committee Recommendation	Status Details
Recommendation 5 The Ministry of the Solicitor General implement the staffing needed at the Provincial Emergency Management Office and in the Provincial Emergency Operations Centre based on the results of the recent staffing review and the needs of municipalities, including plans for surge capacity and specialized teams to be used during an emergency. Status: In the process of being implemented by March 2024.	In January 2022, 69 additional staffing positions were approved for EMO based on the recent review conducted, which is an increase from 79 in 2020. During the 2022/23 fiscal year, additional funding of \$500,000 was provided for four new positions, along with an additional \$3 million which EMO stated was for 46 additional staff, prorated for the last six months of the fiscal year. At the time of the follow-up, a total of 136 positions were currently filled at EMO and recruitment was under way for the remaining positions. More specifically, for the staffing needed to assist municipalities, EMO has increased staffing in its field services area by approving 14 additional field officer positions, which is in line with the minimum noted in the staffing review. EMO's field services have grown from 12 positions at the time of the 2017 value-for-money audit to 31 positions, with the majority of these positions filled as of the follow-up. However, EMO had not developed a surge capacity plan as a way of increasing staffing in the Provincial Emergency Operations Centre during an emergency; instead, it planned on using its existing staff. It indicated that the approved additional staff gave it a far greater capability to meet the demands during an emergency. However, the review recommended staffing levels needed for EMO's day-to-day operations, but did not include additional surge staffing to respond to lengthy, large-scale emergencies. This approach could result in not enough surge staffing being available to assist in the Provincial Emergency Operations Centre. It could also limit EMO's other program operations, such as nuclear preparedness, training, compliance reviews and public education, for example, if staff are taken from these areas to assist in the Provincial Emergency Operations Centre. EMO also has not yet implemented the All Hazards Incident Management Team, which it stated that it planned to implement to assist in the Provincial Emergency Operations Centre and in other ministries' emergency operations centres during emergencies. EMO indicated that any further development of this specialized team will depend on future growth in EMO under the new organization structure. EMO plans to implement this recommended action by March 2024.
Recommendation 6 The Ministry of the Solicitor General review the authority of the Chief of Emergency Management and confirm that the province is prepared for emergencies by enabling the Emergency Management Office to ensure compliance with all the legislative requirements, and determine whether changes to legislation are needed. Status: In the process of being implemented by December 2025.	Under the <i>Emergency Management and Civil Protection Act (Act)</i>, the Chief of Emergency Management has the legislative authority to monitor, coordinate and assist ministries and municipalities in developing and implementing their emergency management programs. The Chief's legislated authority does not include the ability to enforce the legislative requirements in order to ensure the province is prepared for emergencies. EMO conducted an internal review regarding ways to increase ministry and municipal compliance with legislated requirements. As a result, it concluded that assisting ministries and municipalities in the annual compliance review process by providing more support and guidance could be more beneficial than increased legislative enforcement powers. However, the annual compliance review process does not focus on the quality and sufficiency of the emergency management programs in place. EMO is looking into improving its annual compliance review process to include a review of the quality of emergency management programs at ministries and municipalities. It has also initiated a review of the Act, including examining the requirements for ministry and municipal emergency management programs and plans. EMO plans to complete all of this work by December 2025.

Chapter 3

Section 3.09

COVID-19 Preparedness and Management Special Report Chapter 2: Outbreak Planning and Decision-Making

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, 2020 Special Report

On March 10, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on Chapter 2: Outbreak Planning and Decision-Making of our COVID-19 Preparedness and Management Special Report. The Committee tabled a report on this hearing in the Legislature in November 2021. A link to the full report can be found at <http://www.auditor.on.ca/en/content/standingcommittee/standing-committee.html>.

The Committee made eight recommendations and asked the Ministry of Health (Ministry) and Secretary of Cabinet to report back by March 2022. The Ministry and Secretary of Cabinet formally responded to the Committee on March 24, 2022. A number of the issues raised by the Committee were similar to the audit observations of our 2020 special audit, which we followed up on in 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between April 2022 and August 2022, and obtained written representation from the Ministry and Secretary of Cabinet that effective November 4, 2022, they have provided us

with a complete update of the status of the recommendations made by the Committee.

Overall Conclusion

As of November 4, 2022, 64% of the Committee's recommended actions had been fully implemented, and 8% of the recommended actions were in the process of being implemented. There has been little or no progress on 20% recommended actions, and 8% of recommendations will be not implemented.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of Health (Ministry) and Secretary of Cabinet, and our review of the information provided.

Figure 1: Summary Status of Actions Recommended in November 2021 Committee Report

Prepared by the Office of the Auditor General of Ontario

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	2		2	1	
Recommendation 2	2	1		1		
Recommendation 3	2	2				
Recommendation 4	4	3			1	
Recommendation 5	4	4				
Recommendation 6	2		2			
Recommendation 7	2			2		
Recommendation 8	4	4				
Total	25	16	2	5	2	0
%	100	64	8	20	8	

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 in order to operate with a simpler and clearer decision-making structure that can respond more quickly to subsequent waves of COVID-19 in Ontario, the Secretary of Cabinet and Ministry of Health should: review on an ongoing basis the structure of the Health Coordination Table and its sub-tables to identify and retain the members and experts who are most critical and appropriate to provide advice to the Province; Status: Fully implemented.	Subsequent to our 2020 audit, the Ministry has updated the membership, terms of reference and processes of the Health Coordination Table (which was called the Health Command Table at the time of our audit). Since then, the Ministry has continued to review and evaluate the structure of the table and its sub-tables on a regular basis, including their respective mandates and memberships, and the frequency of meetings. Such revisions have been made to reflect the sector's evolving needs throughout the pandemic and to ensure the overall structure aligns with operational requirements. At the time of our follow-up, the Health Coordination Table had been reduced significantly to 44 participants and 11 active sub-tables from 83 participants and 25 sub-tables with over 500 people at the time of our audit. Since March 31, 2022, given the evolving nature of the Province's pandemic response, some tables were shut down after fulfilling their mandates (such as the Collaboration Table, the Provincial Critical Care Table, and the Ministers' Pandemic Response Leadership Table). Other tables were paused (such as the Health Coordination Table, the Provincial Primary Care Advisory Table, and the Public Health Measures Table). The tables that were closed or paused can be reconvened as needed. These changes reflect the maturation of the Province's pandemic response systems. Essential resources and components of these tables have been retained, should the need for their reactivation arise. The pandemic response structure and members will continue to be reviewed until it is no longer needed.

Committee Recommendation	Status Details
ensure that the role of Chief Medical Officer of Health, supported by Public Health Ontario and the Public Health Measures Tables, as a co-chair of the Health Coordination Table is recognized; Status: Fully implemented.	The Health Command Table's terms of reference, created in February 2020, were updated to reflect the change in name from the Health Command Table to the Health Coordination Table. As well, the leadership responsibilities of the CMOH have been formalized. As one of the three co-chairs of the Health Coordination Table (the other two co-chairs are the Deputy Minister of Health and the CEO of Ontario Health), the CMOH shares the responsibility of leading the table in achieving its mandate by determining agenda items, facilitating the committee's discussions, and communicating priorities. Furthermore, the CMOH regularly presents updates on public health measures and emerging trends in the epidemiology of COVID-19. The CMOH has also been the policy lead of two key workstreams related to public health measures and surveillance.
review the role of Public Health Ontario as part of the COVID-19 response to determine activities it should take over (such as leading provincial public health surveillance, with support from Ontario Health for health system capacity); Status: Little or no progress.	Public health leaders from Public Health Ontario have taken on key leadership roles at various health tables including the Science Advisory Table, the Integrated Data Review Working Group, the Evidence Synthesis Network and the Public Health Measures Table. These tables report into the Ministry's decision-makers by providing updates on emerging research, trends, modelling and advice. The Science Advisory Table also provides public updates through the memos it posts on the Ontario government website https://covid19sciencetable.ca/. The functions of and responsibility for the Science Advisory Table were transferred to Public Health Ontario in April 2022. Public Health Ontario has also played a leading role in broad provincial public health surveillance. For example, Public Health Ontario, in partnership with Ontario Health and the provincial government, screens positive COVID-19 specimens for potential variants of concern and performs full genomic sequencing of a large percentage of positive specimens. This partnership has made Ontario a national leader in the identification and surveillance of new variants of concern. Additionally, Public Health Ontario has been working with Ontario Health on surveillance and laboratory system capacity. The review of Public Health Ontario's mandate is anticipated to be part of the Province's public health modernization initiative, which has been put on hold to allow the government to continue to deal with the COVID-19 pandemic. The Ministry said at the time of our follow-up that no schedule had been set to initiate the review. The review of Public Health Ontario's mandate is also anticipated to align with the appointment of its new CEO, who assumed his new role in July 2022.
formally identify under what circumstances (such as during public health emergencies) Public Health Ontario's scientific and technical advice should be made public; Status: Little or no progress.	Public Health Ontario's scientific and technical advice, reports and guidance documents are being made public on https://www.publichealthontario.ca/. As mentioned, the Science Advisory Table is now housed within Public Health Ontario. The advice and research of the table, specifically their scientific briefs and modelling, continue to be made available to the public online (https://covid19-sciencetable.ca/sciencebrief/). Public Health Ontario will continue to publish its reports as appropriate, and the government will continue to assess the sharing of technical advice with the public. However, the Ministry indicated that it has not determined whether it is necessary to amend the <i>Ontario Agency for Health Protection and Promotion Act, 2007</i> to support publishing such reports. This will be assessed as part of the review of Public Health Ontario's mandate, which is anticipated to be part of future reviews of Ontario's pandemic response and the modernization of the public health system. The Ministry said at the time of our follow-up that no schedule had been set to initiate these reviews.

Committee Recommendation	Status Details
review who is best-equipped to serve as chairs and/or co-chairs of the Regional Steering Committees. Status: Will not be implemented. Although the decision was made to not appoint all local Medical Officers of Health from the public health units as co-chairs of their respective Regional Steering Committees, the Office of the Auditor General of Ontario continues to believe that having them as co-chairs would be beneficial for monitoring and responding to COVID-19 related activities.	All local Medical Officers of Health have participated in their respective Regional Steering Committees, but not all them are co-chair of the committees. The Ministry indicated that only one local Medical Officer of Health serves as a formal co-chair of a Regional Steering Committee, the Central Region Response and Recovery Table. While not all local Medical Officers of Health are co-chairs of their respective Regional Steering Committees, they have been engaged with the regional COVID-19 response tables to monitor and respond to COVID-19-related activities, as indicated by the Ministry. They are under the guidance of the Chief Regional Officers, who are directly accountable to the CEO of Ontario Health. For example, the local Medical Officer of Health from the Toronto public health unit is one of the leads of the Toronto Region Response and Recovery Table and has the following responsibilities: - discussing current and emerging issues related to pandemic response and recovery; - sharing cross-sector knowledge and expertise to advise and inform regional pandemic response and recovery planning; and - sharing information discussed at the meetings with their respective sector. As well, Ontario Health has been working closely with Public Health Ontario at the provincial level to ensure that information generated at the regional and local level is aggregated and shared with the Office of the Chief Medical Officer of Health, as required.
Recommendation 2 The Standing Committee on Public Accounts recommends that to expedite decision-making during subsequent waves of COVID-19 and future health emergencies, the Central Coordination Table and Ministry of Health should: - request that Public Health Ontario immediately review guidance on the appropriate use of the precautionary principle (that in an emergency situation, decision-makers need not wait for scientific certainty before taking reasonable steps to reduce risk and protect public health); Status: Little or no progress. - use and support Health Coordination Table members and key decision-makers in applying and following the precautionary principle as the guiding principle going forward. Status: Fully implemented.	The Ministry has not requested Public Health Ontario to review the guidance on using the precautionary principle. The Ministry indicated that it will look into this recommendation further as a part of its reviews of the Province's response efforts to the COVID-19 pandemic. As noted in Recommendation 1, The Ministry said at the time of our follow-up that no schedule had been set to initiate these reviews. The Ministry indicated that its pandemic response efforts have been grounded in a cautious approach, ensuring that decisions have not been delayed by the absence of full scientific certainty in considering instances of potential risk or irreversible harm. For instance, Directives #1, #4, and #5 from the Chief Medical Officer of Health (CMOH) were intended to protect health-care workers' health and safety in the use of any protective clothing, equipment or device. The guidance outlined in these directives was made in close consultation with Public Health Ontario, and the CMOH had considered the precautionary principle in issuing these directives. In issuing a directive, the <i>Health Protection and Promotion Act</i> stipulates that the CMOH must consider the precautionary principle where in his/her opinion there exists or may exist an outbreak of an infectious or communicable disease and the proposed directive relates to workers' protective clothing or equipment. The Ministry plans to continue to appropriately apply the precautionary principle to subsequent responses. The Ministry has supported Health Coordination Table members and key decision-makers in applying and following the precautionary principle as the guiding principle going forward. For example, the Health Coordination Table has provided a forum for key decision-makers and leaders to discuss pressing issues, including reviewing recommendations regarding critical care capacity, COVID-19 treatments, seasonal planning, testing strategies, health human resources, variants of concern, outbreak management and increasing vaccination uptake. These discussions have also covered the importance of following the precautionary principle to ensure that decisions are not delayed by the absence of full scientific certainty in considering instances of potential risk or irreversible harm.

Committee Recommendation	Status Details
Recommendation 3 The Standing Committee on Public Accounts recommends that to better align policies and decision-making with best practices, expert advice, and scientific and epidemiological evidence for the containment of COVID-19 in a cost-effective manner, the Health Coordination Table, with the support of the Central Coordination Table, should: - follow timely public health advice and recommendations from Public Health Ontario and the Testing Strategy Expert Panel; Status: Fully implemented. - continue to review and provide advice for changes to the “COVID-19 Response Framework: Keeping Ontario Safe and Open” based on the advice of Public Health Ontario and feedback from the Public Health Measures Table and public health units. Status: Fully implemented.	The Ministry has followed public health advice and recommendations from Public Health Ontario and the Testing Strategy Expert Panel. For example, the Ministry has aligned its testing guidance with the panel’s advice. Specifically: - In September 2020, the Ministry discontinued asymptomatic testing of the general population and focused efforts on diagnostic testing for symptomatic and high-risk persons, as well as on improving and maintaining provincial turnaround time targets. Since then, the Ministry has adjusted its testing strategy and guidance to be responsive to COVID-19 prevalence, risk and testing capacity. During the Omicron wave, diagnostic testing (including polymerase chain reaction, or PCR, tests and rapid antigen tests) were prioritized for higher-risk populations. - Similarly, the deployment of rapid antigen tests was prioritized during the initial onset of the Omicron wave for the highest-risk settings, with broader deployment around mid-January 2022, followed by wide access for the general population in February 2022, in alignment with public health advice on the use of rapid antigen tests in a context of high COVID-19 incidence. - Throughout 2021, the recommendations of Public Health Ontario and the Testing Strategy Expert Panel were reflected in the provincial testing guidance drafted by the Office of the Chief Medical Officer of Health. The Ministry of Health and partner ministries have used this guidance to inform testing strategies and initiatives, such as for rapid testing in schools and remote communities. As the COVID-19 pandemic evolves, Ontario’s recovery from the Omicron variant and responses to future variants will continue to be informed by the advice and recommendations from Public Health Ontario, the provincial Testing Strategy Expert Panel and other tables. The Ministry has continued to review and adjust readiness plans and reopening steps while considering emerging research, global trends, prevalence, vaccination rates, and severity of COVID-19. For example: - In May 2021, the Ministry released <i>Roadmap to Reopen</i>, which was a three-step plan to guide the safe and gradual reopening of the province and the lifting of public health measures based on the province-wide vaccination rate and improvements in key public health and health-care system indicators. Ontario moved to Step 3 of the Roadmap on July 16, 2021, and subsequently introduced the following public health and workplace safety measures, based on the advice of the Chief Medical Officer of Health (CMOH): - requiring patrons to provide proof of being fully vaccinated against COVID-19 to access certain businesses and settings (vaccine certificates); and - lifting capacity limits and physical distancing requirements in certain settings, including for settings where proof of vaccination is required. - In October 2021, the government released, in consultation with the CMOH, A Plan to Safely Reopen Ontario and Manage COVID-19 for the Long Term (the Plan). The Plan outlined the Province’s gradual approach to lifting remaining public health and workplace safety measures by March 2022, based on the CMOH’s advice. - On January 20, 2022, the government updated the Plan and indicated its intention to return to lifting most, if not all, public health and workplace safety measures by the end of March 2022 in a staged manner. Measures were lifted gradually through March 1, 2022. - The CMOH advised on Ontario’s plan to live with and manage COVID-19, which includes lifting most public health and workplace safety measures by March 21, 2022, and lifting all measures under the <i>Reopening Ontario Act, 2020</i> by April 27, 2022.

Committee Recommendation	Status Details
Recommendation 4 The Standing Committee on Public Accounts recommends that to improve the effectiveness, timeliness and transparency of communication in the provincial response to COVID-19, - all Health Coordination Table meetings should be conducted through videoconferencing or in person (where appropriate physical distancing and public health measures can be followed); Status: Fully implemented. - the Health Coordination Table should prepare meeting minutes and document meeting attendees, key decisions made (such as what advice to provide to the Minister of Health and Cabinet), timelines, deliverables and parties responsible for distribution and approval to support learning from past decisions and as a source of reference for future decisions; Status: Will not be implemented. Although decisions (including advice to the Minister of Health and Cabinet) are not included in Health Coordination Table's records because this is not a decision-making table, the Office of the Auditor General of Ontario continues to believe that documenting key decisions made would still be beneficial to support learning from past decisions and as a source of reference for future decisions. - the Central Coordination Table should develop a stakeholder communication strategy to reference who to inform prior to public announcements and provide sufficient time for stakeholders to immediately implement each decision announced; Status: Fully implemented.	All meetings of the Health Coordination Table have been conducted through videoconference since July 2020. The Ministry has documented meeting attendees and detailed action items with identified leads associated and timelines. However, the Ministry indicated that since the Health Coordination Table is not a decision-making table, decisions (including advice to the Minister of Health and Cabinet) are not included in the table's records. The Central Coordination Table has developed a stakeholder communication strategy to drive collaboration amongst ministries to ensure timely communication of information to stakeholders prior to public announcements. The communication strategy includes the following activities: - Each ministry is responsible for alerting their key stakeholders in advance of public announcements. As such, the Central Coordination Table has encouraged ministries to actively engage their stakeholders at both regular and as-needed intervals to support those stakeholders in implementing government decisions. - The Central Coordination Table has regularly reviewed and discussed COVID-19 response activities, including stakeholder or public communications plans and activities. - Media advisories have been regularly issued to notify the media of briefings by the Chief Medical Officer of Health and other health-care system stakeholders, such as Ontario Health. Discussions with key stakeholders (e.g., public health units, hospitals) have been held by the Central Coordination Table before public announcements. - The Collaboration Table, one of the sub-tables under the Health Coordination Table, has been used to inform stakeholders of developments in the province's vaccine distribution rollout prior to public announcements.

Committee Recommendation	Status Details
the Chief Medical Officer of Health should be made a permanent member of the Central Coordination Table. Status: Fully implemented.	The Chief Medical Officer of Health (CMOH) was made a permanent member of the Central Coordination Table as of November 16, 2021. Other permanent members include the Premier's Chief of Staff, Secretary of Cabinet, Secretary of the Treasury Board and Management Board of Cabinet, Deputy Minister of Health, and two Deputy Ministers (Policy and Delivery, and Communications) of the Cabinet Office. Prior to this, the CMOH and/or delegates and officials from Public Health Ontario and Ontario Health regularly attended Central Coordination Table meetings when agenda items required their expertise.
Recommendation 5 The Standing Committee on Public Accounts recommends that to better prepare for subsequent waves of COVID-19 and protect the health of Ontarians in future, the Ministry of Health and the Health Command Table should: continually monitor and assess hospital bed capacity and wait times for elective surgeries across the province and by region to help identify ways of reducing the backlogs of those surgeries; Status: Fully implemented.	Health-care system capacity measures, including hospital bed capacity and information about scheduled surgeries, have been reviewed at Health Coordination Table meetings. The Ministry has continued to monitor and assess hospital bed capacity and wait times for elective surgeries across the province and by region. It has been receiving twice-weekly data and updates on hospital bed capacity, weekly predictive modelling on hospital and intensive care unit (ICU) capacity, and weekly updates on wait times for surgeries across the province. This information has been used to develop a methodology for allocating hospital capacity based on wait times and the number of patients waiting outside of clinically recommended target times. The following surgical data has been monitored and assessed to identify ways of reducing backlogs of surgeries: - cumulative surgical volume summary data comparing oncology, non-oncology, cardiac and paediatric surgery volumes during the pandemic and pre-pandemic periods; - cumulative surgical volume data at the regional level during the pandemic and pre-pandemic periods; - monthly trend of volumes and wait times by service area; - weekly trend of backlogs, completed cases, 90th percentile wait times and percentage of cases completed within target; - weekly trends of surgical volume by priority level and service area; - monthly trend of operating room hours utilized; and - weekly trend of wait list entries created in the Wait Time Information System, which is the provincial information system used to standardize wait-time tracking and reporting of surgical procedures and diagnostic imaging services such as computed tomography (CT) and magnetic resonance imaging (MRI) scans. The Ministry will continue to use the best available international evidence to inform modelling for Ontario regarding expected impacts on hospitalizations and ICU admissions of future waves of COVID-19.

Committee Recommendation	Status Details
assess the impacts of stopping or reducing elective surgeries to hospitals and patients and factor regional variations in hospital bed capacity and COVID-19 rates into future directives; Status: Fully implemented.	The impacts of stopping or reducing elective surgeries are being taken into account before decisions are made to stop non-emergency scheduled surgeries and procedures. These decisions have been based on the available modelling and projections on the number of beds needed for COVID-19 patients in addition to other patients who are critically ill. Directive #2 by the Chief Medical Officer of Health, requiring the cessation of certain clinical activities (such as non-urgent and non-emergent surgeries and procedures), was issued or re-issued on a temporary basis three times during the pandemic (March 19, 2020; April 20, 2021; and January 5, 2022). Each time, the duration of Directive #2 was as short as possible and for the period of time needed to minimize the impacts of stopping or reducing elective surgeries. When it was in effect, Directive #2 provided guiding principles to clinicians on minimizing the risk of harm to patients and ensuring equity. As a result of the emergence of the Omicron variant in December 2021, the Ministry of Health used the best available international evidence to inform modelling for Ontario regarding expected impacts on hospitalizations and ICU admissions. Real-time data, projections and modelling of the anticipated strain on the health-care system from Omicron prompted the re-issuance of Directive #2 on January 5, 2022, with a recognition of its impacts on surgical recovery. On February 10, 2022, the Province rescinded Directive #2. This decision was made through an assessment of health-care system and public health indicators, including but not limited to laboratory test positivity, outbreaks in the highest-risk settings and wastewater trends. The Province introduced a plan for the gradual resumption of surgeries and procedures in hospitals. This plan considers regional variations in hospital capacity and ensures continued equitable access to hospital care across the province by maximizing the use of available resources and load-sharing across regions. The Ministry will continue to use the best available international evidence to inform modelling for Ontario regarding expected impacts on hospitalizations and ICU admissions of future waves of COVID-19.
regularly assess socioeconomic data on COVID-19 cases to identify people with a higher risk of contracting COVID-19 and places with a higher risk of community transmission; Status: Fully implemented.	The Ministry has regularly assessed at-risk communities or groups and provided them with appropriate support. On December 21, 2020, the government introduced the High Priority Communities Strategy. Through this strategy, the Ministry has provided funding to local lead agencies to work in partnership with Ontario Health, public health units, municipalities and other community partners to deliver key interventions for the province's hardest-hit neighbourhoods. In addition, Regulation 569 of the <i>Health Protection and Promotion Act</i> stipulates that public health units collect specific socio-demographic data such as race, income, and language for confirmed cases of COVID-19. The Ministry has also undertaken geographically targeted efforts in the following at-risk communities: - areas with high hospitalization and low vaccination rates; - areas with low pharmacy capacity; - areas identified in the High Priority Communities Strategy (those with high rates of COVID-19, high ethnic concentration, and high material deprivation); - public health units with low pediatric vaccine uptake; and - communities with large Indigenous populations.

Committee Recommendation	Status Details
implement education, testing, contact tracing and other initiatives that address the needs of people with a higher risk of contracting COVID-19. Status: Fully implemented.	The Ministry also continues to work with community ambassadors hired through the High Priority Communities Strategy to translate guidance documents and distribute them as educational resources within at-risk communities. These documents include, but are not limited to, culturally relevant information about vaccines, clinics, testing and referrals to services. The Ministry has implemented the following initiatives to address the needs of people with a higher risk of contracting COVID 19: - On December 21, 2020, the Ministry announced the High Priority Communities Strategy, which provides funding to local lead agencies to work in partnership with Ontario Health, public health units, municipalities and other community partners to deliver key interventions to support the province's hardest hit neighbourhoods in Durham, Peel, Toronto, York, Ottawa and Windsor. Examples of these interventions include community outreach and engagement as well as increased access to testing and vaccination. These interventions are designed to support self-isolation for those who test positive, have been in close contact with COVID-19 patients or are awaiting test results, and to mitigate the negative impact of COVID-19 on vulnerable and marginalized communities. The High Priority Communities Strategy will also continue to support the highest-risk communities with recovery supports. - As part of the Case and Contact Management (CCM) Initiative, the Ministry has continually assessed communities based on evolving needs to provide supports for people who are at higher risk of contracting COVID-19 due to living in a region that is experiencing a surge. The Ministry also provides surge support to public health units, which can access provincially funded case managers and contact tracers through the central pool or through direct assigned support. - The Provincial Testing and Isolation Information Line (PTIIL) was launched in January 2022 to provide members of the public with information about recent guidance around testing and isolation requirements. The PTIIL phone number was also shared with public health units and the people they serve. - The Contract Tracing Initiative, a collaboration between Statistic Canada and Public Health Ontario, operated between April 2020 and February 2022, when contact tracing was no longer done in Ontario. The Memorandum of Understanding between Public Health Ontario and Statistics Canada remained active until December 31, 2022, in case a surge in cases required the Province to resume contact tracing. - On February 9, 2022, the Ministry announced a targeted rapid antigen test distribution initiative in partnership with High Priority Community lead agencies and community-based primary care providers. This ensures individuals living in high-priority communities have access to free tests through existing local partners such as community centres, community health centres, places of worship and food banks.

Committee Recommendation	Status Details
Recommendation 6 The Standing Committee on Public Accounts recommends that to improve how quickly Ontario can effectively respond to future health emergencies and pandemics, the Ministry of Health should: - review, improve and update the existing health emergency plans, namely the Ministry of Health and Long-Term Care Emergency Response Plan and the Ontario Health Pandemic Plan, as required in legislation; Status: In the process of being implemented by March 31, 2023. - implement the Ontario Influenza Response Plan and continually update information as lessons are learned from COVID-19, including specific guidance for health-care providers and subsectors such as long-term care and hospitals. Status: In the process of being implemented by March 31, 2023.	The Ministry of Health is still in the process of reviewing the Province's response efforts to the COVID-19 pandemic. This work will inform any future updates to the existing health emergency response plans. The Ministry's management of the response included the development of almost 100 guidance documents that covered both public health and clinical recommendations (e.g. case and contact management, sector-specific guidance, testing, vaccine tools and resources). Guidance documents are updated as evidence is gathered. For example, the document "COVID-19 Fully Vaccinated Individuals: Case, Contact and Outbreak Management Interim Guidance" was released in May 2021 and updated in both August 2021 and October 2021 to supplement an earlier document called "Management of Cases and Contacts of COVID-19 in Ontario Guidance." The Ministry of Long-Term Care is developing its own Emergency Management Program division/branch and Emergency Plan as it is working to become compliant with all 16 requirements under the <i>Emergency Management and Civil Protection Act</i>. For the calendar year 2021, the Ministry of Long-Term Care has already completed a continuity-of-operations plan (COOP) as well as a yearly emergency simulation exercise to validate the plan. The Ministry of Long-Term Care will also collaborate with the Ministry of Health and other ministries, where relevant, to address needed linkages between their respective emergency plans. The new <i>Fixing Long-Term Care Act, 2021</i> includes a requirement for all long-term-care homes to have an emergency plan for a pandemic/epidemic and an annual attestation regarding the plan requirements. The Ministry of Long-Term Care has proposed regulations under this Act that will expand the requirements of the plans, including the need for regular consultations with health-care system partners. As well, the Ministry of Long-Term Care developed an emergency planning manual, which was released in May 2022, to support the new legislation and related regulation. The Ministry of Health and Ministry of Long-Term Care expect their emergency response plans will be compliant with the requirements under the <i>Emergency Management and Civil Protection Act</i> by the end of March 2023. While the Ministry has still not implemented the Ontario Influenza Response Plan (OIRP), it has continually updated information as lessons are learned from the management of COVID-19. Further, the Ministry indicated that with the emergence of COVID-19, implementing the OIRP would have had limited use since it mostly targets influenza outbreaks. Thus, the Ministry instead chose to create planning documents in the fight against the novel virus that could be adapted for many different infectious diseases (e.g., influenza, Middle East respiratory syndrome coronavirus, Ebola virus disease). This would help ensure flexibility and long-term adoption of lessons learned to a wide range of emerging threats. Prior to its response to COVID-19, the Ministry had been working on a framework for emergency management called "Building a Ready and Resilient Health System." This framework aims to improve the structures, skills and culture of Ontario's health-care system in order to ensure the system is ready to manage future infectious disease threats, and protect health-care workers and Ontarians. This framework will be reviewed in the context of COVID-19 lessons learned and updated accordingly in the fourth quarter of 2022/23, and on an as-needed basis.

Committee Recommendation	Status Details
Recommendation 7 The Standing Committee on Public Accounts recommends that to create a cohesive and more effective public health system, the Ministry of Health should: • resume its modernization of public health in a manner that does not undermine the ability of the public health system to respond to subsequent waves of COVID-19 or local public health needs; Status: Little or no progress. • incorporate information gathered from consultations and surveys into its modernization of public health. Status: Little or no progress.	Public health modernization consultations were put on hold in mid-March 2020 to allow the public health system to respond to the COVID-19 pandemic. The Ministry informed us that once the pandemic is contained and risks are mitigated, the government will consider how to move forward with the modernization process. This recommendation will be reviewed once that modernization process resumes, though no schedule had been set at the time of our follow-up. As mentioned in the previous recommended section, the Ministry has informed us it will only consider how to pursue the public health modernization process once the COVID-19 pandemic is contained and risks are mitigated. As such, this recommended action will be reviewed only after that modernization process resumes, though the Ministry said at the time of our follow-up that no schedule had been set.
Recommendation 8 The Standing Committee on Public Accounts recommends that to reduce the spread of COVID-19 by travellers to Ontario, the Ministry of Health, with support from the Central Coordination Table, should: • collaborate as necessary with other ministries or agencies to allocate the necessary resources to contact all travellers during their self-isolation period; Status: Fully implemented. • elevate the issue to the Premier and the Minister of Health to communicate to the federal government the importance of Ontario receiving accurate, complete and timely traveller information as soon as possible; Status: Fully implemented.	The Ministry has worked with the Ministry of the Solicitor General in Ontario, the Public Health Agency of Canada (PHAC), the Canadian Border Services Agency and other federal partners to strengthen how the government follows up with travellers returning to Ontario. From November 2020 to December 2021, through its outreach program, the Ministry followed up directly with travellers to ensure they were provided with resources and information on isolation requirements and available supports. Over 160 public sector staff were redeployed to support this work and made over 127,000 calls over the course of the outreach program. At the end of December 2021, the Ministry ended the program to eliminate duplication of outreach activities, as in fall 2021 PHAC implemented an outreach program that followed up with returning international travellers through email, phone and in-person communication. The Province has raised concerns about the federal management of borders through correspondence and meetings with relevant federal counterparts. Subsequent to our audit, provincial ministers (including the Minister of Health and the Solicitor General) sent letters to federal ministers (including the Minister of Health and Minister of Public Safety and Emergency Preparedness) requesting the following: to require everyone entering Canada to provide contact information; to clarify roles and responsibilities between federal and provincial monitoring activities (public health and enforcement); to develop a segmented and risk-based approach for returning travellers; and to ensure the proper protections, federal resources and personnel are in place to minimize risk. Since then, the Province has continued to meet and correspond regularly with its federal counterparts on the topics of border measures, arrival testing and traveller follow-up measures by the federal government, in consideration of the changing global, federal and provincial landscape regarding COVID-19. Besides providing suggestions to the federal ministers on these topics, Ontario has also raised concerns about and proposed improvements to the federal process for tracking international travellers and requiring quarantine plans for them. For example:

Committee Recommendation	Status Details
- work with the Public Health Agency of Canada to clarify what information is needed on each traveller and how quickly the information will be provided to Ontario; work with the federal government and local public health units on communication, tracking and tracing when international travellers land at Ontario airports; Status: Fully implemented. - work with public health units on case and contact management with an emphasis on COVID-19 cases related to close contact with travellers with COVID-19. Status: Fully implemented.	- Ontario's police and public health authorities have not had the resources or capacity to do follow-up tracking on every individual crossing the border into the province, which has become even more critical as the country has reopened. This work must continue to be done and scaled up as necessary by the Canada Border Services Agency and the Public Health Agency of Canada, and they must have the appropriate resources to carry out this function. - Improvements to the current federal process for tracking and requiring quarantine plans for international travellers need to be made to address the issues such as a lack of timely information, missing records or contact information, and using paper-based system to collect data. The Ministry has not entered into a formal agreement with the Public Health Agency of Canada (PHAC) to expeditiously clarify what information is needed on each traveller and how quickly the information will be provided to the Ontario government. However, starting in the summer of 2020, the Ministry has worked with PHAC to clarify required traveller information, including PHAC's requirement for travellers arriving by air to provide their information electronically to support improved and faster data-sharing. As a result of this collaboration, the timeliness of the data has improved. The Ministry has also received contact information and other details of travellers who have been identified by PHAC as required to quarantine on a daily basis. From November 2020 to December 2021, the Ministry operated a traveller outreach program to contact international travellers directly via email and phone to provide support and information. In fall 2021, the federal outreach program for international travellers had expanded its outreach capacity through email, phone and in-person follow-ups with international travellers. As this overlapped with Ontario's own outreach actions with travellers, in December 2021, the provincial international traveller outreach program was terminated. The Ministry has worked with public health units to report confirmed cases of COVID-19 by where they were likely contracted, including cases related to travel and close contact with travellers, on a daily and weekly basis. Daily epidemiological reports with acquisition data have been available on the Public Health Ontario website since March 27, 2020.

Chapter 3

Section 3.10

Ministry of Public and Business Service Delivery

Electrical Safety Authority

Standing Committee on Public Accounts Follow-Up on Value-for-Money Audit, 2020 Annual Report

On October 6, 2021, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2020 audit of the Electrical Safety Authority. The Committee tabled a report on this hearing in the Legislature in April 2022. A link to the full report can be found at auditor.on.ca/en/content/standingcommittee/standingcommittee.html.

The Committee made 13 recommendations and asked the Ministry of Public and Business Service Delivery (formerly the Ministry of Government and Consumer Services) to report back by August 2022. The Ministry formally responded to the Committee on

August 5, 2022. A number of the issues raised by the Committee were similar to the audit observations of our 2020 audit, which we followed up on in 2022. The status of each of the Committee's recommended actions is shown in **Figure 1**.

We conducted assurance work between March 2022 and September 2022, and obtained written representation from the Electrical Safety Authority and the Ministry of Public and Business Service Delivery that effective November 18, 2022, they have provided us with a complete update of the status of the recommendations made by the Committee.

Figure 1: Summary Status of Actions Recommended in April 2022 Committee Report

Prepared by the Office of the Auditor General of Ontario

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					
Recommendation 3	1	1				
Recommendation 4	3	3				
Recommendation 5	3	3				
Recommendation 6	3	3				
Recommendation 7	2	2				
Recommendation 8	1	1				
Recommendation 9	2	2				
Recommendation 10	1	1				
Recommendation 11	2	2				
Recommendation 12	1	1				
Recommendation 13	2	2				
Total	27	17	10	0	0	0
%	100	63	37	0	0	0

Overall Conclusion

As of September 2022, 63% of the Committee's recommended actions had been fully implemented, and 37% of the recommended actions were in the process of being implemented.

Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Electrical Safety Authority and the Ministry of Public and Business Service Delivery (formerly the Ministry of Government and Consumer Services), 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 Government and Consumer Services: - establish outcome measures and performance targets for the Electrical Safety Authority that focus on cost efficiency and safety improvement in the electricity sector; Status: In the process of being implemented by March 2023. - assess the Electrical Safety Authority's performance against these targets on a regular basis; Status: In the process of being implemented by March 2023. - take corrective actions when the Electrical Safety Authority does not achieve the targets. Status: In the process of being implemented by March 2023.	In our 2020 audit, we found that the Ministry has not set or used meaningful operational performance metrics to ensure that the ESA is operating effectively and in a cost-efficient way to carry out its responsibilities under Part VIII of the <i>Electricity Act</i>, 1998 and the <i>Safety and Consumer Statutes Administration Act</i>, 1996 (the Acts). The Ministry's review is limited to the number of calls the ESA receives and the number of inspections it conducts each year to measure the ESA's operational performance. However, these numbers alone cannot be used to assess how well the ESA is managing its operations. In our follow-up, we found that the Ministry worked with the ESA to develop outcome measures and performance targets to focus on cost efficiency and safety improvement in the electricity sector. This included the Ministry completing a jurisdiction scan of similar regulators, such as the Bereavement Authority of Ontario, the Condominium Authority of Ontario, and the Ontario Motor Vehicle Industry Council, and creating a working group with the ESA, to develop outcome measures focused on cost efficiency and public safety. As a result, the Ministry set new measures to assess the ESA's operational performance against, including: - reducing combined critical injuries and electrical fatalities by 10% over a five-year rolling average; - increasing the Organizational Excellence Index by 10% over five years; - maintaining a stakeholder accountability score of 8.2 out of 10 over five years; and - maintaining a contractor satisfaction rate of an average of 8.0 out of 10 over five years. The Ministry told us that it plans to develop a percentage target measure of the number of high- and medium-risk notifications to be inspected by the ESA for fiscal 2022/23 and the ESA will use the current year to benchmark inspection volumes and determine appropriate targets accordingly. The Ministry plans to continue to work with the ESA to develop additional measures as needed. The Ministry committed to conducting a yearly assessment to evaluate the ESA's performance against its targets as part of its oversight activities. In addition, the Ministry revised the administrative agreement to include provisions which require the ESA to report to the Ministry any variances identified where the ESA does not meet its performance targets, with rationale for why the target was not met. The Ministry may also require the ESA to develop an action plan with a root-cause analysis for instances where performance targets are not met.

Committee Recommendation	Status Details
Recommendation 2 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority: - complete the replacement of the CEO Board position with a general member position representing the interest of consumers; Status: Fully implemented. - establish a documentation and recordkeeping process for the appointment of new Board members; Status: Fully implemented. - establish a process to ensure Board members are independent from the ESA's management. Status: Fully implemented.	In our 2020 audit, we found that the ESA Board did not have members representing consumers' interests. The bylaws which specify how many members must come from specific industries was silent on having anyone represent the interests of consumers. Furthermore, we also found that the bylaws allowed the ESA's CEO to be a Board member with full voting rights. Although the current CEO has never exercised his voting right, doing so could create a potential conflict of interest given that the Board is responsible for overseeing the CEO and approving the CEO's compensation. In our follow-up, we found that the ESA's Board revised its bylaw to replace the Board position held by the CEO with a member representing the interests of consumers. The ESA's Letters Patent has been also amended to remove the requirement to appoint the CEO as one of the 12 Board members. A new Board member representing consumers' interests was appointed, for a term of three years, effective December 3, 2021. We found in our 2020 audit that the ESA was not able to provide us with interview notes or completed score sheets to support the appointment of all of the current Board members. When we reviewed Board members' applications, we found that one Board member indicated that they are known to many ESA staff including the CEO. We found that given that the Board is tasked with overseeing the CEO's performance, current Board members should be independent, and without any pre-existing familiarity with the CEO. In our follow-up, we found that the ESA's Board adopted a new process to screen and appoint new Board members on March 11, 2021. According to the new process, a candidate must declare any conflicts of interest, including those that could result in a lack of independence from the ESA's management, during the application process. In addition, all members of the nomination committee must take notes and complete score sheets. The completed documents are then to be sent to the Corporate Secretary for recordkeeping purposes.
Recommendation 3 The Standing Committee on Public Accounts recommends that the Ministry of Government and Consumer Services enable the Electrical Safety Authority to directly issue monetary fines. Status: In the process of being implemented by January 2023.	In our 2020 audit, we found that while the ESA investigators are given the power to investigate, execute search warrants, and compel evidence, the ESA does not have the power to directly issue monetary fines to anyone. Having the power to issue fines will allow the ESA to more efficiently target illegal installations without going through lengthy court proceedings. In our follow-up, we found that the Ministry, supported by jurisdictional research and stakeholder consultation, implemented legislative amendments and is developing the associated regulatory framework that would allow the ESA to issue administrative monetary penalties. The Ministry has drafted regulations which contain the details of the ESA's proposed monetary penalty regime. These draft regulations are subject to government planning, decision-making, and approval, which is expected to be completed by January 2023. A transition plan will be implemented by ESA to provide time for impacted stakeholders to be made aware of the new requirements.

Committee Recommendation	Status Details
Recommendation 4 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority: - refine and further develop its new risk-based inspection approach so that it will result in fewer inspections of low-risk installations and more inspections of higher-risk installations; Status: Fully implemented. - set a target for the reduction of low-risk inspections and publicly report on its performance against this target; Status: Fully implemented. - wherever possible without jeopardizing public electrical safety, conduct its inspections remotely. Status: Fully implemented.	In our 2020 audit, we found that the ESA's inspection approach since its inception has been to inspect most electrical installations it is notified of, without prioritizing high-risk installations over routine and simple installations, resulting in inefficient use of resources. By comparison, the authority in British Columbia, Technical Safety BC, inspects only 20% of installations that it is notified about, and has been using a risk-based approach for about 15 years. At the time of our audit, the ESA was in the process of implementing a new risk-based inspection approach that would both focus on high-risk installations and reduce the number of inspections. In our follow-up, we found that the ESA fully implemented a risk-based inspection approach in 2020 and has been inspecting installations notified based on its risk. The ESA's system is programmed to identify higher-risk installations by considering a number of factors such as the past performance of the licensed electrical contractor, the location and complexity of the installations, as well as other factors. In our 2020 audit, we found that the ESA's objective was to reduce its overall inspections rate from 67% to 57%, by reducing the inspection of low-risk notifications. In our follow-up, we found that the ESA had established a target of 20% to inspect low-risk installations and it also reduced its overall inspection rate from 67% to 54%. Although the overall inspection rate has been reduced to 54%, the inspection rate of low-risk notification is still above its established target of 20%. The ESA informed us that according to its current business rules, even some low-risk installations required inspections. For example, wiring a new house is a low-risk installation, however, the ESA's current business practice requires its inspectors to visit the house at least once before it is occupied. The ESA has implemented a process to continually monitor the inspection rate for each of its risk categories (low, medium and high) and these inspection rates will guide the ESA to re-visit the business rules and recommend adjustments to assist in reaching the target of 20%. We also found that, the ESA started to report publicly on its performance against the target for each category on its website, effective October 2022. We found in our 2020 audit that almost all the inspections were done by in-person observations, a much less efficient inspection method for more straightforward installations. Organizations similar to the ESA in British Columbia, Alberta, Manitoba and the Northwest Territories have for years been using photos and videos to inspect some installations (some for as long as 10 years). We also found that the ESA could significantly reduce the \$4 million it currently pays to operate the 310 vehicles its inspectors use by doing remote inspections. In our follow-up, we found that the ESA put in place processes to facilitate remote inspections and performed approximately 20,000 remote inspections between April 1, 2021 and August 31, 2021. At the start of each day, the computer system sends each inspector a list of the notifications that they can visit that day, with each being risk rated. The inspector has the option to conduct the inspection in-person or remotely depending on the complexity of the installation and other factors. Photographs and videos received as part of remote inspections are saved in a central repository. The ESA is also in the process of collecting information from remote inspections to further refine its remote inspection process.

Committee Recommendation	Status Details
Recommendation 5 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority: • review the fees the ESA charges for homeowner installation inspections with an aim to maintain public compliance with electrical safety laws; Status: Fully implemented. • revisit the fee structure as a whole to identify where fees can be reduced; Status: Fully implemented. • identify and implement changes to streamline its operations and reduce operational costs. Status: Fully implemented.	We found in our 2020 audit that the ESA charges high inspection fees for its highest-risk installations, which are the ones done by homeowners themselves. According to our expert, installations done by homeowners, as opposed to those completed by experienced contractors, have a higher likelihood of being done incorrectly and being unsafe. Our audit found that the ESA's inspection fees for these installations are higher and, in some cases, more than double what contractors are charged for the same inspection. This can discourage homeowners from requesting an inspection and defeats the ESA's objective of improving public safety. In our follow-up, we found that the ESA completed a review of its fee schedule to identify where fees can be reduced. The ESA reduced the fee for inspecting installations related to residential renovations, which is the highest type of installations notified by the homeowner, by 34% from \$189 to \$124. Similarly, the ESA also reduced a number of fees related to some common installations notified by licensed electrical contractors. The ESA also undertook a jurisdictional review to compare the licensing fees it charges its registrants, as well as the inspection fees it charges both licensed electrical contractors and homeowners for some common electrical installations such as kitchen renovations, bathroom renovations, and new wiring of houses. The ESA's fees for both licensing and inspection, on average, were lower in comparison to British Columbia and Alberta. In 2015, the Ministry hired a consultant to look for cost savings and efficiencies at eight delegated authorities that it oversaw. The consultant found that the ESA was the delegated authority with the highest amount of expenditures, mostly due to its large unionized workforce with high salaries. Specifically, the consultant found that in 2013, of the eight delegated authorities, the ESA had the highest number of full-time staff (445) and, while it collected the highest total fees (about \$94 million), it also had the greatest expenses, mostly attributable to salaries and benefits. In our audit in 2020, we found that the ESA is still the most costly delegated authority, with \$113.8 million in expenses, based on the 2018/19 fiscal year financial statements. In our follow-up, we found that the ESA took a number of initiatives to reduce its operating cost. In an effort to reduce the travel and meal expenditure, the ESA revised its policy on meal reimbursement to more closely align with the Ontario government's Travel and Meals Expense Directive. The ESA also implemented a formal process to conduct remote inspections thus reducing travel cost. In addition, with the use of remote work options and flexible office arrangements, facilities and office administrative costs have also been reduced. The ESA has been leveraging technology for conducting meetings instead of booking external sites, where appropriate.
Recommendation 6 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority: • train staff to respond accurately and completely to all calls with technical questions and assign a sufficient number of employees to this responsibility; Status: Fully implemented.	In our 2020 audit, we found that ESA employees who handle calls from the public are not trained to answer technical questions about electrical safety. Instead, they forward the calls to inspectors, but only if the caller has already paid for an ESA inspection; otherwise, the questions are not answered. About 50% of the inspectors we surveyed told us that they do not have time to respond to the forwarded calls. In our follow-up, we found that the ESA launched a new page on its website in September 2021 dedicated to providing answers to frequently asked technical questions about the Ontario Electrical Safety Code. The page also has an option for the public to submit technical questions online. The ESA employees that handle calls were trained to direct callers that have technical questions to submit questions through its website. The ESA assigned one employee with technical expertise to answer all incoming questions.

Committee Recommendation	Status Details
- review its policy to increase disclosure of information to callers about licensed electrical contractors' past performance and licence status; Status: Fully implemented. - review the disclosure provided with respect to licensed entities by Technical Safety BC, and work with stakeholders to identify categories of additional information to be publicly disclosed on licensed electrical contractors. Status: Fully implemented.	We found in our 2020 audit that many people call into the ESA to find out if their electrical contractor is in good standing. When we listened to a sample of live calls, we found that the ESA staff would not let callers know that their contractor's licence had temporarily been suspended and/or that the contractor had completed unsafe installations in the past. In our follow-up, we found that the ESA reviewed its policy on disclosing information to callers and created a procedural document to clarify what should or should not be disclosed about licence holders and the rationale. The document outlines that if an electrical contractor's licence is suspended, expired, or revoked, this information should be disclosed to callers. We found in our 2020 audit that Technical Safety BC publicly discloses essential information useful to the public on its website (such as performance history of contractors and inspection checklists). In contrast, the ESA does not publish this information on its online contractor directory. In our follow-up, we found that the ESA conducted a review of information that Technical Safety BC publishes on its website and identified opportunities to expand its own information disclosure on its contractor directory. For example, if conditions are imposed on a licence holder for not notifying the ESA of electrical work or failing to request an ESA inspection, this information can be publicly disclosed. Additionally, the ESA will be updating its contractor directory to include these additional categories of information.
Recommendation 7 The Standing Committee on Public Accounts recommends that the Ministry of Government and Consumer Services together with the Electrical Safety Authority and industry stakeholders: - reassess the current restriction in Ontario where electrical work for the public can only be conducted by licensed electrical contractors to determine if other arrangements are possible for certified electricians and master electricians; Status: In the process of being implemented by December 2022. - determine whether certified electricians or master electricians can be allowed to perform lower-risk installation work. Status: In the process of being implemented by December 2022.	In our 2020 audit, we found that only the ESA-licensed electrical contractors can offer electrical services to the public; certified and master electricians cannot. We also found that the law that prohibits certified electricians and master electricians from offering their services to the public is one of the contributing factors to the widespread problem of illegal electrical installations, because in order to supplement their income, many certified electricians and master electricians do illegal installations directly, instead of through a licensed electrical contractor as required by law. In our follow-up, we found that the ESA had completed a review of its current licensing framework, including conducting jurisdictional research, and seeking feedback on lower-risk categories of electrical work from stakeholder groups to evaluate whether this work could be performed by certified and/or master electricians. Based on the review, the ESA concluded that electrical work, even lower-risk electrical work, should not be performed by certified electricians or master electricians unless they are working under a licensed electrical contractor, and recommended that the licensing framework remain as is. The final decision on how to proceed based on the ESA's recommendation will be determined by the Ministry.

Committee Recommendation	Status Details
Recommendation 8 The Standing Committee on Public Accounts recommends that the Ministry of Government and Consumer Services together with the Electrical Safety Authority work with municipalities to determine whether the ESA inspections can be incorporated into the building permit assessment process. Status: In the process of being implemented by November 2022.	In our 2020 audit, we found that there is little incentive for homeowners to ensure that electrical installation services obtained are inspected by the ESA, because the ESA inspections are not considered by municipalities that issue permits for renovation work. We contacted five Municipal Chief Building Officials, who told us that during the building permit approval process for home renovation work, they do not require proof of the ESA inspection when they do a municipal inspection of the completed renovation. In our follow-up, we found that the Ministry and the ESA have had discussions with the Ministry of Municipal Affairs and Housing (MMAH), and select municipalities to gain an understanding of the building permit process, and to identify potential approaches of linking both the building permit and electrical inspections processes to limit illegal electrical installations. The Ministry and the ESA had also conducted jurisdictional research on building code and electrical legislation and regulations across Canada to determine linkages in these processes as well. The ESA will submit a final report and recommendation on assessing how ESA inspections could be incorporated with the building permit assessment process for Ministry consideration in November 2022.
Recommendation 9 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority: - re-evaluate its approach to public awareness campaigns to better inform the public of the risks of hiring an unlicensed contractor; Status: Fully implemented. - educate the public on the differences between a certified electrician, a master electrician, and a licensed electrical contractor. Status: Fully implemented.	In our 2020 audit, we found that since 2015, the ESA has spent \$2.3 million on public awareness campaigns specifically targeting the risks of not hiring a licensed electrical contractor. However, surveys conducted by the ESA over the last five years (2015–2020) found that a majority (80%) of homeowners had not seen, heard or read anything advertised or publicized about electrical safety, or the Electrical Safety Authority. In our follow-up, we found that the ESA hired a third party to review, analyze, and make recommendations regarding the ESA's communication strategies and campaigns to both registrants and consumers over the last five years. A set of recommendations was provided to the ESA as a result of this review on how its communication strategies should be approached, and a new Communications Campaign Integrated Plan was developed that will be executed by the ESA throughout fiscal 2022–2024. The plan highlights areas that the ESA should focus its awareness campaigns on, such as identifying the differences between licensed electrical contractors, master electricians and certified electricians, and the risks of hiring unlicensed contractors; and demonstrates tools the ESA should utilize, such as social media platforms and its own website, to distribute its content. We found in our 2020 audit that the same surveys conducted by the ESA over the last five years (2015–2020) found that, on average, almost half (46%) of homeowners surveyed each year did not know that it is illegal for certified electricians to offer installation services, and that only licensed contractors should be hired to do that work. The ESA has not undertaken any public awareness campaigns to inform the public of this specific risk. In our follow-up, we found that the ESA focused its consumer awareness efforts toward educating homeowners on what certified electricians, master electricians and licensed electrical contractors are, and the key differences between them and their oversight. This included updating its own website to highlight this information, digitally advertising through social media platforms, publishing community newspaper articles, and working with a third-party provider to post electrical safety videos.

Committee Recommendation	Status Details
Recommendation 10 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority dedicate sufficient resources to review and follow up on all reported cases of illegal electrical installations. Status: Fully implemented.	In our 2020 audit, we found that the ESA primarily relies on its inspectors to identify illegal electrical installations. However, we noted that just over 80%, or 168, of 205 inspectors whom we surveyed, indicated that they do not have the time during their workday to look out for offenders. Furthermore, almost half (45%, or 93) of 205 surveyed inspectors said that the ESA's current process to stop and prevent illegal installations is ineffective. In our follow-up, we found that the ESA's licensing department conducted a review of its oversight and enforcement processes to determine a systematic approach for reviewing and following up on illegal installations. In addition, the ESA reviewed the licensing department's resources and staffing levels, to ensure that the ESA is dedicating sufficient resources to review and follow up on cases of illegal electrical installations. As a result, the ESA improved its enforcement processes so that it follows up on all reports of illegal electrical activity as soon as the ESA is notified, and has also added two customer service representatives to its licensing department to review and process all reports of illegal electrical installations once they arrive.
Recommendation 11 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority work together with the Ministry of Government and Consumer Services to: • implement a continuing-education requirement as a condition of master electrician licensing; Status: In the process of being implemented by April 2023. • work with the body that oversees the certification of electricians to discuss implementing a requirement for continuing education. Status: In the process of being implemented by March 2023.	In our 2020 audit, we found that while the ESA updates the Ontario Electrical Safety Code every three years, the ESA does not require that master electricians complete any mandatory training to stay on top of its changes to the Ontario Code. In 2017, the ESA asked the Ministry to make continuing education for electricians mandatory, but the Ministry could not move forward because the ESA had not provided any evidence, analysis or stakeholder consultation to support its request. In our follow-up, we found that the ESA, through jurisdictional research and stakeholder consultation, submitted a draft proposal of a continuing education model to the Ministry. The ESA proposed a hybrid continuing education model, where both the ESA and third parties deliver compulsory courses, and that the ESA oversees the accreditation of these third parties. Subject to stable availability of accessible courses provided by third-party providers, the intention is to eventually transition into a full third-party delivery of the courses over time, with the ESA only developing the curriculum requirements and overseeing accreditation of third-party providers. The ESA also proposed that the requirement to take mandatory continuing education be once every three years for all licensed master electricians. The Ministry conducted stakeholder consultation to obtain input on the proposed continuing education model as well. The Ministry is currently developing a proposal for government decision-making, including a proposed regulatory framework, that considers stakeholder input received, as well as the proposal submitted by the ESA. A transition plan will be implemented by ESA to provide time for impacted licencees to be made aware of the new requirements. In our 2020 audit, we found that the Ontario College of Trades, the authority that oversees certified electricians, does not have any continuing education requirements for certified electricians as well. In our follow-up, we found that the Ministry has conducted preliminary discussions with the Ministry of Labour, Immigration, Training and Skills Development (formerly the Ministry of Labour, Training and Skills Development), who oversees Skilled Trades Ontario (formerly the Ontario College of Trades) and the certification of electricians, to discuss implementing continuing education for certified electricians. The Ministry will continue to work with the ESA and the Ministry of Labour, Immigration, Training and Skills Development to share the feedback received from stakeholders during public consultations, which includes relevant feedback regarding certified electricians, to support the Ministry of Labour, Immigration, Training and Skills Development in working with Skilled Trades Ontario to implement this recommendation.

Committee Recommendation	Status Details
Recommendation 12 The Standing Committee on Public Accounts recommends that the Ministry of Government and Consumer Services, together with the Electrical Safety Authority and industry stakeholders, should review the current electrical product safety regulation and adapt it to the current online market environment. Status: In the process of being implemented by December 2025.	In our 2020 audit, we found that uncertified electrical products are widely available for sale. Many products bought online are directly shipped to buyers from overseas and may not have undergone the electrical safety tests that are required in Ontario. The ESA told us that it is limited in the activities it can undertake as part of the Regulation 438/07 and due to resource constraints, resulting in reactive action as a result of specific complaints. In our follow-up, we found that the Ministry was in the process of conducting research for potential legislative and regulatory changes. In 2021, a Product Safety Regulation Review Task Force was established to seek input and develop recommendations for changes to the Product Safety Regulations and to provide a framework for future product safety activities. The Task Force was comprised of 20 industry representatives including federal and provincial regulators, retailers, manufacturers, certification agencies and accreditation bodies. Feedback on potential approaches to product safety from the Task Force was provided to the Ministry in January 2022. The Ministry also took steps to conduct research to examine the frequency online retailers in Ontario provide certification information of electrical products sold online and the degree of ease in verifying a product's safety certification. The research concluded that there is complexity around verifying the certification of products for consumers as a result of inconsistent tracking and reporting. The Ministry is in the process of developing a policy paper with options for a new framework in consultation with the ESA. This is the first phase of a multi-phased initiative. The first phase is expected to be completed by late 2023. The Ministry anticipates future phases of work will include broad public consultations and potential regulatory amendments for government consideration.
Recommendation 13 The Standing Committee on Public Accounts recommends that the Electrical Safety Authority: - conduct a review, and develop and implement a plan to target the sale and use of unsafe electrical products being sold in Ontario; and Status: Fully implemented. - dedicate sufficient resources to review and follow up on all reported cases of unsafe electrical products being sold in Ontario. Status: Fully implemented.	In our 2020 audit, we found investigations of uncertified electrical products were not effective. In our review of a sample of reports of uncertified electrical products, we found that files were closed with no action for 22% of reports we reviewed because the ESA was unable to contact the seller or manufacturer. In 31% of reports, the ESA closed the file after the seller said they stopped selling the product but the ESA made no effort to verify this through an inspection. In another 24% of reports, the seller or manufacturer sent a confirmation to the ESA that a product had been certified but the ESA did not check the authenticity of the label directly with the certification agency. In our follow-up, we found that the ESA conducted a review and developed a product safety plan for the ESA to anticipate, understand and mitigate electrical product-related harms to improve safety. In implementing the product safety plan, the ESA introduced process documents to better clarify steps that should be taken before closing a file when investigating uncertified electrical products. The ESA also established a process for monitoring online platforms to determine if uncertified electrical products are available for sale in Ontario. In addition, the ESA developed a process to collect and analyze data from a range of sources to identify and manage product safety risks. In 2021, the ESA added three full-time staff to its product safety team to support the workload.

Status on Audit Recommendations from 2015 to 2021

1.0 Summary

All of our value-for-money audit reports include recommendations that are comprised of specific actions which we refer to as “recommended actions.” These recommended actions aim to promote accountability, transparency, increased efficiency, cost-effectiveness, and better service delivery for Ontarians. An important part of our Office’s work is to assess the progress made by ministries, Crown agencies and broader-public-sector organizations (collectively referred to as organizations) in implementing these recommended actions.

Two years after we table our audit reports, we assess the status of the recommended actions that organizations agreed to implement when the initial audit was completed (**Chapter 1** of this volume contains the status on recommended actions from our *2020 Annual Report*). After the two-year assessment is completed, we continue to track the status of our recommended actions for an additional three to five years, presented here in **Section 3.0**. In **Section 4.0**, we report on the implementation status of recommended actions made by the Standing Committee on Public Accounts (Committee).

From 2015 to 2019, our Office audited a total of 94 ministries, Crown agencies and broader-public-sector organizations, and issued 77

value-for-money audit reports with 2,035 (1,756 from 2014 to 2018) recommended actions.

From this year’s follow-up work, we noted the following:

- **Organizations are not appropriately assessing their implementation statuses for recommended actions.** We found that of the 446 value-for-money and Committee-recommended actions that organizations self-assessed as “fully implemented” this year, we accepted only 191 (or 43%) as fully implemented. Last year, of a total of 289 actions that organizations self-assessed as “fully implemented,” we accepted 138 (or 48%) as in fact, fully implemented. Assessing the appropriateness of organizations’ self-assessments, that were not correctly determined, took a significant amount of time and resources for both our Office as well as the organizations.
- **Overall, the implementation rate increased from the time of our two-year follow-up to our 2022 follow-up, as shown in Figure 1.** The implementation rate increased from 36% to 65% for recommended actions issued in 2015; from 34% to 57% for recommended actions issued in 2016; from 31% to 47% for recommended actions issued in 2017; from 42% to 53% for recommended actions

Figure 1: Overview of Follow-Up of Our 2015 to 2019 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
2015 Recommended Actions		
At two-year follow-up (2017)	36	176
2018	52	133
2019	54	126
2020	56	120
2021*	61	107
2022*	65	95
2016 Recommended Actions		
At two-year follow-up (2018)	34	259
2019	41	229
2020	45	211
2021	50	192
2022*	57	164
2017 Recommended Actions		
At two-year follow-up (2019)	31	245
2020	34	235
2021	39	216
2022	47	188
2018 Recommended Actions		
At two-year follow-up (2020)	42	240
2021	48	214
2022	53	190
2019 Recommended Actions		
At two-year follow-up (2021)	26	418
2022	33	382

* The statuses of implementation were based on organizations' self-assessed statuses.

issued in 2018; and from 26% to 33% for recommended actions issued in 2019.

- **Although the implementation rates are generally increasing, this year the rates increased only minimally, by between 4% to 8%, from 2021 to 2022.** As seen in **Figure 1**, the implementation rate of recommended actions increased by between 4% to 8%, from 2021 to 2022, for each of our *2015 to 2019 Annual Report* years. In some cases, the minimal increases were due to program changes and strategies that

would take a long time to implement, or due to the creation of new organizations.

- **Implementation continues to be slow for short-term recommended actions.** We consider recommended actions as short-term if they could reasonably be implemented within two years. We found, again this year, a lower-than-expected implementation rate for these recommended actions. The following short-term recommended actions remain outstanding: 31% from 2015 (seven years ago); 36% from 2016

(six years ago); 51% from 2017 (five years ago); 43% from 2018 (four years ago); and 63% from 2019 (three years ago). By now, we would have expected all of these recommended actions to have been implemented.

- **The lowest implementation rates were for recommended actions that addressed public reporting, access to care or services, human resources and effectiveness.** From a review of all recommended actions issued from 2015 to 2019, we noted that those addressing public reporting, access to care or services, human resources and effectiveness had the lowest implementation rates. The following are some examples in these categories of recommended actions that are still outstanding:

- In our 2018 report on the Ontario Student Assistance Program (OSAP) we recommended that the Ministry of Colleges and Universities track and publicly report measures such as graduation and employment rates for the OSAP recipients in their field of study, and average student debt levels at completion of studies, to determine whether the objectives of the OSAP are met.
- In our 2017 report on Laboratory Services in the Health Sector we recommended that the Ministry of Health identify underserved areas for community specimen collection centres and take corrective action to ensure that Ontarians have timely access to community laboratory services.
- In our 2019 report on Office of the Chief Coroner and Ontario Forensic Pathology Service we recommended that the Office of the Chief Coroner and Ontario Forensic Pathology Service evaluate staffing model alternatives, such as changing the current workforce of coroners with other non-physician professionals or forensic pathologists when autopsies are involved, and making coroner positions full-time and implement changes required, to improve the accountability and cost-efficiency of Ontario's death investigation services.

- In our 2016 report on Specialty Psychiatric Hospital Services we recommended that the Ministry of Health and Ontario Health develop an overall strategy to reduce wait times by collecting relevant information from specialty psychiatric hospitals, such as the number of long-term psychiatric beds that exist for each mental illness diagnosis and wait times, to determine where additional funding should be allocated.

- **Some organizations are better than others at implementing our recommended actions.**

Twenty-eight organizations—the majority being Crown agencies and broader-public-sector organizations—had fully implemented 75% or more of our recommended actions from our *2015 to 2019 Annual Reports*. Some of these organizations were Agricorp, Independent Electricity System Operator, Metrolinx, Ontario Energy Board, Treasury Board Secretariat, Waterfront Toronto, and some community hospitals, psychiatric hospitals, and children and youth mental health centres.

- **Some organizations continue to be slow to implement our recommended actions.** Many of the same recommended actions we noted as outstanding last year were still outstanding in 2022. We urge organizations to take the actions needed to implement our recommended actions that they committed to implementing at the time we conducted our original audits. The following organizations had low implementation rates and a high number of outstanding recommended actions:

- The Ministry of Health agreed to implement 391 recommended actions from 21 different audits conducted between 2015 and 2019. At the time of our follow-up, 243 (or 62%) of these recommended actions remain outstanding. For example, in our 2016 report on Child and Youth Mental Health, we recommended that the Ministry work with child and youth mental agencies to further define its program requirements so that they

can be consistently applied across Ontario by all agencies delivering mental health services.

- The Ministry of Children, Community and Social Services agreed to implement 113 recommended actions from five different audits conducted between 2015 and 2019. At the time of our follow-up, 79 (or 70%) of these actions were still outstanding. For example, in our 2019 report on the Ontario Disability Support Program we recommended that the Ministry implement a process to monitor whether allegations of fraud had been reviewed and investigated within required time frames, and to take corrective actions where these time frames were not met, so that only eligible individuals receive benefits, and that overpayments are identified and minimized.
- The Ministry of the Attorney General agreed to implement 114 recommended actions from five different audits conducted between 2018 and 2019. At the time of our follow-up, 78 (or 68%) remain outstanding. For example, in our 2019 report on Family Court Services, we recommended that the Ministry, in conjunction with the judiciary, monitor reasons for significant delays to justice, specifically for family law cases other than child protection services, and take corrective action where warranted within the Ontario Court of Justice and Superior Court of Justice.
- The Ministry of the Solicitor General agreed to implement 131 recommended actions from three different audits conducted between 2017 and 2019. At the time of our follow-up, 73 (or 56%) recommended actions remain outstanding. For example, in our 2017 report on Emergency Management in Ontario we recommended that the Ministry, through the Provincial Emergency Management Office (EMO), approve and mandate a standardized emergency response approach for the province to

ensure that it is ready to respond to emergencies effectively.

A number of critical developments occurred at EMO starting from January 2022 that are expected to help progress the implementation of many of our outstanding recommended actions. In April 2022, a new Deputy Minister/Commissioner of Emergency Management position was created and filled. According to the Ministry, this provides dedicated leadership to the emergency management area. Many new staff have been hired; as of September 2022, there were 136 staff, compared to a total of 46 at the time of the original 2017 audit. In addition, in June 2022, a reorganization occurred that transferred EMO from the Ministry to the Treasury Board Secretariat (Secretariat).

Equally important were amendments made in April 2022 to the *Emergency Management and Civil Protection Act, 1990* through the *Pandemic and Emergency Preparedness Act*. These amendments require the Secretariat to establish an accountability and governance framework setting out the roles and responsibilities of EMO's partners during an emergency, and to develop and publish a provincial emergency management plan.

- The Ministry of Labour, Training and Skills Development agreed to implement 95 recommended actions from three different audits conducted between 2016 and 2019. At the time of our follow-up, 60 (or 63%) of these recommended actions remain outstanding. For example, in our 2019 report on Health and Safety in the Workplace we recommended the Ministry of Labour, Training and Skills Development inspect organizations and associated companies under common ownership that might be using the same or similar unsafe health-and-safety practices.

- The Ministry of the Environment, Conservation and Parks agreed to implement 89 recommended actions from five different audits conducted between 2016 and 2019, of which 58 (or 65%) remain outstanding. For example, in our 2019 report on Climate Change—Ontario’s Plan to Reduce Greenhouse Gas Emissions we recommended that the Ministry work with partner ministries to update its climate change plan. This updated plan should include detailed actions, with all estimated emissions reductions based on sound evidence and supported by a comprehensive and transparent feasibility and cost analysis to support Ontario in achieving its 2030 emission-reduction target. This recommended action is also important because a Cabinet-approved climate change plan is required for compliance with the *Cap and Trade Cancellation Act, 2018*. At the time of our follow-up, however, the Ministry did not have an expected time frame for presenting an updated climate change plan to Cabinet for final approval.
- Ontario Health agreed to implement 122 recommended actions from eight different audits conducted between 2015 and 2019, of which 68 (or 56%) remain outstanding. For example, in our 2019 report on Chronic Kidney Disease Management we recommended Ontario Health work with the Regional Renal Programs to investigate cases where patients were not being referred to see nephrologists on a timely basis.
- **Some organizations were also slow to implement the recommended actions issued by the Standing Committee on Public Accounts (Committee).** We noted that the following organizations made slow progress toward implementing the Committee’s recommended actions:
 - The Ministry of Children, Community and Social Services is responsible for implementing a total of 78 recommended actions

from two Committee reports, of which 77% remain outstanding.

- The Ministry of Health is responsible for implementing a total of 151 recommended actions from eight Committee reports, of which 65% remain outstanding.
- The Ministry of Labour, Training, and Skills Development is responsible for implementing a total of 60 recommended actions from two Committee reports, of which 60% remain outstanding.
- Infrastructure Ontario is responsible for implementing a total of 32 recommended actions from two Committee reports, of which 41% remain outstanding.

2.0 How We Evaluated Implementation

Our Office recommended a total of 2,035 (1,756 from 2014 to 2018) actions in our *2015 to 2019 Annual Reports*. Based on our review this year, we agreed with organizations that 49 of these recommended actions were no longer applicable. Usually this was the case because of changes in legislation or policies that resulted in the organization no longer having to implement the recommended action, as the issue no longer existed, due to the change. This left a total of 1,986 recommended actions that remained applicable.

We asked organizations to self-assess their progress in implementing their outstanding recommended actions, as of March 31, 2022, and to provide appropriate documentation to support their assessments. Organizations determine the most appropriate implementation status from one of five statuses:

- fully implemented;
- in the process of being implemented;
- little or no progress;
- will not be implemented; or
- no longer applicable.

Our review work consisted of inquiries and reviews of the supporting documentation for those recommended actions reported to be fully implemented to determine whether the recommended actions were, 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, 2022, and October 14, 2022, and obtained written representation from the organizations by November 25, 2022, that they provided us with a complete update of the status of the recommended actions 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.

At the time of the original audit, the Office assigned each recommended action into one of 17 categories such as access to care or services; public reporting, governance and effectiveness. In our follow-up work, we determine the progress of implementation by type of category.

In June 2022, the government amalgamated some ministries, and in a few instances, divided existing ministries, thereby creating several new ministries. Since our work evaluated the implementation of recommended actions as of March 31, 2022, we report here on the ministries that existed as of that date.

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 More Action Needed to Fully Implement Recommendations

Of the total 1,986 recommended actions that we expected to be implemented from our *2015 to 2019 Annual Reports*, we found that 83% were either fully implemented or in the process of being implemented (82%—2021 for *2014 to 2018 Annual Reports*); as

Figure 2: Annual Timeline for Continuous Follow-Up Work

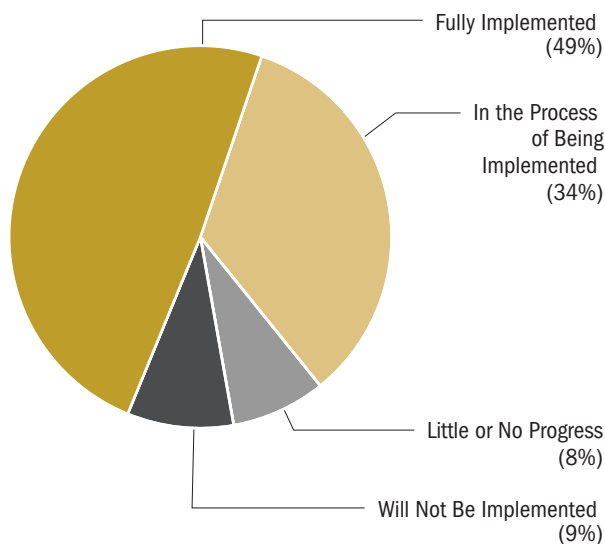
Prepared by the Office of the Auditor General of Ontario

Time Period	Follow-Up Work
Jan to middle of Feb	• 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)
Middle of Feb to end of Mar	• Obtain implementation statuses and supporting documentation from organizations for outstanding recommended actions by March 31 of each year
Apr to Oct	• 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
Nov to Dec	• 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

shown in **Figure 3**, 49% had been fully implemented; 34% were still 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 recommended actions would no longer be implemented (as discussed in **Section 3.7**).

Figure 3: Implementation Status of Recommended Actions Issued in our 2015 to 2019 Annual Reports, as of March 31, 2022

Prepared by the Office of the Auditor General of Ontario



For the period of 2015, 2016, 2017, and 2018 *Annual Reports*, the full implementation rate of the total 1,815 recommended actions issued that we expected to be implemented minimally increased, from 55% in 2021 to 56% in 2022.

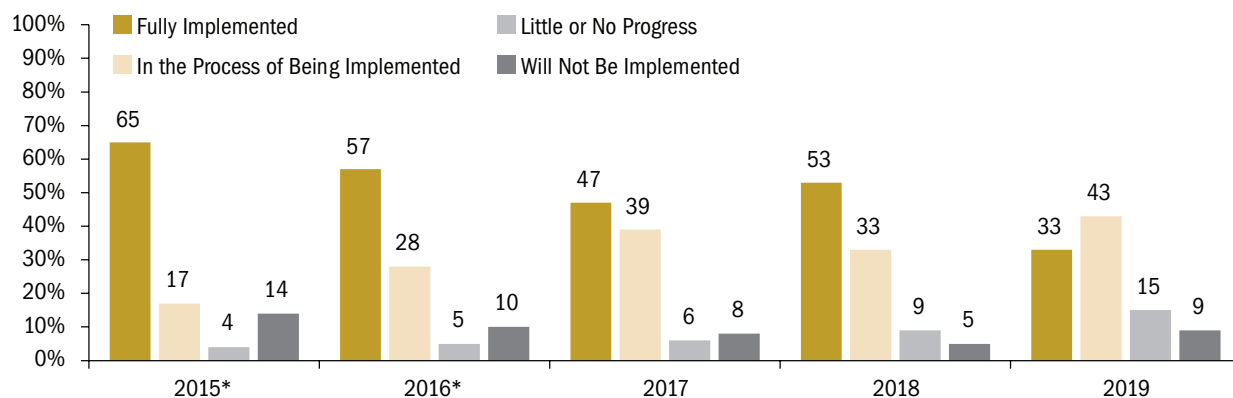
For the first time this year, 573 recommended actions from our 2019 *Annual Report* were added to our continuing follow-up work. At the time of our follow-up, 33% of these recommended actions have been fully implemented, an increase from the 26% that we reported in our 2021 *Annual Report* when we followed up on these recommended actions two years after issuing them.

Figure 4 provides a detailed breakdown by year of the status of recommended actions issued in our 2015, 2016, 2017, 2018, and 2019 *Annual Reports*.

The progress in implementing the recommended actions in each of the 2015, 2016, 2017, 2018, and 2019 *Annual Reports* can be seen in **Figure 5**, beginning at the initial two-year follow-up and in 2018, 2019, 2020, 2021, and 2022 after we began tracking the implementation rates subsequent to the initial two-year 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 36% to 65% for recommended actions issued in 2015; from 34% to 57% for

Figure 4: Implementation Status of Recommended Actions Issued in Our 2015 to 2019 Annual Reports, as of March 31, 2022

Prepared by the Office of the Auditor General of Ontario



* Statuses of implementation were based on organizations' self-assessed statuses.

Figure 5: Progress Toward Full Implementation of Recommended Actions Issued in Our 2015 to 2019 Annual Reports

Prepared by the Office of the Auditor General of Ontario

Annual Report Year	# Issued	Implementation Rate (%)						Outstanding Rate (%)
		At Two-Year Follow-Up	2018 Continuous Follow-Up	2019 Continuous Follow-Up	2020 Continuous Follow-Up	2021 Continuous Follow-Up	2022 Continuous Follow-Up	2022 Continuous Follow-Up
2015	276	36	52	54	56	61 ¹	65 ¹	35 ¹
2016	408	34	n/a ²	41	45	50	57 ¹	43 ¹
2017	360	31	n/a ²	n/a ²	34	39	47	53
2018	418	42	n/a ²	n/a ²	n/a ²	48	53	47
2019	573	26	n/a ²	n/a ²	n/a ²	n/a ²	33	67

1. The statuses of implementation were based on organizations' self-assessed statuses.

2. The recommended actions issued in our 2016 to 2019 Annual Reports were not subject to the continuous follow-up work for the noted year(s).

recommended actions issued in 2016; from 31% to 47% for actions issued in 2017; from 42% to 53% for actions issued in 2018; and from 26% to 33% for actions issued in 2019.

As seen in **Figure 5**, the full implementation rate of recommended actions increased from 2021 to 2022, by between 4% to 8%, for each Annual Report year. In some cases, recommended actions remained outstanding due to program changes and strategies that would take a long time to implement, or due to the creation of new organizations.

As shown in **Appendix 1**, 24 of the 73 organizations with recommended actions issued in our 2015 to 2018 Annual Reports had fully implemented 75% or more of our recommended actions. These organizations included the Ministry of Government and Consumer Services, the Ministry of Infrastructure, Ministry of Northern Development, Mines, Natural Resources and Forestry Services, Treasury Board Secretariat, Agricorp, Independent Electricity System Operator, Metrolinx, Ontario Energy Board, Waterfront Toronto, two child and youth mental health centres, five hospitals, four psychiatric hospitals, and two universities.

The organizations that made the most improvement in implementing our recommended actions this year over last year were the Ministry of Infrastructure, Ministry of Long-Term Care, Infrastructure Ontario, the Ontario Association of Children's Aid Societies,

one child and youth mental health centre, and two hospitals.

The following were some organizations that implemented less than 50% of the recommended actions that we issued in our 2015 to 2018 Annual Reports: Ministry of Children, Community and Social Services, Ministry of Education, Ministry of the Environment, Conservation and Parks, Ministry of Finance, Ministry of the Solicitor General, Ontario Power Generation, as well as some school boards and some Children's Aid Societies.

The Standing Committee on Public Accounts (Committee) could use this report to hold ministries, Crown agencies and broader-public-sector organizations, where applicable, accountable for addressing the recommended actions they committed to implementing. In **Appendix 2**, we have prepared possible questions that the Committee could pose to organizations regarding the recommended actions that remain outstanding.

3.2 Positive Impacts of Implemented Recommendations on Ontarians

Many of the recommended actions in our value-for-money audit reports from 2015 to 2019 that were fully implemented addressed areas where services could be delivered more effectively to those who used them, or where taxpayer dollars could be spent more economically and efficiently.

A few examples of recommended actions recently implemented that positively impact Ontarians include:

- Ontario Health worked with the Ontario College of Pharmacists, the Ministry of Health and hospitals to establish education programs for cancer patients on safe usage and handling of take-home cancer drugs and monitoring programs to assist cancer patients on adhering to proper use of oral cancer drug therapy at home.
- The Ministry of the Solicitor General, through the Provincial Emergency Management Office, reviewed the needs of municipalities, its own staffing and started to put in place the appropriate level of support and staffing required to assist all of Ontario's municipalities in preparing for emergencies.
- The Ministry of Transportation developed a checklist for all key steps to be undertaken during its inspections of commercial vehicles and required enforcement officers to complete the checklist to ensure consistent roadside inspections.
- Infrastructure Ontario, in conjunction with Ministry of Infrastructure, assessed the current level of accessibility of government properties.
- The Ministry of Children, Community and Social Services started publicly reporting on the effectiveness of the Ontario Works program in helping recipients to find and retain employment.

3.3 Many Recommendations Issued Five or More Years Ago Have Not Been Implemented

We remain concerned about the recommended actions issued five or more years ago that have still not been implemented. Specifically, 35% of the 276 recommended actions issued in 2015 (seven years ago); 43% of the 408 recommended actions issued in 2016 (six years ago); and 53% of the 360 recommended actions issued in 2017 (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 2015 to 2017 *Annual Reports* address areas important to Ontarians such as cancer treatment services, settlement and integration services, education, housing, and home care services. A few examples are:

- In our 2017 report on Cancer Treatment Services, we recommended that the Ministry of Health work with Ontario Health and hospitals to analyze the reasons for delays in scheduling CT scans and MRIs, and to take corrective actions to reduce wait times for cancer patients to better ensure they receive timely and equitable access to CT scans and MRIs.
- In our 2017 report on Settlement and Integration Services for Newcomers, we recommended that the Ministry of Labour, Training and Skills Development establish performance indicators and targets to help the Ministry measure the progress of newcomers and the outcomes from specific services provided to newcomers in helping them successfully settle and integrate in Ontario. These indicators and targets would help determine whether the Ministry's settlement and integration goals for newcomers are being met, and enable the Ministry to assess the effectiveness of its settlement and integration services.
- In our 2017 report on Ministry Funding and Oversight of School Boards, we recommended that the Ministry of Education assess the costs and educational benefits of having elementary school students taught mathematics by a teacher with math qualifications, to improve students' performance in mathematics.
- In our 2016 report on Physician Billing, we recommended that the Ministry of Health better educate patients on the most appropriate place for non-urgent care when their family physicians are not available to minimize the number of patient visits to emergency departments for non-urgent care that could instead be provided in a primary care setting.
- In our 2015 report on CCACs—Community Care Access Centres—Home Care Program, we recommended that Home and Community Care

Support Services, in conjunction with the Health Shared Services Ontario (formerly Ontario Association of Community Care Access Centres), assess and reassess clients within the required time frames to ensure that all home-care clients receive the most appropriate and timely care.

3.4 Implementation of Short-Term Recommendations Taking Longer than Expected

Our Office classifies recommended actions into time frames for ministries, Crown agencies and broader public sector organizations to reasonably implement those recommended actions: either two years (short-term) or five years (long-term), starting from when the recommended actions were issued.

Of the total recommended actions from our 2015 to 2019 *Annual Reports*, 81% were short-term actions. **Figure 6** shows the short-term recommended actions from our 2015 to 2019 *Annual Reports* and the percentages that were still outstanding in each of the follow-up years 2018, 2019, 2020, 2021, and 2022. While the percentage of outstanding short-term recommended actions decreased for each *Annual Report* year, 31% of the 204 issued in 2015, 36% of the 303 issued in 2016, 51% of the 252 issued in 2017, 43% of the 344 issued in 2018, and 63% of the 504 issued in 2019, were still outstanding when we completed our 2022 review. By

now, we would have expected the majority of the short-term recommended actions from our 2015 to 2019 *Annual Reports* to be implemented. Also, as seen in **Figure 6**, between 2021 and 2022, there were minimal decreases, ranging from 2% to 7%, in the percentage of outstanding short-term recommended actions.

3.5 Some Organizations Continue to Be Slow to Implement Our Recommended Actions

Figure 7 shows the implementation rates for the 94 ministries, Crown agencies and broader-public-sector organizations that we audited and included in the *Annual Reports* from 2015 to 2019. Of these organizations, 28 had fully implemented 75% or more of our recommended actions, 29 had fully implemented 50% to 74% of our recommended actions, 31 had implemented 25% to 49% of our recommended actions and six had implemented fewer than 25% of our recommended actions. Some of the organizations that had fully implemented 75% or more of recommended actions were Agricorp, Independent Electricity System Operator, Metrolinx, Ontario Energy Board, Treasury Board Secretariat, Waterfront Toronto, and some community hospitals, psychiatric hospitals, and children and youth mental health centres. The following organizations had low implementation rates and a high number of outstanding recommended actions.

Figure 6: Short-Term¹ Recommended Actions Outstanding

Prepared by the Office of the Auditor General of Ontario

Annual Report Year	# Issued	% Outstanding in 2018	% Outstanding in 2019	% Outstanding in 2020	% Outstanding in 2021	% Outstanding in 2022
2015	204	44	41	39	33 ²	31 ²
2016	303	n/a ³	52	48	43	36 ²
2017	252	n/a ³	n/a ³	64	56	51
2018	344	n/a ³	n/a ³	n/a ³	48	43
2019	504	n/a ³	n/a ³	n/a ³	n/a ³	63

1. Short-term recommended actions are those that can be reasonably implemented within two years.

2. The statuses of implementation were based on organizations' self-assessed statuses.

3. The recommended actions issued in our 2016, 2017, 2018 and 2019 *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 2015 to 2019 Annual Reports Fully Implemented and in the Process of Being Implemented, as of March 2022

Prepared by the Office of the Auditor General of Ontario

Figure 7a: Organizations with More than 30 Recommended Actions

Organizations	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)	Combined Rate (%)
Psychiatric Hospitals (4) ¹	100	0	100
Treasury Board Secretariat	87	9	96
Metrolinx	78	10	88
Hospitals (19) ²	75	6	81
Universities (3) ³	73	4	77
Technical Standards and Safety Authority	72	26	98
Ministry of Government and Consumer Services	71	26	97
Municipalities (4) ⁴	54	44	98
Ministry of Agriculture, Food and Rural Affairs	53	22	75
Ministry of Transportation	49	30	79
Children's Aid Societies (7) ⁵	47	53	100
School Boards (8) ⁶	45	41	86
Ministry of the Solicitor General	44	44	88
Ontario Health ^{7,8}	44	38	82
Ministry of Long-Term Care	44	46	90
Ontario Lottery and Gaming Corporation	43	29	72
Ministry of Economic Development, Job Creation and Trade	39	8	47
Ministry of Health	38	40	78
Ministry of Labour, Training and Skills Development	37	54	91
Ministry of Environment, Conservation and Parks	35	38	73
Ministry of Education	33	25	58
Ministry of Attorney General	32	46	78
Ministry of Children, Community and Social Services	30	37	67

Implementation rate of 75% or more
 Implementation rate between 25% and 49%
 Implementation rate between 50% and 74%

1. In 2021, psychiatric hospitals have fully implemented all of their recommended actions. These hospitals are: Centre for Addiction and Mental Health, Ontario Shores Centre for Mental Health Sciences, The Royal Ottawa Health Group, and Waypoint Centre for Mental Health Care.
2. Hospitals by report:
 - Large Community Hospital Operations: Rouge Valley Health System, 100%; Trillium Health Partners, 85%; Windsor Regional Hospital, 80%.
 - MRI and CT Scanning Services: Mackenzie Health, 100%; St. Joseph's Healthcare Hamilton, 100%; Health Sciences North, 67%; The Ottawa Hospital, 33%.
 - Acute-Care Hospital Patient Safety and Drug Administration: Women's College Hospital, 91%; Humber River Hospital, 88%; The Ottawa Hospital, 87%; St. Thomas Elgin General Hospital, 86%; Pembroke Regional Hospital, 81%; Grand River Hospital, 73%; Chatham-Kent Health Alliance, 64%; Northumberland Hills Hospital, 64%; Stratford General Hospital, 64%; Hamilton Health Sciences, 63%; Halton Healthcare, 60%; Thunder Bay Regional Health Sciences Centre, 57%; Nipigon District Memorial Hospital, 50%; Trillium Health Partners, 0%.
3. Universities: University of Toronto, 78%; McMaster University, 76%; University of Waterloo, 63%.
4. Municipalities: City of Windsor, 80%; Regional Municipality of Peel, 56%; District of Thunder Bay Social Services, 55%; City of Toronto, 27%.
5. Children's Aid Societies: Districts of Sudbury and Manitoulin, 57%; Family and Children's Services of the Waterloo Region, 57%; Toronto, 57%; Durham, 43%; Hamilton, 43%; Simcoe Muskoka Family Connexions, 43%; Family and Children's Services of Frontenac, Lennox and Addington, 29%.
6. School Boards by report:
 - School Boards' Management of Financial and Human Resources: Hastings and Prince Edward, 57%; Toronto Catholic, 48%; Hamilton-Wentworth, 39%; Halton Catholic, 35%.
 - School Boards – IT Systems and Technology in the Classroom: Waterloo Catholic, 60%; Peel, 53%; Toronto, 47%; Algoma, 27%.

7. From April 1, 2021 onward, the Local Health Integration Networks (LHINs) transferred to Ontario Health, and Ontario Health assumed responsibility for implementing the outstanding recommendations for LHINs.
8. The implementation rate for Ontario Health includes report recommendations that originated with Cancer Care Ontario, eHealth Ontario, Health Quality Ontario, Local Health Integration Networks (LHINs) and Ontario Renal Network and Trillium Gift of Life Network, all of which are now part of Ontario Health. The recommendations were from the following eight audit reports, with the following implementation rates:
- Cancer Care Ontario – Cancer Treatment Services, 77%
 - LHINs – Local Health Integration Networks, 69%
 - e-Health Ontario – Electronic Health Records' Implementation Status, 50%
 - Ontario Renal Network and Trillium Gift of Life Network – Chronic Kidney Disease Management, 44%
 - Health Quality Ontario – Health Quality Ontario, 25%
 - LHINs – Community Health Centres, 20%
 - LHINs – MRI and CT Scanning Services, 0%
 - LHINs – Specialty Psychiatric Hospital Services, 0%

Figure 7b: Organizations with 11–30 Recommended Actions

Organizations	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)	Combined Rate (%)
Waterfront Toronto	91	9	100
Ministry of Northern Development, Mines, Natural Resources and Forestry ¹	86	11	97
Child and Youth Mental Health Centres (4) ²	79	21	100
Independent Electricity System Operator	76	18	94
Ministry of Infrastructure	75	25	100
Ministry of Energy ¹	74	21	95
Transportation Consortia (3) ³	70	11	81
Infrastructure Ontario	65	35	100
Home and Community Care Supportive Services ⁴	56	0	56
Ontario Land Tribunal	46	31	77
Legal Aid Ontario	38	38	76
Ministry of Colleges and Universities	38	34	72
Ministry of Municipal Affairs and Housing	37	30	67
Ministry of Finance	20	53	73
Ontario Power Generation ⁵	11	89	100

	Implementation rate of 75% or more		Implementation rate between 25% and 49%
	Implementation rate between 50% and 74%		Implementation rate of less than 25%

1. In 2021, the Ministry of Natural Resources and Forestry merged with the Ministry of Energy, Northern Development and Mines to form the Ministry of Northern Development, Mines, Natural Resources and Forestry, while the Ministry of Energy became a separate ministry.
2. Child and Youth Mental Health Centres: Children's Centre Thunder Bay, 100%; Youthdale Treatment Centres, 100%; Kinark Child and Family Services, 71%; Vanier Children's Services, 43%.
3. Transportation Consortia: Sudbury Consortium, 100%; Peel Consortium, 67%; Toronto Consortium, 44%.
4. On April 1, 2021, the responsibility for the 2015 CCACs – Community Care Access Centres – Home Care Program report was transferred from Ontario Health (Local Health Integration Networks) to Home and Community Care Support Services.
5. Ontario Power Generation includes the 2018 Darlington Nuclear Generation Station Refurbishment Project report. The remaining outstanding actions will remain relevant throughout the project up to the planned project end date.

Figure 7c: Organizations with 1–10 Recommended Actions

Organizations	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)	Combined Rate (%)
Ontario Energy Board*	100	0	100
Agricorp	75	0	75
Ministry of Heritage, Sport, Tourism and Culture Industries	56	44	100
Ontario Association of Children's Aid Societies	50	0	50
Tribunals Ontario	50	17	67
Ministry for Seniors and Accessibility	43	57	100
The Alcohol and Gaming Commission of Ontario	25	0	25
Ministry of Indigenous Affairs	25	38	63
Ontario Financing Authority	22	67	89
AdvantAge Ontario	11	89	100
The Ontario Long-Term Care Association	11	89	100
Secretary of the Cabinet	0	100	100

Implementation rate of 75% or more
Implementation rate between 50% and 74%

Implementation rate between 25% and 49%
Implementation rate of less than 25%

* In 2021, the Ontario Energy Board fully implemented all of their recommended actions.

Ministry of Health

The Ministry of Health agreed to implement 391 recommended actions in 21 audits between 2015 and 2019. At the time of our follow-up, 243 (or 62%) of these recommended actions remained outstanding, including, for example:

- **Child and Youth Mental Health**—Of the 15 recommended actions we issued in 2016, 14 (or 93%), were outstanding. Many of these recommended actions relate to effectiveness, economy, funding and the need to collect or analyze data. For example, we recommended that the Ministry work with child and youth mental health agencies to further define its program requirements so that they can be consistently applied across Ontario by all agencies delivering mental health services.
- **Housing and Supportive Services for People with Mental Health Issues**—Of the 33 recommended actions we issued in 2016, 28 (or 85%) were outstanding. Many of these recommended actions relate to effectiveness, economy and efficiency. For example, we recommended that the Ministry have sufficient housing stock to

accommodate the needs of people with high needs or mobility issues.

- **Acute-Care Hospital Patient Safety and Drug Administration**—Of the 21 recommended actions we issued in 2019, 18 (or 86%) were outstanding. Many of these recommended actions relate to human resources and the need for better monitoring and oversight. For example, we recommended that the Ministry review the Accreditation Canada hospital reports and identify areas where hospitals may consistently not be meeting required patient safety practices and high-priority criteria and follow-up with hospitals in respect of problem areas to confirm that actions are taken to correct deficiencies.
- **Addictions Treatment Programs**—Of the 37 recommended actions we issued in 2019, 33 (or 89%), were outstanding. Many of these recommended actions relate to access to care and services, and the need for better monitoring and oversight, and the need to collect and analyze data. For example, we recommended

that the Ministry further analyze frequent and repeat emergency department visits for substance use across the province to determine what addictions services need to be expanded in the community to reduce the number of emergency department visits.

Ministry of Children, Community and Social Services

The Ministry of Children, Community and Social Services accepted responsibility for implementing 113 recommended actions in five audits between 2015 and 2019. At the time of our follow-up, 79 (or 70%) of these recommended actions remained outstanding, including, for example:

- **Ontario Works**—Of the 34 recommended actions we issued in 2018, 30 (or 88%) were outstanding. Many of these recommended actions relate to effectiveness, and the need for better monitoring and oversight. For example, we recommended that the Ministry monitor the performance of the Ontario Works program and service managers to identify and take corrective action where targets and expectations are not being met in helping people to obtain employment and become self-sufficient.
- **Ontario Disability Support Program**—Of the 50 recommended actions we issued in 2019, 33 (or 66%) were outstanding. Many of these recommended actions relate to effectiveness, and the need for better monitoring and oversight. For example, we recommended that the Ministry implement a process to monitor whether allegations of fraud have been reviewed and investigated within required time frames and to take corrective action where these time frames had not been met, so that only eligible individuals receive benefits, and overpayments are identified and minimized.

Ministry of the Attorney General

The Ministry of the Attorney General accepted responsibility for implementing 114 recommended actions from five audit reports between 2018 and 2019, of which 78 (or 68%) remain outstanding. The majority

of the outstanding actions relate to the following two audit reports:

- **Family Court Services**—Of the 26 recommended actions we issued in 2019, 24 (or 92%) were outstanding. Many of these actions addressed areas such as effectiveness, the need for internal controls, and for better monitoring and oversight. For example, we recommended that the Ministry, in conjunction with the judiciary, monitor reasons for significant delays to justice, specifically for family law cases other than child protection services, and take corrective action where warranted for both the Ontario Court of Justice and Superior Court of Justice.
- **Criminal Court System**—Of the 23 recommended actions we issued in 2019, 21 (or 91%) were outstanding. Many of these actions addressed areas such as effectiveness, governance and the need to collect and analyze data. For example, we recommended that the Ministry's Criminal Law Division work with the Ministry of the Solicitor General to clearly define the respective roles and responsibilities of police services and Crown attorneys with regard to disclosure of evidence.

Ministry of the Solicitor General

The Ministry of the Solicitor General accepted responsibility for implementing 131 recommended actions from three audits between 2017 and 2019, of which 73 (or 56%) remain outstanding. The majority of the outstanding recommended actions relate to the following two audit reports:

- **Emergency Management in Ontario**—Of the 36 recommended actions we issued in 2017, 27 (or 75%) were outstanding. Many of these actions addressed areas such as effectiveness, governance and better monitoring and oversight. For example, we recommended that the Ministry, through the Provincial Emergency Management Office, approve and mandate a standardized emergency response approach for the province. In another example, we recommended that Provincial Emergency Management

Office (EMO) develop agreements with Ontario nuclear power companies that state the requirements and deliverables for all parties, to ensure that Ontario's nuclear emergency management program is effectively preparing the province to respond to nuclear emergencies.

A number of critical developments occurred at Emergency Management Ontario starting from January 2022 that are expected to help progress the implementation of many of our outstanding recommended actions. In April 2022, a new Deputy Minister/Commissioner of Emergency Management position was created and filled. According to the Ministry, this provides dedicated leadership to the emergency management area. Many new staff have been hired, and as of September 2022, there were 136 staff, compared to a total of 46, at the time of the original 2017 audit. In addition, in June 2022 a reorganization occurred that transferred EMO from the Ministry to the Treasury Board Secretariat (Secretariat).

Equally important were amendments made in April 2022 to the *Emergency Management and Civil Protection Act, 1990* through the *Pandemic and Emergency Preparedness Act*. These amendments require the Secretariat to establish an accountability and governance framework setting out the roles and responsibilities of EMO's partners during an emergency, and to develop and publish a provincial emergency management plan.

- **Adult Correctional Institutions**—Of the 56 recommended actions we issued in 2019, 35 (or 63%), were outstanding. Many of these actions addressed areas such as human resources, the need for monitoring and oversight, and collecting or analyzing data. For example, we recommended that the Ministry update the initial and ongoing training to include, for example, training on the use of force and instruments of restraints, managing violent offenders using preventive and defusing techniques, as well as early detection of mental health issues as

recommended in the United Nations Standard Minimum Rules for the Treatment of Prisoners.

Ministry of Labour, Training and Skills Development

The Ministry of Labour, Training and Skills Development accepted responsibility for implementing 95 recommended actions from three audit reports between 2016 and 2019, of which 60 (or 63%) remain outstanding. The majority of the outstanding recommended actions relate to the following two audit reports:

- **Employment Ontario**—Of the 36 recommended actions we issued in 2016, 18 (or 50%) were outstanding. The majority of these recommended actions addressed effectiveness. For example, we recommended that the Ministry review instances where employment and training program outcomes do not meet targets and take corrective actions.
- **Health and Safety in the Workplace**—Of the 27 recommended actions we issued in 2019, 24 (or 89%) were outstanding. The majority of these recommended actions addressed compliance, and the need for better monitoring and oversight. For example, we recommended the Ministry inspect organizations and associated companies under common ownership that might be using the same or similar unsafe health-and-safety practices.

Ministry of the Environment, Conservation and Parks

The Ministry of the Environment, Conservation and Parks accepted responsibility for implementing 89 recommended actions from five audit reports between 2016 and 2019, of which 58 (or 65%) remain outstanding. The majority of the outstanding recommended actions relate to the following two audit reports:

- **Environmental Approvals**—Of the 30 recommended actions we issued in 2016, 22 (or 73%) were outstanding. Many of these actions addressed areas such as effectiveness, and the need for better monitoring and oversight. For example, we recommended that the Ministry

implement processes to assess the environmental emissions impact of new emitting activities in regional areas prior to issuing approvals for these activities.

- **Climate Change—Ontario’s Plan to Reduce Greenhouse Gas Emissions**—Of the 21 recommended actions we issued in 2019, 13 (or 62%) were outstanding. Many of these actions addressed areas such as effectiveness and the need to collect or analyze data. For example, we recommended that the Ministry work with partner ministries to update its climate change plan. This updated plan should include detailed actions, with all estimated emissions reductions based on sound evidence and supported by a comprehensive and transparent feasibility and cost analysis to support Ontario in achieving its 2030 emission-reduction target. This recommended action is also important because a Cabinet-approved climate change plan is required for compliance with the *Cap and Trade Cancellation Act, 2018*. At the time of our follow-up, however, the Ministry did not have an expected time frame for presenting an updated climate change plan to Cabinet for final approval.

Ontario Health

Ontario Health accepted responsibility for implementing 122 recommended actions from eight audits between 2015 and 2019, of which 68 (or 56%) remain outstanding. The majority of the outstanding actions relate to the following two audit reports:

- **Health Quality Ontario**—Of the 24 recommended actions we issued in 2018, 18 (or 75%) were outstanding. Many of these actions addressed areas such as effectiveness and the need for public reporting. For example, we recommended that Ontario Health, in conjunction with the Ministry of Health, assess the potential benefits of enforcing the use of clinical care standards throughout Home and Community Care Support Services.
- **Chronic Kidney Disease Management**—Of the 27 recommended actions we issued in 2019,

15 (or 56%) are still outstanding. Many of these actions addressed areas such as access to care and services, and collecting and analyzing data. For example, we recommended that Ontario Health work with the Regional Renal Programs to investigate cases where patients are not being referred to see nephrologists on a timely basis.

3.6 Low Implementation Rates for Recommendations Relating to Public Reporting, Access to Care or Services, Human Resources and Effectiveness

Our Office categorized the recommended actions we issued between 2015 and 2019 by the areas they addressed, as shown in **Figure 8**.

The categories with the highest implementation rates are those dealing with governance, information technology, and education or promotion.

The categories with the lowest implementation rates address public reporting, access to care or services, human resources, and effectiveness. The following are some examples related to these categories with the lowest implementation rates:

- In our 2018 report on the Ontario Student Assistance Program (OSAP) we recommended that the Ministry of Colleges and Universities track and publicly report measures such as graduation and employment rates for the OSAP recipients in their field of study, and average student debt levels at completion of studies, to determine whether the objectives of the OSAP are met.
- In our 2017 report on Laboratory Services in the Health Sector we recommended that the Ministry of Health identify underserved areas for community specimen collection centres and take corrective action, to ensure that Ontarians have timely access to community laboratory services.
- In our 2019 report on Office of the Chief Coroner and Ontario Forensic Pathology Service we recommended that the Office of the Chief Coroner and Ontario Forensic Pathology Service evaluate staffing model alternatives, such as changing the current workforce of coroners with other non-physician professionals or forensic pathologists

Figure 8: Implementation Rate by Category¹ of Actions Recommended in Our 2015 to 2019 Annual Reports, as of March 31, 2022

Prepared by the Office of the Auditor General of Ontario

Category ¹	# of Recommended Actions (A)	# of Recommended Actions Fully Implemented (B) ²	Full Implementation Rate (B/A) (%)
Governance	162	108	67
IT	96	58	60
Education/Promotion	55	33	60
Compliance	134	76	57
Efficiency	92	52	57
Internal Control	44	24	55
Other ³	13	7	54
Quality of Care or Services	74	38	51
Monitoring and/or Oversight	336	170	51
Economy	153	72	47
Funding	78	36	46
Enforcement	60	27	45
Collect/Analyze Data	176	78	44
Effectiveness	283	113	40
Human Resources	71	28	39
Access to Care/Services	86	26	30
Public Reporting	73	21	29

1. Recommended actions have been assigned to a primary category, but more than one category may apply.

2. The 2015 and 2016 statuses of implementation were based on each organization's self-assessed statuses.

3. "Other" category is composed of eight recommended actions related to communications; three related to establishing goals, roles and responsibilities; and two related to developing policies/strategies.

when autopsies are involved and making coroner positions full-time, and implement changes required to improve the accountability and cost-efficiency of Ontario's death investigation services.

- In our 2016 report on Specialty Psychiatric Hospital Services we recommended that the Ministry of Health and Ontario Health develop an overall strategy to reduce wait times by collecting relevant information from specialty psychiatric hospitals, such as the number of long-term psychiatric beds that exist for each mental illness diagnosis and wait times, to determine where additional funding should be allocated.

There continue to be opportunities for improvements to public reporting, access to care or services,

human resources and effectiveness to ensure that value for money is being achieved.

3.7 Some Recommendations Will Not Be Implemented

Of the 1,986 recommended actions we issued between 2015 and 2019 and expected to be implemented by now, 178 (including 141 actions that were noted last year) will not be implemented by the relevant organizations.

This year, the additional 37 recommended actions that organizations will not be implementing 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.

Fifty-four percent of these actions addressed the need to improve or assess the effectiveness of programs or services, monitoring and/or oversight, and the quality of care or services. We continue to believe that these recommended actions should be implemented.

3.8 Recommended Actions from 2014 Annual Report Will Inform Future Audit Selection

At the completion of our continuous follow-up work in 2021, 11 ministries, Crown agencies and broader-public-sector organizations still had 66, or about one-quarter, of our recommended actions outstanding from our *2014 Annual Report*—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 2014 recommended actions. Instead, we will factor the risks remaining from the related outstanding recommended actions into our risk-based approach in selecting future audits in these areas.

The 2014 recommended actions that were not implemented addressed areas such as access to care or services, economy, effectiveness, and monitoring and/or oversight. Some examples include:

- **Adult Community Corrections and Ontario Parole Board**—We recommended that the Ministry of the Solicitor General strategically target its resources, programs and services to higher-risk offenders, with a long-term goal of reducing their high re-offend rates.
- **Immunization**—We recommended that the Ministry of Health implement processes aimed at ensuring that the volume of vaccines ordered by and distributed at no cost to health-care providers is reasonable, to minimize vaccine wastage and maintain vaccine potency.
- **Residential Services for People with Developmental Disabilities**—We recommended that the Ministry of Children, Community and Social Services establish guidelines for the length of time an applicant may take to accept a placement, and then to move in to improve the management of wait times for residential services for people with developmental disabilities.

- **Source Water Protection**—We recommended that the Ministry of the Environment, Conservation and Parks charge industrial and commercial users of either surface or groundwater sources in Ontario an appropriate fee to ensure it will be able to recover the province's cost of administering its water quantity management programs, and to ensure the sustainability of sources of water in the province.

4.0 Detailed Observations for the Follow-Up on Recommendations Issued by the Standing Committee on Public Accounts from June 2016 to April 2021

4.1 Minimal Increase in the Full Implementation Rate of Committee Recommendations

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 596 recommended actions from June 2016 to April 2021, which we initially followed up on in our *2016 to 2021 Annual Reports*. These recommended actions involved 27 ministries, Crown agencies and broader-public-sector organizations, which were the subject of the 30 Committee reports listed in **Appendix 4**.

Based on our review, we agreed with the organizations that three of the actions were no longer applicable, mainly due to changes in legislation or policies resulting in the organizations no longer having to implement the recommended actions, as the issues no longer existed, due to the changes. This left a total of 593 recommended actions that we followed up on.

Figure 9 provides the overall status of the recommended actions issued by the Committee from June 2016 to April 2021. The organizations have fully implemented 50% of these 593 recommended actions. In addition to the 50% full implementation rate of the Committee's recommended actions from June 2016 to April 2021, 32% are in the process of being

implemented, a further 9% had little or no progress made on them, and for 9%, the organizations determined that the recommended actions would not be implemented (as discussed in **Section 4.4**).

Overall, in 2022, 82% of all recommended actions issued by the Committee from June 2016 to April 2021 that we followed up on were either fully implemented or in the process of being implemented.

Figure 10 provides a breakdown of the status of the recommended actions issued from June 2016 to April 2021, by the year we initially followed up on the actions. We noted the following full implementation rates by *Annual Report* year: 62% for 2017; 53% for 2018; 66% for 2019; 40% for 2020; and 49% for 2021.

For the first time this year, 149 relevant recommended actions issued by the Committee from March 2020 to April 2021 were included in our continuous follow-up work. At the time of our follow-up, as noted above, 49% of these recommended actions have been fully implemented.

Figure 11 shows 24 organizations with recommended actions issued by the Committee from June 2016 to March 2020. For the period between June 2016 and March 2020, the full implementation rate of the total 535 Committee-recommended actions issued, and that we expected to be implemented, had minimally increased from 49% in 2021 to 54% in 2022. We noted

that six organizations had fully implemented all of the Committee's recommended actions; for eight organizations there were some improvements ranging from 2% to 20% in the rate of implementation; and for the remaining ten organizations, there was no change in implementation rates from 2021 to 2022.

Figure 9: Implementation Status of Recommended Actions Issued by the Standing Committee on Public Accounts between June 2016 and April 2021, as of March 31, 2022

Prepared by the Office of the Auditor General of Ontario

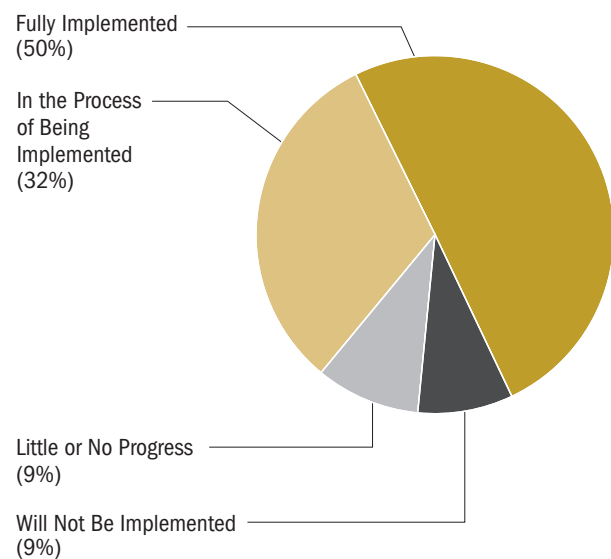


Figure 10: Implementation Status of Recommended Actions Issued by the Standing Committee on Public Accounts, by Annual Report Year

Prepared by the Office of the Auditor General of Ontario

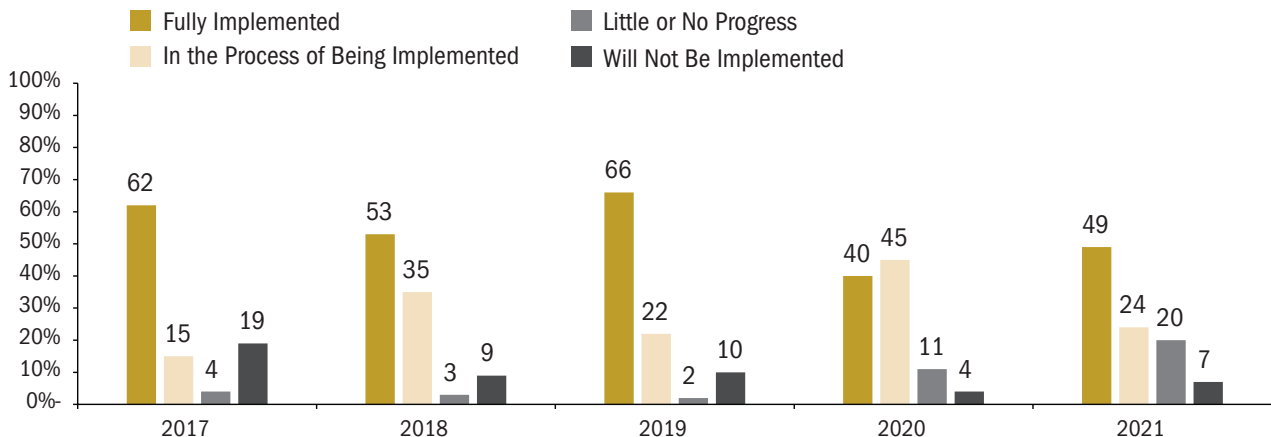


Figure 11: Increase in the Full Implementation Rate from 2021 to 2022 for the Recommended Actions Issued by the Standing Committee of Public Accounts between June 2016 and March 2020

Prepared by the Office of the Auditor General of Ontario

Organization ¹	Full Implementation Rate, 2022 (%)	Full Implementation Rate, 2021 (%)	Increase Between 2021 and 2022 (%)
Ministry of Labour, Training and Skills Development	40	20	20
Infrastructure Ontario	55	38	17
Ministry of Long-Term Care	64	52	12
Ontario Health ²	70	61	9
Ministry of Government and Consumer Services	36	29	7
Ministry of Children, Community and Social Services	15	9	6
Ministry of Health	37	35	2
Hospitals ³	89	87	2
Ministry of Transportation	88	88	0
Metrolinx	86	86	0
Treasury Board Secretariat	78	78	0
Ministry of Energy	64	64	0
Home and Community Care Support Services ⁴	40	40	0
Ministry of Economic Development, Job Creation and Trade	22	22	0
Ministry of Education	11	11	0
Ministry of Colleges and Universities	0	0	0
Ontario Power Generation	0	0	0

1. Five organizations that had fully implemented all of the Committee's recommendations as of last year, are not included in the table: Independent Electricity System Operator, McMaster University, Ontario Energy Board, University of Toronto, and University of Waterloo.

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%; Trillium Health Partners, 86%; Windsor Regional Hospital, 81%.

4. The implementation rate for Home and Community Care Support Services includes recommendations that originated with the former Community Care Access Centres and Local Health Integration Networks.

4.2 Some Organizations Better than Others at Implementing Committee Recommendations

Figure 12 shows that of the 27 organizations that we followed up on this year that were the subject of the Committee's reports tabled between June 2016 and April 2021, 11 had fully implemented 75% or more of the Committee's recommended actions.

Six organizations had fully implemented all of the Committee's recommended actions: Independent Electricity System Operator, Ontario Energy Board, Rouge Valley Health Partners, McMaster University, University of Toronto, and University of Waterloo.

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, 16 organizations had implemented fewer than 75% of the Committee's recommended actions, including six organizations that implemented fewer than 25%. The following organizations had low implementation rates and a high number of outstanding recommended actions:

- The Ministry of Children, Community and Social Services is responsible for implementing a total of 78 recommended actions from two Committee

Figure 12: Percentage of Full Implementation of Recommended Actions Issued by the Standing Committee on Public Accounts between June 2016 and April 2021, as of March 31, 2022

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) (%)
Independent Electricity System Operator	9	9	100
Ontario Energy Board	1	1	100
Universities (3) ¹	12	12	100
Ministry of Transportation	22	20	91
Hospitals (3) ¹	63	56	89
Metrolinx	75	61	81
Treasury Board Secretariat	23	18	78
Ontario Health ²	23	16	70
Ministry of Long-Term Care	25	16	64
Ministry of Energy	11	7	64
Infrastructure Ontario	32	19	59
Ministry of Environment, Conservation and Parks	35	16	46
Home and Community Care Support Services ³	5	2	40
Ministry of Labour, Training and Skills Development	60	24	40
Ministry of Agriculture, Food and Rural Affairs	13	5	38
Ministry of Government and Consumer Services	14	5	36
Ministry of Health	151	53	35
Ministry of Children, Community and Social Services	78	18	23
Ministry of Economic Development, Job Creation and Trade	9	2	22
Ministry of Education	9	1	11
Ontario Power Generation	6	0	0
Ministry of Colleges and Universities	4	0	0
Secretary of Cabinet	1	0	0

	Implementation rate of 75% or more		Implementation rate between 25% and 49%
	Implementation rate between 50% and 74%		Implementation rate of less than 25%

- Implementation rates of individual broader-public-sector organizations:
 - Hospitals: Rouge Valley Health Partners, 100%; Trillium Health Partners, 86%; Windsor Regional Hospital, 81%.
 - Universities: McMaster University, 100%; University of Toronto, 100%; University of Waterloo, 100%.
- The implementation rate for Ontario Health includes recommendations that originated with Cancer Care Ontario, which is now part of Ontario Health.
- The implementation rate for Home and Community Care Support Services includes recommendations that originated with the former Community Care Access Centres and Local Health Integration Networks.

reports on our audits of Ontario Works, and Ontario Disability Support Program. At the time of our follow-up, 77% of the 78 recommended actions remain outstanding.

- The Ministry of Health is responsible for implementing a total of 151 recommended actions from eight Committee reports. At the time of our follow-up, 65% of the recommended actions

remain outstanding. For example, the Child and Youth Mental Health report issued by the Committee has a total of 27 recommended actions, of which 100% of the recommended actions remain outstanding.

- The Ministry of Labour, Training and Skills Development is responsible for implementing a total of 60 recommended actions from two

Committee reports on our audits of Employment Ontario; and Settlement and Integration Services for Newcomers. At the time of our follow-up, 60% of the 60 recommended actions remain outstanding.

- Infrastructure Ontario is responsible for implementing a total of 32 recommended actions from two of the Committee's reports, of which 41% of the 32 recommended actions remain outstanding.

4.4 Some Committee Recommendations Will Not Be Implemented

Of the 593 recommended actions that the Committee issued, 51 (including 45 noted last year) will not be implemented. The additional six recommended actions that organizations will not be implementing are listed in **Appendix 5**, along with the organizations' rationale for not implementing them.

The recommended actions require the organizations to improve or assess effectiveness, to improve governance, to enhance monitoring and/or oversight, and to collect and analyze data. We continue to believe that these recommended actions should be implemented.

4.5 Standing Committee on Public Accounts Recommended Actions from 2016 Annual Report Will Inform Future Audit Selection

At the completion of our continuous follow-up work in 2021, seven ministries, Crown agencies and broader-public-sector organizations still had outstanding eight, or 12% of the Committee's recommended actions. These actions were from five reports issued from June 2015 to April 2016 that we initially followed up and reported on in our *2016 Annual Report*. The Committee's recommended actions that were not implemented addressed areas such as the need to improve access to care or services, and the need to collect and analyze data. Examples include:

- **Cancer Screening Programs**—The Committee recommended that Ontario Health provide the Committee with the range of wait times for follow-up colonoscopies, compare the wait times to the benchmark, and explain any material variances.
- **University Undergraduate Teaching Quality**—The Committee recommended that universities continue to take steps to make the results of course evaluations available to students to assist them in making their course selections.

It is now more than six years after the recommended actions were issued. We expected that all of these actions would have been implemented by now. We are no longer following up on these recommended actions that were issued from June 2015 to April 2016. Instead, we will factor the risks remaining from the related outstanding recommended actions into our risk-based approach in selecting future audits.

5.0 Organizations Need to Make Progress in Appropriately Assessing the Status of Recommended Actions

Our continuous follow-up work begins with the organizations' self-assessment of their progress in implementing the recommended actions from value-for-money reports and the Standing Committee on Public Accounts' (Committee) reports.

In 2022, organizations self-assessed a total of 446 value-for-money and Committee-recommended actions as "fully implemented." However, based on our review of the relevant documentation and, in certain cases, by completing sample testing, we evaluated only 191 (or 43%) of these actions as, in fact, fully implemented. In our 2021 follow-up, organizations self-assessed 289 recommended actions as "fully implemented" whereas our evaluation determined that 138 (or 48%) of those actions were indeed fully implemented.

We found that even when all of the recommended actions' requirements were not met, some organizations reported those actions as "fully implemented." In some of these cases, the rationale provided was that they had done as much work as could be done, or that no further work would be conducted on the recommended actions. In these cases, the recommended actions were only partly implemented. We, therefore, assessed these recommended actions as not being fully implemented, contrary to the organizations' self-assessed statuses.

Our extensive review of supporting documentation and sample testing, where appropriate, is required to discern whether recommended actions can be assessed as "fully implemented." This work takes a significant amount of our Office's time and resources, as is the case for the organizations we follow up on, highlighting the need for all organizations to correctly determine their appropriate statuses of implementation.

Appendix 1: Change in the Full Implementation Rate for Recommended Actions Issued in Our 2015 to 2018 Annual Reports, 2021 to 2022

Prepared by the Office of the Auditor General of Ontario

Ministry or Agency ¹	As of 2022 (A) (%)	As of 2021 (B) (%)	Change (A-B) (%)
Organizations with More than 30 Recommended Actions			
Ministry of the Solicitor General	25	11	14
Ministry of Labour, Training and Skills Development	47	34	13
Ministry of Health	44	35	9
Metrolinx	78	71	7
Treasury Board Secretariat	97	90	7
Ministry of the Attorney General	69	63	6
Hospitals (7) ²	86	81	5
Ministry of Government and Consumer Services	76	71	5
Ontario Health ³	44	40	4
Ministry of Children, Community and Social Services	27	24	3
Ministry of the Environment, Conservation and Parks	33	30	3
Technical Standards and Safety Authority	72	69	3
Ministry of Education	33	30	3
School Boards (8) ²	45	43	2
Universities (3) ²	73	73	0
Municipalities (4) ²	54	54	0
Children's Aid Societies (7) ²	47	47	0
Organizations with 11–30 Recommended Actions			
Infrastructure Ontario	65	46	19
Ministry of Infrastructure	75	56	19
Ministry of Long-Term Care	60	43	17
Ontario Land Tribunal	46	31	15
Ministry of Northern Development, Mines, Natural Resources and Forestry Services ⁴	86	75	11
Child and Youth Mental Health Centres (4) ²	79	68	11
Ministry of Agriculture, Food and Rural Affairs	50	42	8
Independent Electricity System Operator	76	71	5
Legal Aid Ontario	38	33	5
Ministry of Municipal Affairs and Housing	37	33	4
Ministry of Economic Development, Job Creation and Trade	39	36	3
Waterfront Toronto	91	91	0
Ministry of Energy ⁴	74	74	0
Ministry of Transportation	72	72	0
Transportation Consortia (3) ²	70	70	0
Home and Community Care Support Services ⁵	56	56	0
Ministry of Colleges and Universities	38	38	0
Ontario Power Generation	11	11	0

Ministry or Agency ¹	As of 2022 (A) (%)	As of 2021 (B) (%)	Change (A-B) (%)
Organizations with 1–10 Recommended Actions			
Ontario Association of Children's Aid Societies	50	0	50
Agricorp	75	63	12
Tribunals Ontario	60	60	0
Ministry of Finance	33	33	0

1. In 2021, the Ontario Energy Board and psychiatric hospitals have fully implemented all of their recommended actions. These hospitals are: Centre for Addiction and Mental Health, Ontario Shores Centre for Mental Health Sciences, The Royal Ottawa Health Group, and Waypoint Centre for Mental Health Care.

2. Implementation rates of individual broader-public-sector entities:

Hospitals, by report:

- 2022 - Large Community Hospital Operation: Rouge Valley Health System, 100%; Trillium Health Partners, 85%; Windsor Regional Hospital, 80%.
- 2021 - Large Community Hospital Operation: Rouge Valley Health System, 100%; Trillium Health Partners, 80%; Windsor Regional Hospital, 80%.
- 2022 - MRI and CT Scanning Services: Mackenzie Health, 100%; St. Joseph's Healthcare Hamilton, 100%; Health Sciences North, 67%; The Ottawa Hospital, 33%.
- 2021 - MRI and CT Scanning Services: Mackenzie Health, 100%; Health Sciences North, 33%; St. Joseph's Healthcare Hamilton, 33%; The Ottawa Hospital, 33%.

School Boards, by report:

- 2022 - School Boards' Management of Financial and Human Resources: Hastings and Prince Edward, 57%; Toronto Catholic, 48%; Hamilton-Wentworth, 39%; Halton Catholic, 35%.
- 2021 - School Boards' Management of Financial and Human Resources: Hastings and Prince Edward, 57%; Toronto Catholic, 48%; Halton Catholic, 35%; Hamilton-Wentworth, 35%.
- 2022 - School Boards—IT Systems and Technology in the Classroom: Waterloo Catholic, 60%; Peel, 53%; Toronto, 47%; Algoma, 27%.
- 2021 - School Boards—IT Systems and Technology in the Classroom: Waterloo Catholic, 60%; Peel, 42%; Toronto, 42%; Algoma, 27%.

Universities

- 2022 - University of Toronto, 78%; McMaster University, 76%; University of Waterloo 63%.
- 2021 - University of Toronto, 78%; McMaster University, 76%; University of Waterloo, 63%.

Municipalities

- 2022 - City of Windsor, 80%; Regional Municipality of Peel, 56%; District of Thunder Bay Social Services, 55%; City of Toronto, 27%.
- 2021 - City of Windsor, 80%; Regional Municipality of Peel, 56%; District of Thunder Bay, 55%; City of Toronto, 27%.

Children's Aid Societies

- 2022 - Districts of Sudbury and Manitoulin, 57%; Family and Children's Services of the Waterloo Region, 57%; Toronto, 57%; Durham, 43%; Hamilton, 43%; Simcoe Muskoka Family Connexions, 43%; Family and Children's Services of Frontenac, Lennox and Addington, 29%.
- 2021 - Districts of Sudbury and Manitoulin, 57%; Family and Children's Services of the Waterloo Region, 57%; Toronto, 57%; Durham, 43%; Hamilton, 43%; Simcoe Muskoka Family Connexions, 43%; Family and Children's Services of Frontenac, Lennox and Addington, 29%.

Child and Youth Mental Health Centres

- 2022 - Children's Centre Thunder Bay, 100%; Youthdale Treatment Centres, 100%; Kinark Child and Family Services, 71%; Vanier Children's Services, 43%.
- 2021 - Youthdale Treatment Centres, 86%; Children's Centre Thunder Bay, 71%; Kinark Child and Family Services, 71%; Vanier Children's Services, 43%.

Transportation Consortia

- 2022 - Sudbury Consortium, 100%; Peel Consortium, 67%; Toronto Consortium, 44%.
- 2021 - Sudbury Consortium, 100%; Peel Consortium, 67%; Toronto Consortium, 44%.

3. The implementation rate for Ontario Health includes report recommendations that originated with Cancer Care Ontario, eHealth Ontario, Health Quality Ontario, Local Health Integration Networks (LHINs), Ontario Renal Network and Trillium Gift of Life Network, all of which are now part of Ontario Health. The recommendations were from the following seven audit reports, with the following implementation rates:

- 2022 - Cancer Care Ontario—Cancer Treatment Services, 77%
- 2021 - Cancer Care Ontario—Cancer Treatment Services, 68%
- 2022 - e-Health Ontario—Electronic Health Records' Implementation Status, 50%
- 2021 - e-Health Ontario—Electronic Health Records' Implementation Status, 50%
- 2022 - Health Quality Ontario—Health Quality Ontario, 25%
- 2021 - Health Quality Ontario—Health Quality Ontario, 17%
- 2022 - LHINs — Community Health Centres, 20%
- 2021 - LHINs — Community Health Centres, 20%
- 2022 - LHINs — Local Health Integration Networks, 69%
- 2021 - LHINs — Local Health Integration Networks, 69%
- 2022 - LHINs — MRI and CT Scanning Services, 0%
- 2021 - LHINs — MRI and CT Scanning Services, 0%
- 2022 - LHINs — Specialty Psychiatric Hospital Services, 0%
- 2021 - LHINs — Specialty Psychiatric Hospital Services, 0%

4. In 2021, the Ministry of Natural Resources and Forestry merged with the Ministry of Energy, Northern Development and Mines to form the Ministry of Northern Development, Mines, Natural Resources and Forestry, while the Ministry of Energy became a separate ministry.

5. From April 1, 2021 onwards, the responsibility for the 2015 CCACs—Community Care Access Centres—Home Care Program report was transferred from Ontario Health (Local Health Integration Networks) to Home and Community Care Support Services.

Appendix 2: Questions the Standing Committee on Public Accounts Could Consider to Hold Organizations Accountable for Implementing Some Key Recommended Actions

Prepared by the Office of the Auditor General of Ontario

Report Section	Organization	Recommendation ¹	Questions for Consideration
2015			
3.09: Child Protection Services	Children's Aid Societies	To ensure that children and youth who need protection receive timely, consistent and appropriate care and supports, Children's Aid Societies should ensure that they meet all legislative, regulatory and program requirements in conducting child protection history checks on all individuals involved with the child upon receipt of reports of child protection concerns.	What is the progress of actions taken by the Children's Aid Society of the Districts of Sudbury and Manitoulin; Children's Aid Society of Hamilton; Durham Children's Aid Society; Family and Children's Services of Frontenac, Lennox and Addington; and Family and Children's Services of the Waterloo Region to ensure that they have met all legislative, regulatory and program requirements in conducting child protection history checks on all individuals involved with the child upon receipt of reports of child protection concerns?
3.09: Long-term-care Home Quality Inspection Program	Ministry of Long-Term Care ¹	To ensure the mandate of the Long-Term Care Homes Quality Inspection Program is met and its performance is transparent to the public, the Ministry of Health and Long-Term Care should regularly publish actual results against targets.	When will the Ministry of Long-Term Care start to publish actual performance results against targets in order to ensure the mandate of the Quality Inspection Program is met and its performance is transparent to the public?
3.13: Student Transportation	Ministry of Transportation ¹	To ensure that Motor Vehicle Inspection Stations (MVISs) are conducting effective mechanical inspections, the Ministry of Transportation should devise a strategy that enables it to conduct risk-based reviews of MVISs, especially those that are run by school bus operators licensed to inspect their own school vehicles.	Describe the Ministry of Transportation's strategy that is used to conduct risk-based reviews of Motor Vehicle Inspection Stations, especially those that are run by school bus operators licensed to inspect their own school vehicles.
2016			
3.01: Child and Youth Mental Health	Ministry of Health ¹	To help children and youth to have access to consistent mental health services in Ontario, the Ministry of Children and Youth Services should work to develop and implement as quickly as possible a funding model that allocates funding to child and youth mental health agencies that is commensurate with the needs of the children and youth they serve.	What steps has the Ministry of Health taken to develop and implement a funding model that allocates funding to child and youth mental health agencies that is commensurate with the needs of the children and youth they serve in order to help children and youth to have access to consistent mental health services in Ontario?

Report Section	Organization	Recommendation ¹	Questions for Consideration
3.04: Employment Ontario	Ministry of Labour, Training, and Skills Development ¹	In order to improve the effectiveness of employment and training programs, the Ministry of Advanced Education and Skills Development should review instances where program outcomes do not meet targets and take corrective actions.	What steps has the Ministry of Labour, Training and Skills Development taken to review instances where its employment and training programs outcomes do not meet targets? What corrective actions have been taken to improve the effectiveness of these programs?
3.05: Environmental Approvals Chapter 3 Section Environmental Approvals	Ministry of the Environment, Conservation and Parks ¹	To ensure that all emitters, particularly those that pose the highest risk to the environment, are appropriately monitored, and that its system of penalties is effective in correcting non-compliance issues on a timely basis, the Ministry of the Environment and Climate Change should assess, as part of its ongoing reviews of its penalties program, how effective its penalties are in discouraging individual emitters from being non-compliant with environmental regulations.	What is the Ministry of the Environment, Conservation and Parks' progress in assessing the effectiveness of its penalties in discouraging individual emitters from being non-compliant with environmental regulations?
3.07: Housing and Supportive Services for People with Mental Health Issues (Community-Based)	Ministry of Health ¹	To help identify data needed to plan for mental health supportive housing in Ontario such that people with mental illness can recover and live independently, the Ministry of Health and Long-Term Care (Ministry) should develop an implementation plan for its housing policy framework. This policy framework should define the Ministry's and the Local Health Integration Networks' (LHINs') roles; set measurable goals and program priorities; define the types of data that the Ministry and the LHINs need to collect, measure and analyze; assess risks and options to manage the risks; determine the resources required; and measure the impact of the Ministry's contribution to mental health supportive housing.	What is the Ministry of Health's progress in implementing a housing policy framework to guide the provision of mental and health supportive housing? How is the Ministry identifying the data needed to plan for mental health supportive housing in Ontario such that people with mental illness can recover and live independently?
3.12: Specialty Psychiatric Hospital Services	Ministry of Health ¹	In order to ensure Ontarians know how long they need to wait for specialty psychiatric hospital services, the Ministry of Health and Long-Term Care should collect wait time information for in-patient and out-patient programs.	What is the Ministry of Health doing to collect wait time information for in-patient and out-patient programs? How is the Ministry of Health providing Ontarians with knowledge on how long they need to wait for specialty psychiatric hospital services?
2017			
3.02: Cancer Treatment Services	Ontario Health ²	To better ensure patients have timely and equitable access to cancer surgery, we recommend that Cancer Care Ontario work with the Ministry of Health and Long-Term Care and hospitals to assess the benefits of having a centralized referral and booking process for cancer surgeries.	What is Ontario Health's progress on assessing the benefits of having a centralized referral and booking process for cancer surgeries to better ensure patients have timely and equitable access to cancer surgery?

Report Section	Organization	Recommendation ¹	Questions for Consideration
3.03: Community Health Centres	Ontario Health ²	To inform decisions on how to use investment in Community Health Centres (CHCs) to better meet the needs of Ontarians, we recommend that the Local Health Integration Networks develop and implement a process to obtain and regularly update capacity and utilization information, considering how many people the CHCs actually serve compared to the number of people they are expected to be responsible for, wait-list information, and the growing populations of targeted client groups.	For Community Health Centres, how does Ontario Health plan to collect and regularly update capacity and utilization information, wait-list information, and the growing populations of targeted client groups to inform decisions to better meet Ontarians' needs?
3.04: Emergency Management in Ontario	Ministry of the Solicitor General ¹	To ensure that the Province has a co-ordinated emergency management program in place that supports the ministries and municipalities with their emergency management programs and is able to share information in a timely manner, we recommend that the Ministry of Community Safety and Correctional Services through the Provincial Emergency Management Office develop central resources, supports and best practices for emergency management to allow for better co-ordination, expertise and consistency of emergency management programs across Ontario.	What is the progress of the Ministry of Community Safety and Correctional Services, through the Provincial Emergency Management Office, in developing central resources, supports and best practices for emergency management to allow for better co-ordination, expertise and consistency of emergency management programs across Ontario?
3.13: Settlement and Integration Services for Newcomers	Ministry of Labour, Training and Skills Development ¹	To help meet its goal to successfully settle and integrate newcomers, we recommend that the Ministry of Citizenship and Immigration work with other ministries that provide services that can contribute to the successful integration of newcomers to identify and explore opportunities to increase the use of services that demonstrate a significant contribution to the settlement and integration of newcomers.	How is the Ministry of Labour, Training and Skills Development working with other ministries that provide services that can contribute to the successful integration of newcomers to identify and explore opportunities to increase the use of services that demonstrate a significant contribution to the settlement and integration of newcomers?
3.14: Social and Affordable Housing	Ministry of Municipal Affairs and Housing ¹	In order for housing programs to be designed and delivered based on actual needs in communities, we recommend that the Ministry of Housing co-ordinate with municipal service managers to periodically gather and analyze information on social housing vacancy rates, wait lists, and the living conditions of individuals waiting to receive social housing, and other relevant data.	How is the Ministry of Municipal Affairs and Housing addressing the shortage of affordable housing in Ontario and growing social housing wait lists? How has the Ministry of Municipal Affairs and Housing co-ordinated with municipal service managers to periodically gather and analyze information on social housing vacancy rates, wait lists, and the living conditions of individuals waiting to receive social housing, and other relevant data, to address actual needs in communities?

Report Section	Organization	Recommendation ¹	Questions for Consideration
2018			
3.11: Ontario Works	Ministry of Children, Community and Social Services	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.	What steps has the Ministry of Children, Community and Social Services taken to review and analyze the differences in discretionary benefits provided by service managers, and their impact on recipient outcomes, so that Ontarians in financial need are treated fairly and have access to benefits that support their progression toward employment regardless of where in Ontario they seek assistance from the Ontario Works program?
3.02: Darlington Nuclear Generating Station Refurbishment Project	Ontario Power Generation	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 publicly report its progress against Project targets at least quarterly.	When will Ontario Power Generation publicly report its progress, at least on a quarterly basis, on the Darlington Nuclear Generating Station Refurbishment Project against Project targets?
3.07: Metrolinx – LRT Construction and Infrastructure Planning	Metrolinx	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 properly validate all future claims and only pay for costs that have been found to be its responsibility.	How is Metrolinx taking prompt action as soon as it becomes aware of delays, and holding the AFP consortium accountable for the AFP contract requirement to submit action plans to eliminate or reduce delays, in order to ensure the AFP consortium meets the contract requirements that the Eglinton Crosstown Light Rail Transit project be completed on time and on budget?
3.12: School Boards – IT Systems and Technology in the Classroom	Ministry of Education	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.	What actions has the Ministry of Education taken to track and measure the incidences of cyberbullying in Ontario schools, to improve the effectiveness of existing anti-cyberbullying programs?
2019			
3.02: Addictions Treatment Programs	Ministry of Health	To reduce wait times for addictions treatment and repeat emergency department visits for substance-use conditions, we recommend that the Ministry of Health analyze wait times for addictions treatment to identify regions or programs with long wait times and work with those service providers to take corrective actions.	What steps has the Ministry of Health taken to analyze wait times for addictions treatment to identify regions or programs with long wait times? How is the Ministry of Health working with service providers to take corrective actions to reduce wait times for those identified regions or programs with long wait times?

Report Section	Organization	Recommendation ¹	Questions for Consideration
5.18: Family Court	Ministry of the Attorney General	To support the protection of children in care and consistent compliance with statutory timelines required under the <i>Child, Youth and Family Services Act, 2017</i> , we recommend that the Ministry of the Attorney General work with the judiciary to complete a review of child protection cases, and identify areas where improved court systems and processes would result in earlier resolution of cases.	What is the progress of the Ministry of the Attorney General's work with the judiciary to complete a review of child protection cases, and identify areas where improved court systems and processes would result in earlier resolution of cases?
4.14: Climate Change – Ontario's Plan to Reduce Greenhouse Gas Emissions	Ministry of the Environment, Conservation and Parks	So that Ontario's climate change planning can benefit from external expert advice, we recommend that members be appointed to the Climate Change Advisory Panel to review and provide advice on climate change planning and further refine the Ministry's Plan as needed.	When does the Ministry of the Environment, Conservation and Parks plan to appoint members to the Climate Change Advisory Panel to review and provide advice on climate change planning and further refine the Ministry's Plan as needed?

1. The names of some ministries have changed since the original recommendation was made.

2. As of April 1, 2021, Cancer Care Ontario (CCO) and the Community Health Centres (CHCs) were integrated into Ontario Health. Therefore, the reports directed to CCO and the CHCs have become the responsibility of Ontario Health.

Appendix 3: Recommendations from 2015 to 2019 Assessed as “Will Not Be Implemented” in 2022 That the Auditor General Believes Should Be Implemented

Prepared by the Office of the Auditor General of Ontario

Section	Organization	Recommendations	Rationale	Impact
2015				
3.14: University Intellectual Property	Ministry of Economic Development, Job Creation and Trade ¹	Recommendation 2—Action 1 The Ministry of Research and Innovation should develop and implement a multi-year plan to cover the Innovation Agenda's strategic direction as well as provincial goals and initiatives on research and innovation. This plan should provide enough detail to clearly summarize the deliverables, and establish timelines and targets to deliver on key strategies, initiatives and research and innovation programs.	The Ministry will not develop a multi-year implementation plan for the 2008 Innovation Agenda since the Ministry stated that it no longer serves as the framework for prioritizing the Ministry's current and future innovation programs and policies. According to the Ministry, the Innovation Agenda was developed over a decade ago under a different government. Since 2008, the challenges, opportunities and needs of the innovation ecosystem have evolved drastically. The Ministry also informed us that organizational and government changes have seen the previous Innovation Agenda's strategic direction adapted to meet evolving priorities. The Ministry stated that it is working on a Critical Technologies Strategy that will align with the Entrepreneurship and Advanced Manufacturing Strategy announced in the <i>2022 Ontario Budget</i>. The Critical Technologies Strategy will set out a framework for accelerating the development and adoption of key enabling technologies (e.g., AI, 5G, robotics, quantum) to boost business productivity and spur economic growth across sectors.	The Ministry will not develop and implement a multi-year plan to cover the Innovation Agenda's strategic direction as well as provincial goals and initiatives on research and innovation. Having a plan for the Innovation Agenda's strategic direction may have helped when adopting the strategy to meet evolving Ministry priorities.

Section	Organization	Recommendations	Rationale	Impact
2016				
3.01: Child and Youth Mental Health	Ministry of Health ²	Recommendation 3—Action 1 The Ministry of Children and Youth Services should work with Children's Mental Health Ontario and child and youth mental health agencies to develop caseload guidelines; and agencies should periodically compare themselves against these guidelines to help assess the effectiveness and efficiency of their operations. Recommendation 7—Action 1 To help ensure that child and youth mental health agencies provide services that are both effective and efficient, and to ensure that the Ministry of Children and Youth Services is obtaining value for the funding it provides, the Ministry should periodically review agency caseloads per worker and costs per individual served; assess the reasonableness of costs and caseloads; and identify instances that require follow-up and/or corrective action.	The Ministry of Health will not implement the caseload guidelines. The Ministry indicated that through its strategic plan Roadmap to Wellness: A Plan to Build Ontario's Mental Health and Addictions System, the Ministry has committed to develop a core services framework, supported by service standards, using an across-the-lifespan approach that will ensure effective oversight and accountability. The Ministry of Health will not periodically review agency caseloads. The Ministry indicated that through its strategic plan Roadmap to Wellness: A Plan to Build Ontario's Mental Health and Addictions System, the Ministry has committed to develop a core services framework, supported by service standards, using an across-the-lifespan approach that will ensure effective oversight and accountability.	The Ministry will not be implementing caseload guidelines. Without these guidelines, agencies may not be able assess the effectiveness and efficiency of their operations. The Ministry will not periodically review agency caseloads per worker and costs per individual services, assess the reasonableness of costs and caseloads, and identify instances that require follow-up and/or corrective action. Therefore, child and youth mental health agencies may not be able to ensure that the services they provide are both effective and efficient.
2017				
3.01: Assessment Review Board and Ontario Municipal Board	Ontario Land Tribunal ³	Recommendation 8—Action 2 To have more timely resolution of minor variance appeals, we recommend that the Ontario Municipal Board track, monitor and analyze the reason for the long turnaround time in resolving minor variance appeals.	The Ontario Land Tribunal (Tribunal) stated that it will not implement this recommended action. According to the Tribunal, there has been a significant reduction in volume of minor variance appeals from 2016/17 (650) to 2020/21 (162). Therefore, the Tribunal stated that it will not focus on minor variances and will not include specific indicators in their new case management system for minor variance appeals. As a result, the Tribunal will not track, monitor or analyze the reasons for the long turnaround time in resolving minor variance appeals.	The Ontario Land Tribunal (Tribunal) will not track, monitor and analyze the reasons for the long turnaround time in resolving minor variance appeals. As a result, the Tribunal does not have all the information required to improve the timeliness of resolutions of minor variance appeals.

Section	Organization	Recommendations	Rationale	Impact
3.05: Farm Support Programs	Ministry of Agriculture, Food and Rural Affairs	Recommendation 1—Action 1 To ensure that Ontario Risk Management Program payments are appropriate for the individual needs of farmers, we recommend that the Ministry of Agriculture, Food and Rural Affairs improve the current method of using industry-average cost-of-production to calculate payments or analyze whether an alternative method would be more appropriate.	The Ministry informed us that it held more than 15 redesign meetings with various industry groups and ran more than 100 modelling scenarios to inform discussion and redesign approaches for the Ontario Risk Management Program (Program). After significant engagement with the industry on the Program, including a review of the cost-of-production (COP) process by the industry and an actuary, the Ministry noted that the industry did not recommend significant COP changes in order to ensure strong participation and adequately cover producer input risk. The Ministry indicated that this is its priority given the ongoing uncertainty and market volatility.	The Ministry will not improve the current method of using industry-average cost-of-production to calculate payments or analyze whether an alternative method would be more appropriate. Therefore, it may not be able to ensure that Ontario Risk Management Program payments are appropriate for the individual needs of farmers.
		Recommendation 2—Action 1 To ensure that all farms regardless of size have equal opportunities to receive Ontario Risk Management Program (Program) payments, we recommend the Ministry of Agriculture, Food and Rural Affairs improve the current method of calculating Program payments to better reflect the differences in farming operations across the province, for example by establishing different calculations based on the size of farming operations.	The Ministry will not implement this recommended action because there were no recommendations made by the industry to stratify the Ontario Risk Management Program (Program) payments based on farm size. The industry recommended the Program design to remain as is (a province-wide industry average model). After significant engagement with the industry on the Program, including a review of the cost-of-production (COP) process by the industry and an actuary, the Ministry noted that the industry did not recommend significant COP changes in order to ensure strong participation and adequately cover producer input risk. The Ministry stated that this remains its priority given ongoing uncertainty and market volatility. The Ministry said that farm sizes large, medium and small continue to have access to Program plans and pay premiums and receive claims on a per unit basis.	The Ministry will not improve the current method of calculating Ontario Risk Management Program (Program) payments to better reflect the differences in farming operations across the province, for example by establishing different calculations based on the size of farming operations. Therefore, it cannot ensure that all farms regardless of size have equal opportunities to receive Program payments.

Section	Organization	Recommendations	Rationale	Impact
3.09: Ontario Public Drug Programs	Ministry of Health ⁴	Recommendation 5—Action 1 We recommend that the Ministry of Agriculture, Food and Rural Affairs review and update the design of the Ontario Risk Management Program in light of the strategies it has identified for the program to ensure that it operates in a manner consistent with the objectives of other business-risk-management programs.	After significant engagement with the industry on the Ontario Risk Management Program (Program), including a review of the cost-of-production (COP) process by the industry and an actuary, the Ministry noted that the industry did not recommend significant COP changes, as ensuring strong participation and adequately covering producer input risk remain the priority given ongoing uncertainty and market volatility.	The Ministry will not review and update the design of Ontario Risk Management Program in light of the strategies it has identified for the program. Without this review and update, it cannot ensure that it operates in a manner consistent with the objectives of other business-risk-management programs.
		Recommendation 7—Action 2 To improve the use of inspectors' resources with the focus on enforcing that only valid claims are paid, we recommend that the Ministry of Health and Long-Term Care reimburse claims only when the required forms are submitted.	The Ministry will not implement this recommended action. Based on its analysis, the Ministry stated that the implementation of a system/process change to allow for the electronic submission of the required forms, such as those for nutritional products and side effect reporting, would cost more than the possible recoveries. According to the Ministry, it determined in its analysis that only 0.21% of all claims submitted to the Ontario Drug Benefit Program in calendar year 2021 required the submission of forms to support claims for the above areas.	The Ministry will not reimburse claims only when the required forms are submitted. Therefore, it is not improving the use of inspectors' resources by having them focus on enforcing that only valid claims are paid.
3.12: School Boards' Management of Financial and Human Resources	Hamilton-Wentworth District School Board	Recommendation 7—Action 2 To ensure that special-education students are provided with support that best meets their needs, we recommend that school boards hire and train staff to ensure they are best equipped to provide support for the types of student exceptionalities to which they are assigned.	The Hamilton-Wentworth District School Board (Board) will not implement this recommended action because the Ministry of Education requires that teachers of special education classes are qualified with Special Education Part 1. The Board does not have the authority to require additional qualifications (e.g., Part 2, Part 3) given the collective agreement provisions.	The Hamilton-Wentworth District School Board will not hire and train staff beyond the Special Education Part 1, to ensure that they are best equipped to provide support for the types of student exceptionalities to which they are assigned. As a result, staff may not be providing special-education students with the support that best meets their needs.
		Recommendation 9—Action 4 To provide effective oversight of operations, we recommend that school boards where possible, co-ordinate to have their regional internal audit teams examine issues common among the boards in the region to identify best practices, which should then be shared with boards province-wide.	The Hamilton-Wentworth District School Board (Board) will not implement this recommended action because it is not the host board and it stated that it does not need to co-ordinate with its regional internal audit team to examine common issues among boards and to identify best practices. The Board stated that it continues to give permission to their regional internal auditor to share their audits and best practices.	The Hamilton-Wentworth District School Board will not co-ordinate with the regional internal audit teams to examine issues common among the boards in the region to identify best practices, which should then be shared with boards province-wide. This may result in ineffective oversight of school board operations.

Section	Organization	Recommendations	Rationale	Impact
3.13: Settlement and Integration Services for Newcomers	Ministry of Labour, Training and Skills Development ⁵	Recommendation 8—Action 1 To help meet the needs of the newly arrived Syrian refugees, we recommend the Ministry of Citizenship and Immigration's Refugee Resettlement Secretariat work with the other ministries it has provided recommendations to on services that include employment, health and housing, in order to establish timelines for their implementation, and to periodically report on their progress.	The Ministry will not implement this recommended action as the Refugee Resettlement Secretariat has been dissolved. The Ministry stated that it will not provide timelines for the implementation of each recommendation the Secretariat has made, and will not periodically report on their progress. The Ministry also informed us that it will take the lessons learned from the Refugee Resettlement Secretariat to meet the needs of more recent cohorts of refugees and humanitarian arrivals, such as the recent Afghan resettlement efforts and support for Ukrainian arrivals.	The Ministry will not work with the other ministries it has provided recommendations to, on services that include employment, health and housing, in order to establish timelines for their implementation, and to periodically report on their progress. Therefore, it may not be meeting the needs of the newly arrived Syrian refugees.
2018				
3.04: Interprovincial and International Health Services	Ministry of Health ⁴	Recommendation 8—Action 1 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.	The Ministry will not implement this recommended action. The Ministry stated that it has not conducted a formal evaluation of the feasibility of running 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. The Ministry noted that claims received from outside of Ontario are reviewed on a case-by-case basis. If any issues are identified by claims assessors, they are addressed. These types of claims are assessed for payment based on established rates set out in Ontario's Schedule of Benefits for Physician Services. According to the Ministry, over the years from 2013/14 to 2017/18, as noted in the 2018 value-for-money report, the average claim value was about \$200. The Ministry has not conducted a review of the average claim value since 2017/18, however, it believes the average value since then has not changed significantly.	The Ministry will not 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. Without running this application, the Ministry is not able to help reduce the risk of financial loss to the Province's health insurance program.

Section	Organization	Recommendations	Rationale	Impact
3.09: Office of the Public Guardian and Trustee	Ministry of the Attorney General	Recommendation 10—Action 1 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.	The Ministry has not conducted a formal evaluation to implement an electronic submission solution for out-of-province claims. However, the Ministry stated that based on the high costs of project work on such a system in other areas, the recommended changes would be very costly to implement given the low volume of out-of-province subscriber claims compared to other lines of business. Thus, the Ministry believes it would not be cost-effective to make the recommended changes.	The Ministry will not develop a mechanism to allow patients and other provinces and territories to submit claims electronically. Without this mechanism, the Ministry may not be able to improve the efficiency of claims processing.
		Recommendation 9—Action 2 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 develop formal processes to help these individuals access property guardianship services from the Public Guardian.	The Office of the Public Guardian and Trustee (Public Guardian) stated that it will not develop a formal process to systematically evaluate vulnerable individuals to access property guardianship services from the Public Guardian. According to the Public Guardian, to do so, it would need to assess each person's capacity, with or without consent. In normal circumstances, these capacity assessments are voluntary and an individual can refuse to be assessed. The Public Guardian worked in conjunction with the Ministry of the Attorney General and other relevant ministries and stakeholders to identify how to best assist specific vulnerable populations in accessing property guardianship services where appropriate. A key take-away from the stakeholder consultations was that continuing education would be the best way for stakeholders to understand when to engage the Public Guardian for vulnerable populations to access property guardianship services when appropriate.	The Ministry will not develop formal processes to help mentally incapable Ontarians access property guardianship services from the Public Guardian. Without these processes, mentally incapable Ontarians may not be protected from financial mismanagement.

Section	Organization	Recommendations	Rationale	Impact
3.10: Ontario Student Assistance Program	Ministry of Colleges and Universities ⁶	Recommendation 6—Action 3 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 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.	The Ministry informed us that it will not implement this recommendation. According to the Ministry, it has put in place agreements with Financial Aid Offices at public institutions which are focused on financial and administrative accountability. The Ministry stated that it is not operationally feasible to implement this recommendation because it would require significant regulatory and statutory changes to implement, and it would result in substantial negative stakeholder feedback. The Ministry informed us that it explored adding standards of compliance to the 2020 Strategic Mandate Agreements (SMAs). However, it decided to not include standards of compliance as part of that process because SMAs are focused on improving institutional performance around student success and economic and labour market outcomes rather than financial or administrative accountability. The Ministry will not put agreements into place with the Financial Aid Offices as put forward in the recommendation.	The Ministry will not put agreements into place with the Financial Aid Offices at public institutions regarding compliance with Ministry policies and guidelines for the administration of the Ontario Student Assistance Program. Therefore, it will not be able to ensure that corrective actions are taken by institutions on deficiencies noted in inspections of Financial Aid Offices.
		Recommendation 11—Action 1 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.	The Ministry will not be implementing this recommendation. The Ministry informed us that through its communication with the federal government, the federal government indicated that it would continue to apply its 270-day model for collection efforts on student loans. It was noted that the changes needed to reduce the time period would be a massive and costly undertaking. The Ministry was also informed that if the federal government were to initiate collection efforts on student loans sooner after they go into default, it would reduce students' ability to access important repayment benefits/options.	The Ministry will not 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. Without this work, the Ministry may not be able to improve the collection of defaulted loans of the Ontario Student Assistance Program in the most cost-effective manner.

Section	Organization	Recommendations	Rationale	Impact
3.11: Ontario Works	Ministry of Children, Community and Social Services	Recommendation 9—Action 2 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 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.	The Ministry informed us that it entered into a data-sharing agreement with the College of Physicians and Surgeons of Ontario (College) in May 2018. This agreement allows the Ministry to request general information about the practice status of physicians (e.g., identifying information, practice information, practice and specialty types) for its use in administering and monitoring the special diet allowance. However, the current data-sharing agreement does not allow the Ministry to request information on physicians that the College is currently investigating or has previously sanctioned in regard to the special diet allowance application. The Ministry stated that the College is an investigative body that does not share specifics of their investigations with the Ministry, and that the College publishes its investigation findings and results on its website. The Ministry utilizes this published information for its analysis and ongoing monitoring of the special diet allowance.	The Ministry's existing agreement with the College of Physicians and Surgeons of Ontario (College) does not allow the Ministry to request the sharing of information on physicians that the College is currently investigating or has previously sanctioned in regard to the special diet allowance application. As a result, the Ministry does not have access to this information regarding special diet allowance applications.
3.12: School Boards – IT Systems and Technology in the Classroom	Ministry of Education	Recommendation 1—Action 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.	The Ministry of Education stated that it does not plan to develop a strategic plan specifying minimum expectations for the use of information technology in the classroom. The Ministry stated that its responsibility is to set policy that directs the allocation of funds to school boards overall. According to the Ministry, it is up to the individual school board and its locally elected trustees to allocate funding to specific schools, services or programs based on local needs. This gives the school boards the flexibility to make decisions about staffing and program delivery to best serve their students.	The Ministry, together with the school boards, will not develop a strategic plan that specifies minimum expectations for the use of information technology (IT) in the classroom. As a result, the Ministry is not able to better understand how IT resources may be used for curriculum delivery and to guide their allocation of resources.

Section	Organization	Recommendations	Rationale	Impact
			The Ministry has recently made the following improvements to the use of technology in the classroom: the requirement for the completion of two online courses in order for students to graduate; the integration of digital literacy into the revised Grade 10 Career Studies course and online safety into the elementary Health and Physical Education curriculum; and improved access to the Internet in the classroom. However, these actions do not address the recommendation requirement to develop a strategic plan.	
	Algoma District School Board	Recommendation 8—Action 1 To improve the effectiveness of existing cyberbullying programs in Ontario schools, we recommend that school boards monitor school-provided equipment to mitigate cyber-bullying incidents.	The Algoma District School Board (Board) states that it is not feasible for it to fully implement this recommendation. In order to do so, the Board believes it needs to have a dedicated staff person to monitor all communication. The Board stated that funding is not provided by the Ministry to support this monitoring. It currently uses Fortinet Firewalls and Reporting, which it believes provides sufficient information. The Board also stated that any incidents of cyberbullying at schools is dealt with at the school with the appropriate Superintendent. The Board stated that policies and procedures are in place to address bullying and the use of electronic devices as well as a code of conduct.	The Algoma District School Board will not monitor the school-provided equipment to mitigate cyberbullying incidents. Without this monitoring, it may not be able to improve the effectiveness of existing cyberbullying programs in Ontario schools.

Section	Organization	Recommendations	Rationale	Impact
	Toronto District School Board	Recommendation 2—Action 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 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.	The Toronto District School Board (Board) does not intend to develop and implement a classroom information technology (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. The Board told us that its public-facing website outlines its 1:1 Student to Device program including computer-to-student allocation ratios, the types of technologies used, and refresh cycle. The Board also stated that it provides guidance to staff on these items in an internal knowledge database. Therefore, the Board does not believe there is a need to develop a formal policy.	The Toronto District School Board does not intend to develop and implement a classroom information technology (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. Therefore, it will not be able to achieve more equitable access to classroom IT resources for Ontario students across schools.
		Recommendation 5—Action 1 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.	The Toronto District School Board (Board) requires all staff to take privacy training. The Board stated that training has been enhanced to include digital privacy as well as cybersecurity elements. According to the Board, the current requirement is to complete the privacy training upon hire, and staff are informed that additional training is highly recommended. The Board stated that due to the costs involved (e.g., costs of scheduling supply teachers, paid training time for hourly staff), additional privacy training is not being made mandatory for all staff.	The Toronto District School Board, in collaboration with its schools, will not deliver ongoing privacy training to staff who have access to students' personal data. Without ongoing training, the risk is that staff may not be safeguarding students' personal information.
		Recommendation 12—Action 1 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.	The Toronto District School Board (Board) stated that it does not plan to develop a formal policy requiring training for all future technology purchases. It believes that from an operational perspective, resources have been provided which it feels are sufficient. The Board stated that the courses it provides for any new technology purchases are not mandatory, however, it does track which staff have taken the courses.	The Toronto District School Board (Board) will not formally require that teachers and staff receive necessary training in the use of the technology already purchased and on all future purchases of technology. Without this training, the Board is not ensuring a good return on investment in all classroom equipment and student learning software.

Section	Organization	Recommendations	Rationale	Impact
	Waterloo Catholic District School Board	Recommendation 12—Action 2 In order to ensure a good return on investment in all classroom equipment and student learning software, we recommend 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.	The Waterloo Catholic District School Board (Board) will not be implementing this recommended action. The Board informed us that the Ministry used to procure software centrally for all school boards in alignment with the curriculum, but it no longer does this. According to the Board, requiring each school board to conduct their own cost-benefit analysis of software and hardware purchases is inefficient and a duplication of effort when school boards are centrally funded for the same purpose. The Board stated that the cost-benefit analysis process should be centralized under the Ministry for maximum value-for-money and effective delivery of Ontario curriculum standards. Although the Board does not have a specific cost-benefit analysis process in place for information technology (IT) purchases, it stated that it has a standardized internal process for these purchases and all software and hardware is purchased centrally under its IT Governance process. The Board informed us that it uses Ontario Education Collaborative Marketplace (OECM)-approved vendors to purchase its hardware.	The Waterloo Catholic District School Board will not 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. Therefore, it cannot ensure a good return on investment in all classroom equipment and student learning software.
3.13: Technical Standards and Safety Authority	Technical Standards and Safety Authority ⁷	Recommendation 12—Action 2 To reduce the risk of contamination spreading on and beyond abandoned fuel sites, we recommend that the TSSA 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.	According to the Technical Standards and Safety Authority (TSSA), it will not be implementing this recommended action to develop a long-term funding strategy to remediate abandoned fuel sites. TSSA stated that a funding strategy would involve many bodies (including other ministries), as evidenced by TSSA's review of oversight documents and a stakeholder findings' report. Per TSSA, how a former fuel site gets remediated is not overseen by any one body, and thus funding site remediation is not an action that TSSA can take unilaterally. TSSA stated that developing a long-term funding strategy to remediate abandoned fuel sites is beyond its structure and mandate. TSSA operates on a cost-recovery basis and has no extra funds available to cover the cost of clean-up.	The Technical Standards and Safety Authority (TSSA) will not develop a long-term funding strategy to remediate abandoned fuel sites. Therefore, it will not be able to reduce the risk of contamination spreading on and beyond abandoned fuel sites.

Section	Organization	Recommendations	Rationale	Impact
3.01: Acute-Care Hospital Patient Safety and Drug Administration			TSSA also noted that in collaboration with the Ministry of Government and Consumer Services and the Ministry of Environment, Conservation and Parks, it has undertaken initiatives within its mandate to share information about decommissioned and abandoned fuel sites and to follow up on lapsed fuel site licenses to use compliance and enforcement tools promptly.	
	Chatham-Kent Health Alliance	Recommendation 3—Action 2 To minimize the occurrence of serious preventable patient safety incidents, we recommend that hospitals set a formal target to eliminate the occurrence of never-events and include this target in their Quality Improvement Plans.	Chatham-Kent Health Alliance stated that it will not implement this recommended action. It will not include the targets to eliminate the occurrence of never-events in its Quality Improvement Plans. According to the hospital, this is not a mandatory target that was established by Ontario Health. The hospital stated that it is awaiting direction from Ontario Health. The hospital's main focus continues to be on the pandemic response.	Chatham-Kent Health Alliance will not set a formal target to eliminate the occurrence of never-events, and it will not include such a target in their Quality Improvement Plans. As a result, it may not be minimizing the occurrence of serious preventable patient safety incidents.
	Halton Healthcare	Recommendation 6—Action 1 In order for hospitals that hire nurses to have access to the complete record of nurses' past places of employment and disciplinary history, we recommend that hospitals use the National Council of State Boards of Nursing public database to determine whether nurses they hire and employ have faced disciplinary actions in the United States.	Halton Healthcare will not be implementing this recommended action. According to the hospital, it will not be using the National Council of State Boards of Nursing public database to determine whether nurses they hire and employ have faced disciplinary actions in the United States. The hospital stated that it relies on the nurses' registration and disciplinary status with the College of Nurses of Ontario (College). It also relies on nurses truthfully answering on their application whether they held a nursing licence or practiced in a jurisdiction other than Ontario. However, this approach does not address the risk that the nurse may fail to disclose complete information about their licence status and disciplinary record from other jurisdictions. The College would not detect this due to the lack of a single repository for Canadian nurse registration and discipline information, since NURSYS Canada, a national database for sharing nurse registration and discipline information across jurisdictions, will not be implemented until August 2025.	Halton Healthcare will not be using the National Council of State Boards of Nursing public database to determine whether nurses they hire and employ have faced disciplinary actions in the United States. Without using this database, it may not be able to review the complete record of nurses' past places of employment and disciplinary history in the United States as available in the database.

Section	Organization	Recommendations	Rationale	Impact
	Nipigon District Memorial Hospital	Recommendation 6—Action 2 In order for hospitals that hire nurses to have access to the complete record of nurses' past places of employment and disciplinary history, we recommend that hospitals if the hospital uses agency nurses, require nursing agencies to confirm these nurses have been screened through this database.	Nipigon District Memorial Hospital will not be implementing this recommended action. It requires all agency nurses to be in good standing with the College of Nurses of Ontario (College). However, this does not address the risk that the nurse may fail to disclose complete information about their license status and disciplinary record from other jurisdictions, and the College would not detect this due to the lack of a single repository for Canadian nurse registration and discipline information, since NURSYS Canada, a national database for sharing nurse registration and discipline information across jurisdictions, will not be implemented until August 2025.	Nipigon District Memorial Hospital will not require nursing agencies to confirm that agency nurses working in this hospital have been screened through the National Council of State Boards of Nursing's public database. If not required to use this database, the nursing agencies may not be able to review the complete record of nurses' past places of employment and disciplinary history as available in the database.
	Northumberland Hills Hospital	Recommendation 3—Action 2 To minimize the occurrence of serious preventable patient safety incidents, we recommend that hospitals set a formal target to eliminate the occurrence of never-events and include this target in their Quality Improvement Plans.	Northumberland Hills Hospital stated that it will not implement this recommended action. It will not include the targets to eliminate the occurrence of never-events in its Quality Improvement Plans.	Northumberland Hills Hospital will not set a formal target to eliminate the occurrence of never-events, and it will not include such a target in its Quality Improvement Plans. As a result, it may not be minimizing the occurrence of serious preventable patient safety incidents.
	Stratford General Hospital	Recommendation 18—Action 1 To improve the accuracy of reported hand hygiene compliance, while at the same time encouraging hand hygiene, we recommend that the Ontario Hospital Association work with hospitals to evaluate and further the adoption of additional methods to assess and monitor hand hygiene, such as electronically monitored hand hygiene pumps and monitoring systems, and asking patients to observe and record the hand hygiene compliance of their health-care providers.	Stratford General Hospital will not be implementing this recommended action. According to the hospital, it is awaiting guidance from the Ontario Hospital Association in this area. The hospital stated that it has no current plans to implement electronically monitored hand hygiene pumps and monitoring systems because of the associated costs. The hospital is also not considering having patients observe and record hand hygiene compliance of their health-care providers at this time.	Stratford General Hospital will not evaluate and further the adoption of additional methods to assess and monitor hand hygiene, such as electronically monitored hand hygiene pumps and monitoring systems, and asking patients to observe and record the hand hygiene compliance of their health-care providers. Therefore, it will not be able to improve the accuracy of reported hand hygiene compliance, and at the same time encourage hand hygiene.

Section	Organization	Recommendations	Rationale	Impact
3.04: Commercial Vehicle Safety and Enforcement	Ministry of Transportation	Recommendation 12—Action 1 To help improve commercial driver safety on Ontario roads, we recommend that the Ministry of Transportation (Ministry) evaluate the benefits of requiring additional classes of new commercial drivers to take Mandatory Entry-Level Training (MELT).	The Ministry will not be implementing this recommended action. According to the Ministry, it has determined that Mandatory Entry-Level Training (MELT) is not an effective program. The Ministry stated that it completed a study which showed there is little evidence of road safety benefit resulting from the July 2017 implementation of the MELT program for Class A drivers. The Ministry informed us that it estimates there will be no value in applying MELT to other classes. However, the Ministry has not conducted a formal evaluation of the benefits of requiring additional classes of new commercial drivers to take MELT. The Ministry informed us that it will not conduct this evaluation because it is highly likely that there will be no benefits from requiring additional classes of new commercial drivers to take MELT.	The Ministry will not evaluate the benefits of requiring additional classes of new commercial drivers to take Mandatory Entry-Level Training. Without this evaluation, the Ministry may not be helping to improve commercial driver safety on Ontario roads.
		Recommendation 12—Action 2 To help improve commercial driver safety on Ontario roads, we recommend that the Ministry of Transportation (Ministry) extend MELT to the classes of new commercial drivers where the Ministry determines it would be beneficial.	The Ministry will not be implementing this recommended action. According to the Ministry, it has determined that Mandatory Entry-Level Training (MELT) is not an effective program. The Ministry stated that it completed a study which showed there is little evidence of road safety benefit resulting from the July 2017 implementation of the MELT program for Class A drivers. The Ministry informed us that it estimates there will be no value in applying MELT to other classes. However, it has not conducted a formal evaluation of the benefits of requiring additional classes of new commercial drivers to take MELT. The Ministry informed us that it will not conduct this evaluation because it is highly likely that there will be no benefits from requiring additional classes of new commercial drivers to take MELT.	The Ministry will not extend Mandatory Entry-Level Training to the classes of new commercial drivers where it determines it would be beneficial. Without this additional training, the Ministry may not be helping to improve commercial driver safety on Ontario roads.

Section	Organization	Recommendations	Rationale	Impact
3.05: Food and Nutrition in Long-Term-Care Homes	Ministry of Long-Term Care	Recommendation 14—Action 2 To reduce the risk of collisions involving commercial vehicle drivers under the influence of drugs and alcohol, we recommend the Ministry of Transportation where road safety benefits are identified in the study, work with federal and provincial governments to establish pre-employment and random drug and alcohol testing guidelines for commercial vehicle drivers.	The Ministry will not be implementing this recommended action. According to the Ministry, its analysis of Assessing Potential Road Safety report found little evidence of road safety benefit in association with establishing pre-employment and random drug and alcohol testing guidelines for commercial vehicle drivers. Therefore, the Ministry will not be working with the federal and provincial governments to develop pre-employment testing guidelines.	The Ministry will not work with the federal and provincial governments to establish pre-employment and random drug and alcohol testing guidelines for commercial vehicle drivers where road safety benefits were identified in their study. Therefore, it may not reduce the risk of collisions involving vehicle drivers under the influence of drugs and alcohol.
		Recommendation 8—Action 1 To minimize the risk of residents consuming low-quality food, we recommend that the Ministry of Long-Term Care require its inspectors to regularly verify that food items in refrigeration and storage in long-term-care homes are not beyond their best-before date.	The Ministry informed us that it will not implement this recommendation. Currently, there are no plans to make a change to the <i>Fixing Long-Term Care Act, 2021</i> , to add best-before dates as a legislative requirement. The Ministry stated that best-before dates alone are not an indication of quality in the absence of many other factors that would have to be considered during the inspection. The Ministry informed us that its Inspections Program (including Proactive Compliance/Complaint/Critical Incident System/Follow-Up Inspections) uses a risk-based approach for all inspections, including those related to food quality issues. If there is a concern with food quality, the inspector's guidance document indicates that best-before dates could be reviewed as part of the inspection. Ontario Regulation 246/22, section 78 (3), requires that foods and fluids be prepared, stored and served using methods to prevent adulteration, contamination and food-borne illness. Any concerns related to food quality preparation, storage or contamination during an inspection would be inspected upon, and could include checking that food items in storage are dated and within best-before dates and the appropriate food temperatures.	The Ministry will not require its inspectors to regularly verify that food items in refrigeration and storage in long-term-care homes are not beyond their best-before date. Therefore, there is a risk of residents consuming low-quality food.

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 11—Action 1 To allow more long-term-care home residents to eat in a safe and home-like environment, we recommend that the Ministry of Long-Term Care re-evaluate whether its home design requirements for homes constructed before 2009 continue to be reasonable given the increased use of mobility devices in long-term-care homes today.	The Ministry informed us that it will not implement this recommendation. The Ministry advised OAGO that the redevelopment of older homes across the province will update them to the current 2015 design standards which include: requiring that dining rooms have no more than 32 residents, requiring that 100 percent of the required space for dining areas must be located within the Resident Home Area, and considering the best practice of providing wheelchair access to the dining tables for residents as well as staff accessibility in and around the tables as they serve the meals. The Ministry further advised OAGO that LTC operators are expected to build to these standards or exceed them. The Ministry also indicated that it may consider targeted solutions for any older homes that are not covered through the redevelopment program, and will work with the homes individually to ensure they continue to provide appropriate safety and comfort for residents.	The Ministry will not re-evaluate whether its home design requirements for long-term-care (LTC) homes constructed before 2009 continue to be reasonable given the increased use of mobility devices in LTC homes today. As a result, all LTC home residents may not be able to eat in a safe and home-like environment.
		Recommendation 11—Action 2 To allow more long-term-care home residents to eat in a safe and home-like environment, we recommend that the Ministry of Long-Term Care determine what measures to put in place for homes that do not have dining spaces under the current design manual to increase the comfort of their residents during mealtimes.	The Ministry informed us that it will not implement this recommendation. The Ministry advised OAGO that the redevelopment of older homes across the province will update them to the current 2015 design standards which include: requiring that dining rooms have no more than 32 residents, requiring that 100 percent of the required space for dining areas must be located within the Resident Home Area, and considering the best practice of providing wheelchair access to the dining tables for residents as well as staff accessibility in and around the tables as they serve the meals.	The Ministry will not determine what measures to put in place for long-term-care homes that do not have dining spaces under the current design manual to increase the comfort of their residents during mealtimes. As a result, all long-term-care home residents may not be able to eat in a safe and home-like environment.

Section	Organization	Recommendations	Rationale	Impact
			The Ministry further advised OAGO that LTC operators are expected to build to these standards or exceed them. The Ministry also indicated that it may consider targeted solutions for the older homes that are not covered through the redevelopment program, and will work with the homes individually to ensure they continue to provide appropriate safety and comfort for residents. The Ministry stated that its potential solutions could include not qualifying the home for a new licence to continue to operate, unless the home will be redeveloped to the current design standards. The OAGO notes that for the remaining older LTC homes that will not be redeveloped, they may be in non-compliance with the current Ministry dining-room design requirements.	

Section	Organization	Recommendations	Rationale	Impact
3.06: Food Safety Inspection Program	Ministry of Agriculture, Food and Rural Affairs	Recommendation 12—Action 1 To promote consistent standards for organic foods, we recommend that the Ministry of Agriculture, Food and Rural Affairs collaborate with the Canadian Food Inspection Agency to consider having organic food produced and consumed in Ontario certified to the federal Canadian Organic Standards.	The Ministry will not implement this recommended action. The Ministry believes there is no significant incremental benefit for Ontario to regulate a federally regulated market. According to the Ministry, the Canadian Food Inspection Agency (CFIA) confirmed that it has no jurisdictional concerns regarding its oversight of both the certified and uncertified organic markets in Ontario. The CFIA uses different tools to regulate the two markets. In both cases, consumers are protected against food fraud by federal regulations as it is a federal criminal offence to provide false or misleading information on any food label. The Ministry refers organic food labelling complaints to the CFIA for that reason. There would be significant costs to the Ontario government to be a regulator of organic products in Ontario. The Ministry stated that the scope of the uncertified organic market appears small as the major retailers already require certification of organic products. Therefore, the Ministry will not establish a law having organic food produced and consumed in Ontario certified to the federal Canadian Organic Standards.	The Ministry will not collaborate with the Canadian Food Inspection Agency to consider having organic food produced and consumed in Ontario certified to the federal Canadian Organic Standards. Therefore, there will be inconsistent standards for organic foods.
		Recommendation 12—Action 2 To promote consistent standards for organic foods, we recommend that the Ministry of Agriculture, Food and Rural Affairs collaborate with the Canadian Food Inspection Agency to develop more specific requirements for farming of livestock, such as maximum density of barns for “free run” egg-laying chickens and minimum length of time spent outdoors for “free range” animals.	The Ministry will not implement this recommended action. The Ministry stated that it does not have the authority to create specific requirements for farming of livestock, such as maximum density of barns for “free run” egg-laying chickens and minimum length of time spent outdoors for “free range” animals, under the federal Safe Food for Canadians Regulations, including requirements around marketing claims such as “free run” and “free range.” The Ontario government prorogued legislature and ended Bill 54, the <i>Organic Products Act, 2018</i>. The Ministry has confirmed that Bill 54 is no longer anticipated to be reintroduced at this time. Therefore, the Ministry will not implement additional regulations to develop more specific requirements for farming of livestock, such as those for “free run” and “free range” animals.	

Section	Organization	Recommendations	Rationale	Impact
		Recommendation 12—Action 3 To promote consistent standards for organic foods, we recommend that the Ministry of Agriculture, Food and Rural Affairs collaborate with the Canadian Food Inspection Agency to require sample monitoring and testing for pesticide residues in produce as part of an organic certification process.	The Ministry will not implement this recommended action, to require sample monitoring and testing for pesticide residues in food produced and sold within Ontario as part of an organic certification process. According to the Ministry, establishing provincial regulations for organic food would duplicate the existing federal regulations and oversight with minimal benefits to consumers and producers, and at a great cost to the government. Ontario's food safety standards apply no matter how food is produced. The Ministry informed us that the Canadian Food Inspection Agency is responsible for monitoring and enforcing organic product regulations across the country. Producers using the Canadian Certified Organic logo must meet Canadian Organic Standards. The Ministry has no plans to require food marketed as organic, that is produced and consumed in Ontario, to be certified to the federal Canadian Organic Standards. Therefore, the Ministry will not require sample monitoring and testing for pesticide residues in produce that is not certified to the federal Canadian Organic Standards.	The Ministry will not collaborate with the Canadian Food Inspection Agency to require sample monitoring and testing for pesticide residues in produce as part of an organic certification process. Therefore, there will be inconsistent standards for organic foods.
		Recommendation 12—Action 4 To promote consistent standards for organic foods, we recommend that the Ministry of Agriculture, Food and Rural Affairs collaborate with the Canadian Food Inspection Agency to develop a system of certification for food claims such as “free run,” “free range,” and “grass fed” to ensure consistency in standards.	The Ministry will not implement this recommended action. According to the Ministry, it does not have authority to enforce food claims (including marketing claims such as “free run,” “free range,” and “grass fed”) or to create standards under the federal Safe Food for Canadians Regulations. The Ontario government prorogued legislature and ended Bill 54, the <i>Organic Products Act, 2018</i>. The Ministry has confirmed that Bill 54 is no longer anticipated to be reintroduced at this time. Therefore, the Ministry will not implement additional regulations to develop a system of certification for food claims such as “free run,” “free range,” and “grass fed.”	The Ministry will not collaborate with the Canadian Food Inspection Agency to develop a system of certification for food claims such as “free run,” “free range,” and “grass fed” to ensure consistency in standards. Therefore, there will be inconsistent standards for organic foods.

Section	Organization	Recommendations	Rationale	Impact
3.07: Health and Safety in the Workplace	Ministry of Labour, Training and Skills Development	Recommendation 11—Action 1 To continue to gain knowledge about and limit hazardous exposures in Ontario workplaces, and in order to reduce the incidence and burden of occupational disease, we recommend that the Ministry of Labour, Training and Skills Development continue completing the activities outlined in the Occupational Disease Action Plan (as listed in Appendix 7 of this report), assess the Plan's effectiveness periodically, and make adjustments if necessary.	The Ministry will not be implementing this recommendation. The Ministry has decided to stop tracking the implementation of the activities outlined in the Occupational Disease Action Plan (ODAP). The Ministry stated that the ODAP is now closed with 61% of activities implemented. It stated that members from the former ODAP implementation group now participate in the Occupational Illness Prevention Steering Committee (OIPSC) to work together to reduce the incidence and burden of occupational disease in Ontario. According to the Ministry, the OIPSC's focus is aligned with the original ODAP, and the OIPSC is also tasked with moving forward with the implementation of the Prevention Works Strategy 2021–2026.	The Ministry will not continue completing the activities outlined in the Occupational Disease Action Plan (as listed in Appendix 7 of this report), assess the Plan's effectiveness periodically, and adjust, if necessary. As a result, it is missing an opportunity to gain knowledge about and limit hazardous exposures in Ontario workplaces, and to reduce the incidence and burden of occupational disease.
		Recommendation 2—Action 1 To inform the public about all grant programs available, we recommend that the Ministry of Government and Consumer Services disclose on the Grants Ontario System details on current and upcoming grant opportunities.	The Ministry will not be implementing this recommended action. According to the Ministry, the Transfer Payment Ontario Branch is not responsible for program launch information on the public website. The Ministry stated that it does not have oversight authority to require other ministries to post information on the public website. Therefore, the accountability and decision of whether or not to list the grants publicly is made by the granting ministry.	The Ministry will not disclose on the Grants Ontario System details on current and upcoming grant opportunities. Without this disclosure, the public is not informed about all grant programs available.
3.11: Oversight of Time-Limited Discretionary Grants	Ministry of Government and Consumer Services	Recommendation 10—Action 4 To help ensure grant recipients spend funds for the purposes intended, we recommend that the granting ministries improve the effectiveness of their monitoring processes by selecting recipients for invoice testing using a risk-based approach.	The Ministry of Indigenous Affairs will not be implementing this recommended action. The Ministry stated that the New Relationship Fund is one of the Ministry's highest value funds. However, the transfer payment agreement dollar value for each recipient is low. According to the Ministry, due to the lower individual transfer payment agreement amounts, it is cautious to not increase additional reporting burden on First Nations through invoice testing.	The Ministry will not improve the effectiveness of its monitoring processes by selecting recipients for invoice testing using a risk-based approach. Without invoice testing, the Ministry may not be ensuring grant recipients spend funds for the purposes intended.

Section	Organization	Recommendations	Rationale	Impact
			The Ministry believes there is a risk that First Nations will withdraw from the program if reporting burden is increased. The Ministry also stated that this reduced burden is in line with the government's direction to reduce red tape and administrative burden for ministries and transfer payment recipients. Instead of invoice testing, the Ministry stated that it will mitigate risk by providing funds in installments to recipients, increase communication and outreach, and withhold funds when there is non-compliance. The Ministry also noted that it monitors compliance through interim reporting (for large-dollar, high-risk recipients) and final reporting (for all recipients).	
	Treasury Board Secretariat	Recommendation 7—Action 1 In order that government funding is provided only to grant applicants in good standing with provincial statutes when the grant constitutes a significant monetary amount, we recommend that the Treasury Board Secretariat require ministries to verify an applicant's status with respect to outstanding environmental and labour violations and any outstanding taxes before making a grant payment.	In the current year, the Treasury Board Secretariat (Secretariat) stated that it is not pursuing further action on this recommended action. The Secretariat has implemented instructions that require ministries to verify an applicant's status with respect to outstanding taxes and to check the attestation of compliance with labour and environment laws before making a grant payment. The Secretariat will not take further action to require ministries to verify an applicant's status with labour and environment laws. The Secretariat has stated that there is no automated system to verify compliance with environment and labour statutes.	The Treasury Board Secretariat will not require ministries to verify an applicant's status with respect to outstanding environmental and labour violations. As a result, there is a risk that government funding is provided to grant applicants not having a good standing with provincial statutes when the grant constitutes a significant monetary amount.

Section	Organization	Recommendations	Rationale	Impact
3.12: Provincial Support to Sustain the Horse-Racing Industry	Ontario Lottery and Gaming Corporation (OLG)	Recommendation 3—Action 2 In order to further support the horse racing industry to become self-sustainable, we recommend that the Ontario Lottery and Gaming Corporation work with the industry to bring in new direct revenue streams and to increase wagering revenues.	According to the Ontario Lottery and Gaming Corporation (OLG), due to COVID-19 pandemic impacts, wagering revenue decreased 18% from FY2020 to FY2021. It is uncertain if wagering revenues will return to pre-pandemic numbers. OLG stated that it will focus on supporting the Ontario horse racing industry's recovery to pre-pandemic unique customer participation levels. OLG's current goal is to maintain revenue and to get back to pre-pandemic unique customer participation levels. It is also prioritizing initiatives related to recovering customers rather than creating new direct revenue streams or increasing wagering revenues.	The Ontario Lottery and Gaming Corporation will not work with the industry to bring in new direct revenue streams and to increase wagering revenues. As a result, the horse racing industry may not have the support it needs to become self-sustainable.
		Recommendation 4—Action 1 In order to provide comprehensive and efficient oversight of the racing industry, we recommend that Alcohol and Gaming Commission of Ontario (AGCO) conduct proactive oversight on racetracks on a regular basis.	According to the Alcohol and Gaming Commission of Ontario (AGCO), it will not be implementing this recommended action. The AGCO stated that audits are one of several activities that it undertakes as part of its regulatory oversight of regulated entities, including racetracks. The AGCO stated that it utilizes a risk-based approach to planning and conducting its audit activities across all regulated industries, to ensure available resources are used to address areas of highest regulatory risk, on both a proactive and follow-up basis. According to the AGCO, this regular, ongoing oversight of racetracks with the highest regulatory risk is a part of and will continue to be a part of the Commission's annual audit planning process.	
	The Alcohol and Gaming Commission of Ontario		Alcohol and Gaming Commission of Ontario (AGCO) will not conduct proactive oversight on racetracks on a regular basis. Therefore, AGCO cannot provide comprehensive and efficient oversight of the racing industry.	

Section	Organization	Recommendations	Rationale	Impact
5.15: Adult Correctional Institutions	Ministry of the Solicitor General	Recommendation 9—Action 1 To better address the risks and root causes of violence in correctional institutions, we recommend that superintendents in all institutions regularly analyze root causes of violent incidents reported by institutional staff.	The Ministry will not implement this recommendation. The Ministry stated that the Workplace Violence Risk Assessment cannot determine the root cause of violence in institutions. Violence occurs for several different reasons (e.g., human dynamics, gang conflicts). Each event is evaluated/investigated on a case-by-case basis through recommendations from Correctional Services Oversight and Investigations, the Ministry Employee Relation Committee and the Local Employee Relation Committee. According to the Ministry, the Local Joint Occupational Health and Safety Committee discusses each occurrence, accident or injury while in the workplace or Workplace Safety and Insurance Board claim to determine whether there are ways to avoid future similar events. For serious incidents, the Ministry of Labour becomes involved. The Ministry stated that it will continue to monitor the root causes of violence in institutions using the above-noted avenues, and will continue to utilize the Workplace Violence Risk Assessment.	The Ministry will not require superintendents in all institutions to regularly analyze root causes of violent incidents reported by institutional staff. Therefore, it may not be able to address the risks and root causes of violence in correctional institutions.

Section	Organization	Recommendations	Rationale	Impact
5.17: Criminal Court System	Ministry of the Attorney General	Recommendation 5—Action 2 To help reduce the number of accused persons in detention waiting for their cases to be disposed, and shorten the time inmates on remand must spend in detention, we recommend that the Ministry of the Attorney General (Criminal Law Division) if the initiative is found to be successful, create an execution plan to expedite its implementation across the province.	The Criminal Law Division stated that it will not expand the Embedded Crown Initiative beyond Toronto and Ottawa. The Ministry informed us that the resources received through the Criminal Backlog Strategy do not include funding for the expansion of the Embedded Crown Initiative. The Criminal Law Division has prioritized the expansion of the Bail Vetter Program, which addresses Recommendation 6—Action 3 , and this Program will be assessed as part of that recommended action.	The Ministry will not create an execution plan to expedite its implementation of its Embedded Crown Initiative across the province. As a result, it may not be helping reduce the number of accused persons in detention waiting for their cases to be disposed, and shorten the time inmates on remand must spend in detention.
		Recommendation 7—Action 1 To help make better use of Crown attorney resources to prosecute more serious criminal cases, we recommend that the Ministry of the Attorney General (Criminal Law Division) set a targeted timeline to expand the Administration of Justice initiative across the province, if this initiative is shown to be successful after evaluation.	The Ministry will not implement this recommended action. In 2019, the Ministry implemented the Administration of Justice initiative in seven pilot locations. It evaluated the success in five of the seven pilot locations. The Ministry stated that it will not perform an evaluation of the remaining two locations or a final evaluation of the whole initiative. This is because there has been no additional interest expressed by police services in other locations beyond the pilot locations. The Ministry also stated that since the initiative was implemented, there have been significant changes in legislation (Criminal Code, Bill C-75) and the release of Supreme Court of Canada decisions on this issue, which provide the police with tools and guidance on how to approach administration of justice offences.	The Ministry will not set a targeted timeline to expand the Administration of Justice initiative across the province. As a result, it may not be making better use of Crown attorney resources to prosecute more serious criminal cases.

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 37 noted in [Section 3.7](#).

1. Formerly the Ministry of Research and Innovation.
2. Formerly the Ministry of Children and Youth Services.
3. Formerly the Ontario Municipal Board.
4. Formerly the Ministry of Health and Long-Term Care.
5. Formerly the Ministry of Citizenship and Immigration.
6. Formerly the Ministry of Training, Colleges and Universities.

Appendix 4: Reports Issued by the Standing Committee on Public Accounts from June 2016* to April 2021

Prepared by the Office of the Auditor General of Ontario

Report Name	Date Issued
Metrolinx—Regional Transportation Planning	Jun 2016
ServiceOntario	Jun 2016
Healthy Schools Strategy	Oct 2016
CCACs—Community Care Access Centres—Home Care Program	Dec 2016
Toward Better Accountability—Annual Reporting	Dec 2016
Electricity Power System Planning	Mar 2017
University Intellectual Property	Apr 2017
Long-Term-Care Home Quality Inspection Program	May 2017
Public Accounts of the Province	May 2017
Child and Youth Mental Health	Dec 2017
Employment Ontario	Dec 2017
Ministry of Transportation—Road Infrastructure Construction Contract Awarding and Oversight	Dec 2017
Large Community Hospital Operations	Feb 2018
Physician Billing	Feb 2018
Immunization	Apr 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
Settlement and Integration Services for Newcomers	Feb 2019
Cancer Treatment Services	Oct 2019
Real Estate Services	Oct 2019
Public Health: Chronic Disease Prevention	Nov 2019
Darlington Nuclear Generating Station Refurbishment Project	Dec 2019
Ontario Works	Dec 2019
Metrolinx—LRT Construction and Infrastructure Planning	Feb 2020
Public Accounts of the Province	Feb 2020
Climate Change—Ontario's Plan to Reduce Greenhouse Gas Emissions	Dec 2020
Food Safety Inspection Programs	Feb 2021
Metrolinx—GO Station Selection	Mar 2021
Ontario Disability Support Program	Apr 2021

* Standing Committee on Public Accounts reports issued prior to June 2016 were not followed up in 2022.

Appendix 5: Recommendations from 2016 to 2021¹ by the Standing Committee on Public Accounts Assessed as “Will Not Be Implemented” in 2022 That the Auditor General Believes Should Be Implemented

Prepared by the Office of the Auditor General of Ontario

Section	Organization	Recommendations	Rationale
2017			
December: Child and Youth Mental Health	Ministry of Health ²	Recommendation 7—Action 1 The Ministry of Children, Community and Social Services should work with lead child and youth mental health agencies in consultation with Children’s Mental Health Ontario to develop caseload guidelines. Recommendation 7—Action 2 The Ministry of Children, Community and Social Services should work with lead child and youth mental health agencies in consultation with Children’s Mental Health Ontario ensure that agencies periodically compare themselves against these guidelines in order to help assess the effectiveness and efficiency of their operations.	The Ministry of Health does not intend to implement caseload guidelines. The Ministry indicated that through its strategic plan Roadmap to Wellness: A Plan to Build Ontario’s Mental Health and Addictions System, the Ministry has committed to develop a core services framework, supported by service standards, using an across-the-lifespan approach that will ensure effective oversight and accountability. The Ministry of Health does not intend to implement caseload guidelines. The Ministry indicated that through its strategic plan Roadmap to Wellness: A Plan to Build Ontario’s Mental Health and Addictions System, the Ministry has committed to develop a core services framework, supported by service standards, using an across-the-lifespan approach that will ensure effective oversight and accountability.
December: M T O – Road Infrastructure Construction Contract Awarding and Oversight	Ministry of Transportation	Recommendation 11—Action 1 The Ministry of Transportation provide the Committee with the results, when available, of its review on prohibiting contractors with performance issues from bidding on contracts.	The Ministry noted that, with respect to prohibiting contractors with performance issues from bidding on contracts, the Ministry’s Qualification Committee reviewed the current approach and also considered whether to prohibit contractors with performance issues from bidding on contracts. According to the Ministry, the Qualification Committee’s review concluded that the current process includes the opportunity to apply a progressive approach, where ultimately and based on information specific to each instance, sanctions applied could prohibit contractors with performance issues from bidding. Therefore, the Qualification Committee decided to take no further action on this item.

Section	Organization	Recommendations	Rationale
April: University Intellectual Property	Ministry of Economic Development, Job Creation and Trade ³	Recommendation 2—Action 1 The Ministry of Research, Innovation and Science develop a multi-year implementation plan (including a timeline and deliverables) covering the Innovation Agenda's strategic direction as well as provincial goals and initiatives on research and innovation.	The Ministry will not develop a multi-year implementation plan for the 2008 Innovation Agenda since the Ministry stated that it no longer serves as the framework for prioritizing the Ministry's current and future innovation programs and policies. According to the Ministry, the Innovation Agenda was developed over a decade ago under a different government. Since 2008, the challenges, opportunities and needs of the innovation ecosystem have evolved drastically. Also, according to the Ministry, organizational and government changes have seen the previous Innovation Agenda's strategic direction adapted to meet evolving priorities. The Ministry stated that it is working on a Critical Technologies Strategy that will align with the Entrepreneurship and Advanced Manufacturing Strategy announced in the 2022 <i>Ontario Budget</i>. The Critical Technologies Strategy will set out a framework for accelerating the development and adoption of key enabling technologies (e.g., AI, 5G, robotics, quantum) to boost business productivity and spur economic growth across sectors.
2019			
December: Ontario Works	Ministry of Children, Community and Social Services	Recommendation 7—Action 2 The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should 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.	The Ministry will not implement this recommended action. The Ministry informed us that it conducted an analysis of the prescribing practices of physicians from 2019 to 2022, which focused on the issuance of the Special Diet Allowance (SDA) benefit and physician billing. The Ministry stated that based on its analysis, it has concluded that there is no significant risk with respect to the administration of the SDA. Therefore, it determined that no changes are required. It also noted that policy directives exist that outline schedules and procedures for staff to adhere to, related to the SDA.
February: Settlement and Integration Services for Newcomers	Ministry of Labour, Training and Skills Development ⁴	Recommendation 9—Action 1 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.	The Ministry will not be implementing this recommended action. It will not survey newcomers about why they have chosen specific federal or provincial services. According to the Ministry, it believes that newcomer clients would find it difficult to distinguish between federal and provincial services. This is because many services are jointly funded by the federal and provincial governments. The Ministry noted that settlement agencies do not distinguish between federal and provincial settlement services or federal and provincial language training when describing their services to clients. As a result, clients typically do not know whether they are accessing federal or provincial services. When service providers conduct needs assessments, they refer eligible clients to the most appropriate service for their needs regardless of the funding source.

Section	Organization	Recommendations	Rationale
2021			
February: Food Safety Inspection Programs	Ministry of Agriculture, Food and Rural Affairs	Recommendation 9—Action 1 The Standing Committee on Public Accounts recommends that the Ministry of Agriculture, Food and Rural Affairs should assess the risks and benefits of implementing a mandatory requirement that all food marketed as organic that is produced and consumed in Ontario be certified to the federal Canadian Organic Standards.	The Ministry will not implement this recommended action. The Ministry believes there is no significant incremental benefit for Ontario to regulate a federally regulated market. The Ministry informed us that the Canadian Food Inspection Agency (CFIA) confirmed that it has no jurisdictional concerns regarding its oversight of both the certified and uncertified organic markets in Ontario. The CFIA uses different tools to regulate the two markets. In both cases, consumers are protected against food fraud by federal regulation as it is a federal criminal offence to provide false or misleading information on any food label. The Ministry refers organic food labelling complaints to the CFIA for that reason. According to the Ministry, there would be significant costs to the Ontario government to be a regulator of organic products in Ontario. The scope of the uncertified organic market appears small as the major retailers already require certification of organic products, which does not justify the duplication of these regulations. Therefore, the Ministry will not establish a law having organic food produced and consumed in Ontario certified to the federal Canadian Organic Standards.

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 six noted in **Section 4.4**.

1. We reviewed outstanding recommendations from 2016 to 2021 but did not assess any recommendations from 2016, 2018 or 2020 as "Will Not Be Implemented" in 2022.
2. Formerly the Ministry of Health and Long-Term Care.
3. Formerly the Ministry of Research, Innovation and Science.
4. From April 1, 2021 onward, responsibility for implementing this recommended action was transferred from the Ministry of Children, Community and Social Services to the Ministry of Labour, Training and Skills Development.