

Overview and Summaries of Value-for-money Audits and Reviews

Overview

SPEND TAXPAYER MONEY LIKE IT WAS YOUR OWN

In this overview of my seventh Annual Report to the Legislative Assembly, I want to highlight an issue that was apparent in a number of our value-for-money audits this year—specifically, public funds were often not being spent with enough due diligence and oversight to ensure that taxpayers were getting full value for their hard-earned tax dollars. For instance, we expressed concerns about ministries overpaying for goods or services, not ensuring that only those entitled to government benefits actually received them, not being diligent enough in collecting money owing to the government, and not ensuring that the level of user fees and premiums being charged is regularly reviewed and set at appropriate levels.

It is not the absence or inadequacy of rules or guidelines that was the problem. Rather, I believe that there is a culture or mindset among some of those accountable for managing and delivering government programs that does not always prioritize getting maximum value for the taxpayer's dollar. So, what's required to fix the problem? Essentially, the government and its employees—from the top leadership to those on the front lines delivering services to the public—must spend taxpayer money

like it was their own. Maximizing value for taxpayer dollars must be a priority at the top or it will certainly not be first and foremost in the minds of those responsible for actually delivering services to the public.

In recent years, the economy has been strong and government revenues have often exceeded expectations. As a result, there has been sufficient cash available to ensure that all government programs and services could be delivered or even expanded, even if funds were not always being spent as well as they could have been. However, times have changed and revenue projections over the next few years are not rosy. Usually in such circumstances, individuals in a household instinctively adopt a belt-tightening mindset to ensure that the necessities can be provided for. Adopting this mindset throughout government will be more challenging, but it will be no less essential if we are to ensure that the services that Ontarians have come to rely on can continue to be provided.

It is a theme woven through a number of the value-for-money audits in this Annual Report—and in the *Special Report on Ontario's Electronic Health Records Initiative* that we published in October—that the government needs to do a better job of monitoring how it spends taxpayers' money and how it collects it. Some of the areas where we had concerns of this nature are summarized in the following sections.

Assistive Devices Program

The Ministry of Health and Long-Term Care sets prices for assistive devices such as mobility devices, respiratory devices, and computer systems with the intent that the device suppliers obtain about a 33% rate of return. However, the prices that the Ministry has set for these assistive devices actually give vendors a rate of return that is often in the 100% range. As well, the Ministry was not being vigilant enough in following up on potential abuses in this program.

Ontario Disability Support Program

Income and employment support payments to individuals with eligible disabilities have risen by 42% to more than \$3 billion since our last audit in 2004. Staff of the Ministry of Community and Social Services were often not performing the required third-party verification of information provided by applicants to confirm their eligibility. Unrecovered overpayments increased substantially, to \$663 million, up 37% since our last audit. Many of these overpayments could have been avoided if the Ministry had more effectively assessed the eligibility and the amounts to be paid to those individuals and if it had followed up more diligently on tips received from the public.

Ontario Works Program

The Ministry of Community and Social Services paid out \$1.7 billion in benefits for the Ontario Works Program last year. As with the Ontario Disability Support Program (ODSP), the Ministry did not have adequate procedures in place to ensure that the required verification of third party information provided by applicants was being done. For the Ontario Works program, this is the responsibility of municipal service managers. As well, unrecovered overpayments have increased 45% since our last audit in 2002, from \$414 million to \$600 million, and there have been only minimal efforts to recover these overpayments. Given the challenge of recovering overpayments from both Ontario Works and ODSP recipients, it is all the more essential that

appropriate safeguards and controls be in place to prevent overpayments in the first place.

OntarioBuys Program

The purpose of the OntarioBuys Program is to help broader-public-sector (BPS) institutions such as hospitals, school boards, colleges, and universities achieve savings in their purchases of goods and services. The program funds “shared-service organizations” that arrange for group purchasing of goods and services as well as projects aimed at improving organizations’ supply-chain practices. However, despite the program spending \$148 million since its inception in 2004, the level of participation by BPS institutions, especially in the education sector, was well below targeted levels. We also noted that the March 2009 Ontario Budget announced that OntarioBuys had helped BPS entities redirect \$45 million in savings toward frontline services—but much of the \$45 million in savings could not be substantiated, and almost all of those savings that could be substantiated were not actually spent on delivering frontline services to the public.

Ontario Research Fund

Since the Fund’s inception in 2004, about \$300 million in research funding has been paid out, with total announced program commitments of more than \$600 million. When the Fund was established, the Minister of Economic Development and Trade stated that one of the key objectives was to place a greater emphasis on commercialization and to “take good ideas out of our labs and ensure they get to the marketplace.” However, most of the research commitments to date have been theoretical in nature as opposed to research that has commercial potential. Given the Minister’s stated objective for this program—and in light of the impact of the recent recession on employment in Ontario—commercialization and the creation of new jobs should be more of a focus in order to fully meet the objectives of this program.

Government User Fees

We identified issues with the way the government manages programs that bring in revenues through user fees, worth about \$2.2 billion to the provincial treasury in the 2008/09 fiscal year. A user fee is generally charged to recover all or part of the cost of providing a specific good or service, such as a driver's licence. In contrast, a tax is applied to produce revenues for general government purposes and for goods and services that the government deems to be a "public good," such as health care.

A 1998 Supreme Court of Canada decision concluded that a user fee could be considered unlawful—and therefore may have to be repaid to the user—either if it is determined by a court to be a tax with no law on the books to support it or if the amount charged is excessive when compared to the cost of the services provided. We noted that user fees worth more than \$500 million a year might be invalid under the Supreme Court's criteria. Although the government requires that user fees be regularly reviewed to keep them up-to-date, we found that there were generally no formal processes in place to ensure that this was being done effectively.

Unfunded Liability of the Workplace Safety and Insurance Board

One key objective of the Workplace Safety and Insurance Board (WSIB) is to run an insurance fund, funded by employers and investment returns on fund assets, that is used to provide income support and medical assistance to workers injured on the job. As of December 31, 2008, the assets available to pay the projected costs of injury claims were short by \$11.4 billion. This is known as the fund's "unfunded liability." The challenge of trying to satisfy both workers—who want higher benefits—and employers—who want lower premiums—has contributed to this significant unfunded liability. The WSIB may need to find a new approach to dealing with this problem. Failure to do so could result in the WSIB ultimately being unable to meet its

commitments to provide workers with the benefits to which they are entitled.

THE SAFETY AND PROTECTION OF ONTARIANS

Several of this year's audits focused on programs that have an impact on the safety and protection of the public. While we noted some areas where good initiatives were being undertaken, we also noted areas where processes could be improved.

Bridge Inspection and Maintenance

Ontario has about 14,800 bridges. The Ministry of Transportation is responsible for ensuring that the approximately 2,800 bridges located within the provincial highway system are safe. Municipalities are responsible for the other 12,000 bridges. There is a legislative requirement that all bridges must be inspected every two years, using the detailed inspection standards established by the Ministry. Although the Ministry was conducting these inspections every two years, we noted weaknesses in the oversight and follow-up of inspection results. In addition, to conduct the required close-up inspections, lane closures are sometimes necessary. However, there have been no requests for lane closures whatsoever for the last three years in the Greater Toronto Area. As well, the Ministry does not have the authority to assess whether municipalities are inspecting their bridges every two years in accordance with the required inspection standards.

Infection Prevention and Control at Long-term-care Homes

There is a high risk of infectious diseases, such as *C. difficile*, spreading among residents of long-term-care homes. This is because residents often share rooms and participate in activities together and older people are generally more vulnerable to illness. At the long-term-care homes we visited, we noted that a number of processes had been instituted to prevent and control the spread of infectious diseases. However, improvements were required with respect to the screening of new residents,

ensuring that resident rooms were being properly cleaned, and monitoring the use of antibiotics to reduce the incidence of *C. difficile*.

Consumer Protection

The Ministry of Consumer Services oversees business practices for the protection of consumers and the ensuring of public safety. Our independent external consumer survey indicated that the Ministry needs to better promote its mandate and the services it makes available to consumers. As well, it needs to be more proactive in overseeing problem industries and repeat offenders. Although the Standing Committee on Public Accounts had recommended in 2004 that the Ministry conduct a review of how well industry-sponsored oversight authorities were protecting the public, it was only after a tragic propane explosion in August 2008 that the Ministry launched a comprehensive review of this area.

Social Housing

Social housing is rent-subsidized accommodation provided to people who, without such financial support, would have difficulty putting a roof over their heads. Social housing has been primarily a municipal responsibility since 2000. However, from both a value-for-money perspective and from the perspective of those who live there, it is critical that the province monitor whether such housing is being maintained in a reasonable and safe condition. Given that the average age of the social-housing stock is about 40 years, the deteriorating condition of many of the housing units has been a significant and growing concern. Furthermore, we found that the Ministry had no information on the actual condition of the social-housing portfolio across Ontario.

Teletriage Health Services

Ontario's teletriage services (comprised of Telehealth Ontario and the Telephone Health Advisory Service) provide callers with free, confidential telephone access to a registered nurse. Although our independent survey indicated that those who used Telehealth Ontario were generally satisfied, only a small portion of Ontario's population used the

services. Furthermore, there are improvements that could be made to enhance the services provided, such as ensuring that newly hired nurses have the required clinical experience and conducting independent reviews of the quality of the advice provided by nurses.

THE OFFICE'S FINANCIAL AUDIT RESPONSIBILITIES

In addition to value-for-money auditing, we audit the province's consolidated financial statements and the financial statements of numerous Crown agencies to "close the accountability loop" and ensure that the Legislature and the people of Ontario receive credible financial information about the state of public finances. We discuss our work relating to our audit of the province's financial statements in Chapter 2. The Crown agencies we either directly audit or which are audited by other accounting firms under our direction are listed in Exhibit 1.

Two of the more significant observations discussed in greater detail in Chapter 2 this year are as follows:

- For the 16th straight year, we were able to report that the province's financial statements were presented fairly, in accordance with generally accepted accounting principles for governments in Canada. This means that legislators and the public can have confidence that the province's financial condition and annual operating results as reflected in those statements is a fair portrayal of the government's management of the "public purse" over the past fiscal year.
- As discussed previously, the Workplace and Safety Insurance Board (WSIB) has a growing and significant unfunded liability of \$11.5 billion. Because the WSIB is currently classified as a trust for accounting purposes, this unfunded liability and its annual operating results are not included in the consolidated results of the province. However, given the

size of the unfunded liability and the fact that the government controls the WSIB under current accounting standards, we questioned whether the WSIB meets the definition of a true trust. If it does not, it should be included in the province's consolidated financial statements. We recommended the Ministry of Finance formally assess this issue.

OTHER WORK DONE DURING THE YEAR

Each year, we follow up on actions taken to implement our recommendations from value-for-money audits published two years earlier. The results of this follow-up work are in Chapter 4. In a number of instances, we noted that considerable progress had been made in addressing our recommendations.

We also fulfilled our responsibilities this year under the *Government Advertising Act, 2004*, as discussed in Chapter 5. This Act requires us to review proposed government advertising intended for television, radio, newspapers, magazines, and billboards, as well as items to be delivered to households by bulk mail delivery, to ensure that they do not have as a primary objective the promotion of the partisan political interests of the governing party.

The Legislature's all-party Standing Committee on Public Accounts held hearings on a number of value-for-money audits published in our *2008 Annual Report*. The Committee's work enhances the accountability of ministries, agencies, and broader-public-sector organizations to the Legislature and the citizens of this province. An overview of the Committee's work is presented in Chapter 6.

Summaries of Value-for-money Audits and Reviews

The following are summaries of the value-for-money audits and the review reported in Chapter 3 of this Annual Report.

3.01 ASSISTIVE DEVICES PROGRAM

The Ministry of Health and Long-Term Care (Ministry) administers the Assistive Devices Program. Its objective is to provide support and funding to Ontario residents with long-term physical disabilities to assist them in obtaining personalized assistive devices that enable them to function more independently. In the 2008/09 fiscal year, program expenditures were approximately \$347 million, and the Program supported about 294,000 clients. Although the Ministry has improved service delivery to clients since our last audit of the Program, it should manage payments more economically and enforce eligibility and other policy requirements more rigorously. Some of our more significant observations were as follows:

- A majority of people getting oxygen at home use oxygen concentrators that cost between \$400 and \$1,000 and last five to seven years. These devices also require periodic servicing. The Ministry typically pays vendors about \$23,000 over a five-year period for the purchase and servicing of these devices without analyzing whether the actual servicing costs incurred by the vendor support such a price differential.
- Vendors' rates of return in selling assistive devices were higher than the targeted return of 33% set by the Ministry. Average vendor mark-ups for mobility devices, respiratory devices, and computer systems were 84%, 117%, and 128%, respectively. In setting device prices, the Ministry had not taken into account the significant price decreases arising from technological advances and the potential for some vendors to obtain volume discounts.
- Vendors are receiving even greater returns from computer components such as monitors, printers, and scanners. For example, the Program-approved price for a monitor that often costs vendors only about \$250 is \$1,332, giving vendors a potential return of 400%. We also found that vendor price quotes for the

same computer system varied significantly and ranged from \$1,300 to \$4,400.

- The Ministry was not consistently monitoring scooter claims to identify unusual patterns, nor was it taking appropriate action to prevent potential abuses. We noted that scooter claims of some vendors increased by more than 800% over the last three years.
- In our sample, one-third of the assessments that ought to have been conducted by oxygen vendors to confirm clients' continued eligibility for home oxygen either had not been done or showed that the clients no longer met the criteria for long-term home oxygen supply. Yet the Ministry was not made aware of this and continued to pay for their home oxygen.
- Claims for Frequency Modulated (FM) hearing devices have risen dramatically among seniors, increasing from \$250,000 in 2004/05 to \$4.8 million in 2008/09. However, some clients indicated that they did not really need or use the FM systems.
- We noted cases where individual authorizers—health-care professionals who can authorize the subsidized purchase of assistive devices—were signing more than 90% of certain vendors' claims. One such vendor had claimed more than \$10 million for hearing aids since 2000. Some authorizers continually referred clients to the same vendors, even if there were other vendors located much closer to where the client lived. The Ministry knew about some of these cases for several years yet took no remedial action.
- Ontario does not recycle used manual wheelchairs to lower the impact on the environment or save on costs. Other provinces, such as Alberta and Quebec, have achieved cost savings of \$4 million to \$5 million per year from recycling their manual wheelchairs.

3.02 BRIDGE INSPECTION AND MAINTENANCE

Ontario has about 14,800 bridges. Approximately 12,000 of these are located in municipalities and are the responsibility of municipalities. The remaining approximately 2,800 bridges are located within the provincial highway system and are the responsibility of the Ministry of Transportation (Ministry). The average age of the province's bridge infrastructure is about 40 years. Under the *Public Transportation and Highway Improvement Act*, all provincial and municipal bridges are required to be inspected every two years under the direction of a professional engineer, in accordance with the Ministry's Inspection Manual.

We noted that the Ministry was conducting the inspections every two years as required. We also noted that the Ministry had established comprehensive standards for bridge inspection in Ontario and that its standards had been adapted for use by a number of other Canadian jurisdictions.

However, we did find a number of areas where improvements to the Ministry's inspection and maintenance processes would help minimize safety risks and ensure that the bridges the province is responsible for remain safe. Our specific observations were as follows:

- According to the Ministry's assessment, more than 180 provincial bridges (7% of the total) were in poor condition, requiring repair or rehabilitation work within one year of inspection. However, we found that over one-third of these bridges were not included in the Ministry's capital work plan for the upcoming year.
- The Ministry had not ensured that information in its bridge inventory database with respect to critical elements of each bridge was accurate and complete. In addition, the database did not have information on the rehabilitation history for almost one-third of bridges 40 or more years old.

- The Inspection Manual requires a detailed visual “close-up” inspection of each bridge element. Normally, this requires the closure of lanes and road shoulders to traffic. Without closing a lane, close-up inspection of the critical elements of certain bridges on Highway 401 in the Greater Toronto Area, for example, is not possible, yet there have been no such lane closures for the past three years.
- We found several weaknesses in the process for ongoing oversight of inspections. For example, although the Inspection Manual stipulates that a typical bridge inspection take two to three hours, we found on 36 occasions between 2006 and 2008 that 10 or more bridges were inspected in one day. In other instances, we noted an improvement in the overall condition rating of over 300 bridges, even though little or no rehabilitation work had been done on those bridges since the last inspection.
- We noted that many of the maintenance recommendations resulting from biennial bridge inspections were not carried out. In two of the three regions that we visited, only about one-third of the recommended maintenance work was actually completed, and the third region did not track this work at all.

With respect to municipal bridges, there is currently no legislation that requires or even enables the Ministry of Transportation or any other provincial ministry to oversee municipalities’ compliance with the required biennial inspections. There is no central database on the number of municipal bridges and the overall condition of these bridges. In response to a survey we conducted, 85% of municipalities indicated that they had a backlog of rehabilitation work. Municipalities with a large number of bridges relative to their population and revenue base had more difficulty funding the rehabilitation of bridge infrastructure and therefore had more significant backlogs.

3.03 CONSUMER PROTECTION

The Ministry of Consumer Services (Ministry) oversees business and industry practices in Ontario’s consumer marketplace for the protection of consumers and public safety. It does this by establishing a regulatory and legal environment aimed at protecting consumers, educating the public and businesses, addressing complaints from the public, monitoring and inspecting businesses, and enforcing compliance with such consumer-protection regulations and laws as the *Consumer Protection Act, 2002*.

Eight designated administrative authorities, which are not-for-profit corporations, are responsible for a number of consumer and public-safety statutes relating to specific marketplace sectors. The Ministry monitors the performance and activities of these delegated authorities.

In 2008/09, the Ministry carried out these responsibilities with a staff of about 110 and operating expenditures of approximately \$12.6 million.

The Ministry has made progress in addressing many of the recommendations in our 2003 audit, including recently improving its oversight of delegated authorities. Several changes to legislation have also strengthened consumer protection, and the Ministry has carried out initiatives to promote compliance with consumer-protection legislation by certain industries. Nonetheless, we noted that corrective action is required in the following areas:

- The Ministry needs to better promote its mandate and services to consumers. The almost 40,000 inquiries and written complaints it received in the 2008/09 fiscal year represent a 12% drop in volume from peak levels in 2004/05, but the Ministry has done no work to assess the reasons for this decline. Quebec’s consumer protection agency, by comparison, receives more than 250,000 consumer inquiries and complaints annually. In addition, our own independent external survey indicated that the Ministry would not be among Ontarians’ top choices for resolving a complaint.

- The Ministry needs to deal more effectively with problem industries and repeat offenders, such as collection agencies, which have consistently been on the Ministry's Top 10 Complaints list from 2000 to 2008. As well, limited staff inspection resources resulted in no proactive visits during 2008/09 to the types of businesses in the Top 10 Complaints list, and the Ministry initiated only 148 inspections and educational field visits as a direct result of the 6,000 written complaints it received. In addition, the Ministry's lack of inspection powers under the *Consumer Protection Act, 2002*, which covers most businesses, hinders it from identifying consumer-protection violations.
- The Ministry made some progress since our last audit in enforcing compliance by cemetery owners with reporting requirements under the *Cemeteries Act*. However, we identified a number of financial discrepancies that the Ministry had not followed up on.
- The Ministry launched a comprehensive review of delegated authorities on an urgent basis only after a tragic propane explosion in Toronto on August 10, 2008. However, the Standing Committee on Public Accounts had recommended four years earlier that the Ministry conduct such a review.
- The boards of directors of delegated authorities were dominated by representatives of the industries they regulate. The Ministry has not encouraged a greater balance of representation from government, consumers, the public, and industry on such boards.
- The Ministry has no right to access delegated authorities' information on matters such as quality-assurance programs, strategic plans, executive salary and compensation packages, and board minutes.
- We noted that only one performance measure is reported publicly to cover all consumer-protection programs delivered directly by the Ministry, and we questioned whether it was a reliable and meaningful measure.

3.04 EDUCATION QUALITY AND ACCOUNTABILITY OFFICE

The Ontario government established the Education Quality and Accountability Office (EQAO) as a Crown agency in 1996, with a mandate to develop and report on province-wide tests of student achievement. Such assessment results are intended to provide reliable and objective data that the Ministry of Education (Ministry) and the province's 72 school boards can use to plan ways of improving student learning.

Each year, the EQAO tests students in all Ontario publicly funded schools in Grades 3, 6, 9, and 10. Grade 3 and Grade 6 students are tested in reading, writing, and mathematics. Grade 9 students are tested only in mathematics. To graduate from high school, all students, including those in private schools, must pass the Ontario Secondary School Literacy Test (OSSLT), which is usually written in Grade 10. The EQAO spent \$31.7 million in the 2008/09 fiscal year, all of it funded by the Ministry.

We found that the EQAO had adequate procedures and controls for ensuring that its tests accurately reflected the Ministry's curriculum expectations. We also noted that the EQAO, to ensure that the tests' level of difficulty was comparable between years, imposed strict criteria for the development and field-testing of questions, and thoroughly reviewed test content. The general consensus among stakeholders, including principals and teachers, was that the tests were generally an accurate reflection of students' achievement in meeting the curriculum expectations. However, there are areas where improvements can be made:

- The EQAO hires an external contractor to visit selected schools to review pre-test preparation, ensure test booklet security, observe the administration of the tests, and undertake other quality-assurance procedures. Overall, the external contractor has reported a high degree of compliance with EQAO administrative procedures, but an improved school selection process is required to reduce the

risk of student cheating and non-compliance with administrative procedures. For example, 10 of the province's 72 school boards had not received a visit from the external contractor over the past five years with respect to the Ontario Secondary School Literacy Test—while a number of private schools with as few as five students taking this test were visited.

- The EQAO must ensure that the up to 1,700 markers it hires and trains are consistent when grading test papers. To do so, it seeds “validity papers” (test papers previously scored by an expert panel) among the regular papers. The grades the markers give these validity papers are monitored to determine if retraining is required. The EQAO consistently meets its target of having 95% of the validity papers graded within one scoring level of the expert panel's score. However, on a per question basis, the EQAO often does not meet its target of 70% of the questions having the same grade as that given by the expert panel.
- The EQAO informally reviews results at the school and school board levels. However, formal analysis and follow-up may be required to ensure that the testing process can be used more effectively to evaluate the reliability of assessment results. For example, we noted that some schools' EQAO results fluctuated by as much as 50% from one year to the next, but these instances were not being systematically flagged for follow-up to determine what accounted for such a dramatic change.
- The EQAO annually reports student test results as well as results from questionnaires given to students, teachers, and principals on its activities. The school staff we interviewed stated that the questionnaires did not sufficiently allow for feedback on ways to improve the testing process. They also felt that the EQAO should take a bigger role in explaining the assessment process to parents and other stakeholders.

3.05 GOVERNMENT USER FEES

Ontario collected almost \$2.2 billion in user fees in 2008/09, which represents about 2% of total provincial revenues. Compared to most other provinces, Ontario collects less in terms of percentage of total revenues obtained from user fees and user fees charged on a per capita basis.

A user fee is generally charged to recover all or a part of the costs of providing a specific good or service, such as a vehicle registration, to the individuals and businesses that request it. In contrast, a tax is used to produce revenues for general government purposes and for goods and services that the government deems to be a “public good,” such as health care.

The Ministry of Transportation collects almost half of all user-fee revenues, for driver's and carrier licences and vehicle registrations. The Alcohol and Gaming Commission of Ontario collects another 22% for liquor licences and permits.

A 1998 Supreme Court of Canada decision concluded that user fees could be considered unlawful and therefore may be repayable if they were determined by a court to be a tax that was not established by enacted legislation or if the fee amounts charged were excessive and did not have a reasonable relationship to the cost of the services provided. Although the Ontario government has taken some action over the past decade to address this ruling, there are still user-fee revenues collected by the Alcohol and Gaming Commission and the Ministry of Government Services of over \$500 million annually that may be at risk because they may not fit the Supreme Court's criteria for valid fees.

The Non-Tax Revenue Directive, established in 1991, is intended to maximize the Ontario government's non-tax revenues, including user fees, and ensure that ministries regularly review services and rates, and keep non-tax revenue rates up to date. However, we found that the existing processes were, for the most part, not effective in achieving the Directive's goals. In addition, unlike user-fee

legislation in place federally and in some other provinces, Ontario's existing policies and procedures lack transparency and public involvement in key decisions about changes to user-fee rates, nor is there sufficient public reporting on fees collected, their use, and the costs associated with providing the fee-related services.

A key principle of the Directive is that, when it is reasonable and practical to do so, the cost of providing services to the public should be borne by those who benefit from the service. In 2008, as part of the Budget process, the Ministry of Finance conducted a one-time review, which indicated that forecasted user-fee revenues would recover less than 75% of the costs identified for these fee-related services. In cases where a ministry decides not to charge the full cost of a service—such as when it is not practical or economical to do so, or users cannot afford to pay—the Directive requires that the ministry document the reasons for setting fees at reduced rates. We noted that, for the most part, this was not being done.

In addition, there were generally no recurring processes in place to keep user-fee rates up to date, as is required under the Directive. We noted many examples of fees that have had no rate increase for 10 to 20 years, despite the fact that the fees were set at amounts that recovered only from 23% to 45% of the full costs of providing the services.

Ministry of Finance guidelines require that ministries discount fees for services provided electronically to encourage their increased use by the public. We noted that no discounts were offered by the Ministry of Transportation for driver's licences and vehicle registrations via the Internet or at electronic kiosks. On the contrary, services at electronic kiosks across the province incur a so-called "convenience" surcharge of one dollar per transaction.

3.06 INFECTION PREVENTION AND CONTROL AT LONG-TERM-CARE HOMES

Long-term-care homes, such as nursing homes and charitable homes, provide care, services, and accommodations to individuals unable to live independently and requiring the availability of 24-hour care. There are more than 600 such homes in Ontario, caring for about 75,000 residents, most of whom are over 65 years old. In the 2008/09 fiscal year, funding to long-term-care homes by the Ministry of Health and Long-Term Care (Ministry) through the Local Health Integration Networks totalled \$2.8 billion, with residents generally also making a co-payment of between \$1,600 and \$2,200 per month for accommodation.

There is a high risk of infectious diseases [such as *Clostridium difficile* (*C. difficile*), febrile respiratory illness (FRI), methicillin-resistant *Staphylococcus aureus* (MRSA), and vancomycin-resistant enterococci (VRE)] spreading among residents of long-term-care homes because they often share rooms and generally eat and participate in activities together. As well, older residents are generally more vulnerable to illness. When a resident acquires an infection in a home, it is considered a health-care-associated infection (HAI).

All three long-term-care homes we visited—Extendicare York in Sudbury, Nisbet Lodge in Toronto, and Regency Manor in Port Hope—had a number of processes in place to prevent and control HAIs. Furthermore, these homes had all recently conducted their first review of staff compliance with certain hand-hygiene policies, since hand hygiene is the most important activity for controlling the spread of infections. However, we noted areas where these homes could improve their practices. Some of our more significant observations included the following:

- The Ministry does not have information on the total number of cases of HAIs in long-term-care homes. The information collected at the homes we visited was generally not comparable because the homes defined and counted HAIs in different ways.

- Although the homes visited had policies to screen new residents for FRIs, documentation at two of the homes indicated that just 60%–80% of new residents sampled were screened. At the third home, there was no evidence of formal screening for FRIs.
- Each home had a policy to test new residents for tuberculosis within 14 days of admission, as required by legislation. One home tested all new residents in our sample, but the other two tested only 70% and 80%, and much later than required.
- Homes generally did not have unoccupied rooms to move infectious residents into.
- Although the Provincial Infectious Diseases Advisory Committee (PIDAC) recommends cleaning the rooms of residents who have *C. difficile* twice a day, none of the homes did this.
- In the 2008/09 fiscal year, 81 *C. difficile* outbreaks in homes were reported to the Ministry. The increased use of antibiotics has been shown to increase the risk of *C. difficile*. None of the homes had a formulary that lists the antibiotics that physicians can prescribe, as recommended by PIDAC.
- Unlike hospitals, long-term-care homes are not required to report publicly on certain patient-safety indicators, such as health-care-acquired cases of *C. difficile*, MRSA, and VRE, as well as hand-hygiene compliance among health-care workers.
- None of the Infection Prevention and Control Professionals designated by the homes had the specific training recommended by PIDAC.

3.07 LITERACY AND NUMERACY SECRETARIAT

The Ministry of Education (Ministry) is responsible for the system of publicly funded elementary and secondary school education in Ontario. Its responsibilities include developing the primary and secondary school curricula, setting requirements for student diplomas, and providing funding to school boards. The Ministry also set up the Education Quality and Accountability Office (EQAO)—a government agency—to provide independent assessments of student achievement by testing students in reading, writing, and mathematics. The Ministry's Literacy and Numeracy Secretariat (Secretariat), the subject of this audit, was established in November 2004 to help more than 4,000 elementary schools across 72 school boards to meet student-achievement targets. Since it was established in 2004, the Secretariat has spent \$340 million, with almost \$288 million transferred to school boards.

The Ontario government made a significant commitment to improving student achievement when, in 2004, it set a goal that 75% of all 12-year-olds (grade 6 students) would score a level-three standard (approximately a B average) on province-wide testing for reading, writing, and mathematics by 2008. Although the Ministry had not achieved this goal by 2008, substantial progress has been made over the last five years, and the percentage of 12-year-olds achieving the provincial standard increased from 56% in 2003/04 to 65% in 2007/08. Further increasing this percentage will be a challenging undertaking, but we noted a number of improvements that could be made to help achieve this goal. Some of our more significant observations were:

- Although the Secretariat and the school boards we visited have done some limited assessment of the effectiveness of secretariat programs, further analysis is required if the Secretariat is to ensure that its spending of almost \$288 million has been directed to the initiatives that provide the most benefit.

- School board improvement plans were initiated to help teachers, principals, and school board staff plan and implement strategies to improve student achievement. The Ministry has developed a framework for an effective improvement planning process. However, neither the Secretariat nor the boards we visited documented, monitored, or reported on the plans to the extent necessary to assess whether the plans were contributing to improved student achievement. Also, because it exercised only limited oversight, the Secretariat did not have the information needed to identify patterns and trends among school boards, so it could not identify the most successful initiatives and share them with other boards.
- Secretariat program funding was not always allocated to school boards and schools with the greatest need. Rather, funding allocation was based on average daily enrollment or the reason a given amount of funding went to a school board could not be fully explained by the Secretariat. For instance, we found that, for one major program, the board with the greatest number of schools designated as low-performing received only \$17 per student, while several boards with no schools designated as low-performing received more than twice this amount per student.
- The Secretariat routinely uses certain boards as “bankers” to act as distributors of funds to third parties or other school boards. We questioned the need for such arrangements and noted that there is no Memorandum of Understanding or agreement between the Secretariat and the banker boards outlining respective roles and responsibilities, accountability relationships, reporting requirements, and service levels to be provided. Also, the Secretariat paid banker boards administrative fees that in some cases appeared excessive.

3.08 ONTARIOBUYS PROGRAM

OntarioBuys is a government initiative launched in 2004 to help the broader public sector (BPS) save money when procuring goods and services.

Since 2004/05, OntarioBuys has provided funding of about \$148 million for two areas: about \$88 million for the formation and/or expansion of collaborative purchasing groups called “shared-service organizations” (SSOs) whose members are BPS institutions, and \$61 million for 53 projects aimed at helping BPS institutions become more efficient and effective in their supply-chain and other back-office processes.

The government announced in its March 2009 Budget that OntarioBuys had helped BPS entities redirect \$45 million in savings toward front-line services. We found, however, that almost \$20 million of this reported amount was not redistributed to hospitals to provide front-line services but rather was retained by the SSO that generated the savings to develop information technology for its back-office processes. The balance of the reported savings came from a number of projects; however, OntarioBuys did not verify these savings nor was it able to demonstrate that they had actually been invested in front-line services.

Although OntarioBuys has undertaken significant efforts to promote its collaborative supply-chain initiatives, participation in the SSOs, particularly in the education sector, is currently well below the level required for OntarioBuys to achieve its goals. Our other significant observations included:

- OntarioBuys approved funding for projects on the basis of business cases prepared by BPS organizations that included estimated costs and potential savings. However, the reasonableness of the estimates were often not appropriately assessed. For example, the largest project approved for funding projected savings of \$669 million over five years, but we found that \$294 million of this amount was not included in OntarioBuys’ funding review

and that the balance of \$375 million was determined on an arbitrary basis. Subsequent to our audit fieldwork, OntarioBuys revised the estimated savings down to \$113 million over five years.

- The education SSO, which has received \$30 million in OntarioBuys funding since 2005, committed to sign up 13 of the province's educational institutions and 1,000 suppliers by June 2009 to participate in a new electronic purchasing system called e-Marketplace. As of June 2009, e-Marketplace had yet to become operational and no institutions had formally signed up to be members.
- We reviewed a list of project savings that OntarioBuys provided us and found some purported savings to be questionable. For example, our review of savings totalling \$7.3 million for two projects, which were supposed to be completed by December 2006, showed that neither project had been completed by the time of our audit. Subsequent to our review, OntarioBuys revised the total savings for the two projects down to \$1.1 million.
- OntarioBuys did not have program-specific guidelines for consistent and effective monitoring of project progress, with requirements for conducting site visits, documenting work performed, verifying deliverables prior to the release of final payments, and closing files for completed projects.
- Since the 2004/05 fiscal year, the SSOs and BPS organizations involved in the projects spent about \$45 million of the funding provided to them to hire some 270 consultants for a variety of reasons. We reviewed \$15 million of consulting contracts from various projects and found that over 40% did not comply with the competitive procurement requirements of the project funding agreements.

3.09 ONTARIO DISABILITY SUPPORT PROGRAM

The Ministry of Community and Social Services (Ministry) administers the *Ontario Disability Support Program Act* (Act), which provides income and employment support to approximately 250,000 individuals with eligible disabilities (as defined by the Act). Total annual Ontario Disability Support Program (ODSP) benefit payments have risen to more than \$3 billion, a 42% increase since the time of our last audit in 2004.

ODSP income support is intended to assist with basic living expenses such as food, shelter, clothing, and personal-needs items. Although employment-support programs are available to ODSP recipients, participation in them is not required. As a result, relatively few ODSP recipients join such programs.

Although the Ministry had implemented a number of the recommendations contained in our *2004 Annual Report*, serious issues remain in determining an applicant's financial eligibility and the amount of assistance to be paid.

The Ministry has established a two-stage process to ensure that only qualified applicants receive income support. The first stage relies solely on applicants volunteering financial information. To compensate for the risks associated with this, the second stage is third-party verification of certain information provided by the applicant. However, this verification is largely ignored in practice. As a result, the Ministry is not adequately ensuring that only eligible individuals receive the correct payment amounts. We also noted the following:

- Although the Ministry has significantly reduced the average wait time for a medical-disability determination decision, 60% of recipients sampled still received late payments. On average, they experienced a 58-day delay after they had been determined to be medically qualified for payments, which is almost three times longer than the outside limit of 21 days established by the Ministry. These delays in receiving approved benefits offset to a significant degree the good

progress made since our last audit in expediting the initial medical determination.

- Oversight procedures are lacking to monitor and assess the fairness and consistency of decisions made by individual adjudicators at the Disability Adjudication Unit (DAU). Consequently, the rates at which adjudicators determined that applicants were eligible generally varied from 11% to 49%.
- In the 2008/09 fiscal year, 55% of applicants' appeals to the Social Benefits Tribunal led to the Ministry's initial decision to not approve an applicant for benefits being overruled.
- Since 2002, the Ministry has not performed any of the periodic medical reassessments—required by legislation—to ensure continuing eligibility for disability support payments.
- The Ministry relies on one individual to do all the assessment and reassessment work for any given file, yet the individual's work is neither supervised nor reviewed to ensure that the decisions made comply with ministry and legislative requirements.
- The total amount of overpayments for both active and inactive accounts has increased substantially, from \$483 million in 2004 to \$663 million as of March 31, 2009. In many cases, overpayments resulted from what would appear to be recipients fraudulently misrepresenting their circumstances. These overpayments might often have been avoided if the Ministry had more effectively reassessed the eligibility and the amounts to be paid to those individuals whom its own systems identified as high-risk or followed up on tips received from the public.
- The Ministry's computerized Service Delivery Model Technology (SDMT) information system still lacks key internal controls, and regional and local offices are not receiving, in an easily understandable format, the information they need to effectively oversee program expenditures.

3.10 ONTARIO RESEARCH FUND

The Ontario Research Fund (Fund) was created in 2004 to “support scientific excellence by supporting research that can be developed into innovative goods and services that will boost Ontario's economy.” It funds the direct and indirect operational costs of research through its Research Excellence Program, and the capital costs of research through its Large Infrastructure Program and Small Infrastructure Program. The Fund is the responsibility of the Ministry of Research and Innovation (Ministry), which was created in 2005 and focuses its efforts on activities that support Ontario's knowledge economy and create high-value jobs. Since the Fund's inception in 2004, and up to March 31, 2009, expenses for the capital and operating components have amounted to \$303 million, with total announced program commitments of \$623 million.

In our 2003 audit of the Science and Technology Division of the former Ministry of Enterprise, Opportunity, and Innovation, we reported significant concern over the lack of effective governance and accountability mechanisms. The consolidation of operating and capital research funding into one program managed and administered by the Ministry has helped address these concerns. However, there are still a number of areas where improvements are required, noted as follows:

- The Fund's overall mandate emphasizes supporting research that will provide economic and social benefits for the people of Ontario through the commercialization of research. However, most of the \$623 million committed to research projects in the province funded basic (that is, theoretical) research that was not focused on commercial potential.
- The Ministry reports on how its programs are performing against three targets: the dollar value of investments made by the private sector; the number of individuals with enhanced skills involved in Ministry-funded projects; and active licences for intellectual property rights that have resulted from Ministry-funded

projects. However, the Ministry does not measure or report publicly on the program's contribution to the Ministry's overall strategy of creating high-paying jobs and commercializing research.

- The Ministry did not have an adequate process to ensure that the projects funded through the Large Infrastructure Program supported Ontario's strategic priorities or provided strategic benefits to Ontario. In fact, the province funded \$41.5 million worth of projects that did not directly support Ontario's strategic priorities. Also, \$65 million of program funding under the Research Excellence Program was allocated to some very large projects for which it was questionable whether they met the program's eligibility criteria.
- The Ministry relied on the the Canada Foundation for Innovation (CFI) to monitor Research Infrastructure Program grants and did not sufficiently assess or review the CFI's work to ensure that the more than \$300 million in program funding commitments to date were being spent for the approved purpose.
- Ontario's colleges tend to focus on applied programs and research and helping small-to-medium-sized businesses develop technologies and processes for the marketplace. However, no funding has been awarded directly to Ontario's colleges. The Ministry should assess the potential benefits of applied research projects that address both the unique needs of Ontario's colleges and offer enhanced commercialization potential.
- As part of the monitoring process for the Research Excellence Program, the Ministry receives various reports from grant recipients. However, we found that the Ministry had not performed any formal monitoring or clarified its expectations for independent audits to verify the information submitted by recipients to ensure that program funds were being spent for the intended purpose.

3.11 ONTARIO WORKS PROGRAM

Under the *Ontario Works Act, 1997*, the Ministry of Community and Social Services (Ministry) provides income and employment assistance to approximately 200,000 individuals who are unemployed or underemployed. The income assistance is intended to help recipients with basic living expenses such as food, clothing, and shelter while the employment assistance includes a variety of activities designed to increase employability and help recipients obtain paid employment in order to become self-reliant. For the 2008/09 fiscal year, the Ministry's Ontario Works expenditures totalled almost \$1.9 billion—\$1.5 billion for income assistance, \$171 million for employment assistance, and \$194 million for program administration.

The Ontario Works program is delivered on behalf of the Ministry by 47 Consolidated Municipal Service Managers and District Social Services Administration Boards as well as 100 First Nations, all referred to as service managers. A service manager is typically either a large municipality or a grouping of smaller ones, and each is accountable to one of the Ministry's nine regional offices.

Although the Ministry had implemented a number of the recommendations contained in our last audit of the program in 2002, there has been limited improvement in the overall administration of the program since that time. It remains our view that the Ministry still has inadequate assurance that only eligible individuals are receiving the correct amount of financial assistance.

Our more significant concerns about the Ministry's oversight of Ontario Works program delivery by the service managers included the following:

- During the Ontario Works application process, service managers relied on individuals to provide almost all of the information used to assess their eligibility for assistance and seldom undertook the required third-party verifications designed to help assess the completeness and accuracy of the information provided by applicants.

- Benefits for such things as community and employment start-up activities were often paid without any evidence that the activity had occurred and in amounts that exceeded the established maximums.
- Many special dietary allowances were paid under questionable circumstances. The total amount spent on the allowances has increased from \$5 million in the 2002/03 fiscal year to more than \$67 million during 2008/09.
- Unrecovered overpayments to about 350,000 current and former Ontario Works recipients increased 45%, from \$414 million in February 2002 to \$600 million as of March 31, 2009. Efforts by service managers to recover these overpayments have been minimal.
- Many tips from the fraud hotline were either inadequately investigated or ignored.
- The Ministry did not have enough information to assess whether employment assistance funds were being used as intended and were helping people obtain employment.
- The Ministry's examination of a sample of service managers' reimbursement claims for the Ministry's share of program costs did not occur annually as required, nor did the examinations ensure that submitted claims were complete, accurate, and based on actual payments made to assistance recipients.

Despite improvements to the Ministry's Service Delivery Model Technology information system (SDMT), which has been used by service managers to deliver the Ontario Works program since 2002, there continue to be concerns about the system's reliability and its known deficiencies.

3.12 SOCIAL HOUSING

Social housing is rental accommodation developed with government assistance for a range of low- and moderate-income households, including families with children, couples, singles, and seniors. It can be owned by governments, as in the case of public housing, or by non-profit or co-operative organizations. In Ontario, households in social housing that receive a subsidy to help pay rent typically pay a maximum rent equal to about 30% of their total pre-tax income.

Most social housing in Ontario was built between the mid-1960s and the mid-1990s by the Canada Mortgage and Housing Corporation (CMHC) and the provincial government. In December 2000, the province passed the *Social Housing Reform Act, 2000* (Act), which required municipalities to assume responsibility for social-housing programs previously administered by the Canada Mortgage and Housing Corporation and the province. The province designated 47 regional Consolidated Municipal Service Managers (Service Managers) to administer social-housing programs at the local level. As of the end of 2008, there were about 260,000 units of social housing in Ontario, consisting of 100,000 public-housing units and 160,000 non-profit and co-operative units.

From both a value-for-money perspective and from the perspective of those who live there, it is critical that social housing be maintained in good condition. As well, sufficient and affordable social housing can have a significant impact on the health and safety of those Ontarians who depend on subsidized housing for a place to call home. However, the Ministry of Municipal Affairs and Housing (Ministry) collects little information on how well the \$40 billion in social-housing stock is being maintained or whether there is an adequate supply to meet local needs. Our observations included:

- As of December 31, 2008, the number of households on waiting lists for social housing across the province totalled about 137,000. In many urban centres, the average wait time

to secure accommodation was more than five years—and one municipality had reported a wait time of 21 years for all categories of tenants except seniors.

- The deteriorating condition of social-housing stock—particularly the public-housing portfolio, whose units are an average of 40 years old—has been a significant and growing concern for municipalities. In 2006, for instance, the Toronto Community Housing Corporation identified immediate capital-repair needs of \$300 million for its 60,000 public-housing units. However, the Ministry had no up-to-date and reliable information on the overall condition of the social-housing stock on a province-wide basis.
- A large number of the federal government's funding agreements with housing providers will start to expire in 2015, with no guarantee that they will be renewed. Without continued funding, some existing social-housing projects will not be financially viable, even though Service Managers will still be required by law to maintain the prescribed minimum number of housing units. The Ministry had no firm plans to address Service Managers' concerns regarding the possible ending of federal funding.
- In partnership with the federal government, Ontario has in recent years provided Service Managers with some additional funding for new housing programs. There was a general lack of reporting on the success of these programs. For example, although one such program did increase the supply of housing, the stipulated rent to be charged for more than half the units would not be considered affordable for households on, or eligible to be on, waiting lists. Better reporting and oversight will be needed to effectively manage the significant new stimulus investments in social and affordable housing.

3.13 TELETRIAGE HEALTH SERVICES

Ontario's teletriage services provide callers with free, confidential telephone access to a registered nurse for health-care advice and information. The services comprise Telehealth Ontario—available to all Ontario callers 24 hours a day, seven days a week—and the Telephone Health Advisory Service (THAS)—available Monday to Friday, 5 p.m. to 9 a.m., and all day on weekends and holidays, to 8.4 million patients enrolled with physicians participating in various primary-health-care arrangements.

The Ministry of Health and Long-Term Care (Ministry) contracts with a private service provider to deliver the services. The service provider employs almost 300 registered nurses at its five call centres located throughout Ontario. The nurses use their clinical judgment in conjunction with medical-decision-support software to assist callers. During the 2008/09 fiscal year, 905,000 calls were responded to by nurses, and payments to the service provider totalled \$35.1 million.

We found that the Ministry had appropriately contracted for the delivery of teletriage services using a competitive process. The contract included a number of key performance requirements, mostly dealing with timely access to services, which the service provider reported that it met in the 2008/09 fiscal year. Although only a small portion of Ontario's population uses the services, our independent survey indicated that those who used Telehealth Ontario were generally satisfied. However, we believe that improvements could be made to enhance the services. Our observations included:

- Not only has the number of calls to teletriage services been declining over the last few years, the number of calls as a proportion of the population is significantly less in Ontario than is the case in Alberta and Quebec. Furthermore, although over 60% of Ontarians were eligible to use THAS, only 1% of eligible individuals used it in 2008/09.

- British Columbia and Quebec use the easily remembered “811” phone number for their teletriage services, and certain other provinces are planning to adopt this phone number. Quebec reported a 15% increase in call volume following its implementation. At the time of our audit, Ontario had no plans to adopt the “811” phone number.
- The service provider indicated that about 25% of the callers in the live queue hung up before their call was answered. We calculated that 85% of callers who waited spoke to a nurse within 23 minutes. Eighty-five percent of callers who left a call-back number spoke to a nurse within 34 minutes.
- Physicians who were on call to THAS had to be paged more than once in over 70% of calls requiring a page during 2008, and 9% of pages were never returned.
- Although the service provider’s proposal, submitted to the Ministry in 2007, indicated that the service provider’s nurses would have at least three years of any type of nursing experience, 20% of our sample of nurses hired in 2008 had less than this.
- Unlike most provinces we spoke with, Ontario generally does not tape calls for subsequent quality assurance review. Rather, the service provider’s quality assurance reviewers sampled calls only as they were taking place and seldom did so during peak periods when nurses experience pressure to respond to waiting callers. The quality of advice was also not independently evaluated.
- In 2008/09, the Ministry paid the service provider about \$39 for each of the first 900,000 registered calls to teletriage services and about \$27 per call after that. Teletriage services costs for the three other provinces that shared cost information with us were about \$20 per call. The Ministry had not determined the reason for the significant difference.
- The Ministry did not have performance standards relating to the quality of nurses’ advice or how long callers wait in the live queue.

3.14 UNFUNDED LIABILITY OF THE WORKPLACE SAFETY AND INSURANCE BOARD

The Workplace Safety and Insurance Board (WSIB) is a statutory corporation whose primary purposes are to provide income support and fund medical assistance to workers injured on the job. The workplace safety and insurance system receives no funding from the government; it is financed through premiums charged on the insurable payrolls of employers. The government has the sole responsibility for setting benefits and coverage through legislation, while the WSIB has responsibility for setting premium rates.

In our *2005 Annual Report*, we noted that the assets in the WSIB’s insurance fund were substantially less than what was needed to satisfy the estimated lifetime costs of all claims currently in the system, thus producing what is known as an “unfunded liability,” which stood at \$6.4 billion at that time.

In our current review, we observed that, as of December 31, 2008, the unfunded liability stood at \$11.5 billion, an increase of \$3.4 billion from the previous calendar year. One factor that had a significant negative impact on the unfunded liability during 2008 was the global economic downturn.

Failure to effectively control and eliminate the unfunded liability could result in the WSIB being unable to meet its existing and future financial commitments to provide worker benefits. Eliminating or reducing the unfunded liability requires that four key levers—legislated benefits, coverage, premium rates, and investments—work effectively in tandem. The WSIB and the government may have to commit to a different strategy with respect to these levers if the unfunded liability is to be eliminated within a reasonable period of time.

Our other observations included the following:

- The WSIB’s funding ratio of assets to liabilities was 53.5%, considerably lower than that of any of the four other large provincial boards we reviewed in British Columbia, Alberta,

- Manitoba, and Quebec, which averaged 102%.
- The WSIB and governments have sought over the last two decades to satisfy simultaneously two major stakeholders: employers, who wanted lower premiums, and workers, who wanted higher benefits. This has undoubtedly affected the size of the current unfunded liability.
 - The WSIB's ability to eliminate the unfunded liability has to some extent been limited by the government's control over benefit changes and over which businesses and industries are covered by the system. For example, in Ontario, 72.6% of the workforce was covered by the system as of 2007, compared to 93.1% in British Columbia and 93.4% in Quebec.
 - Annual premium revenues in recent years have not been enough to cover benefit costs. Premiums have increased by an average of only 1% each year since 2001, at the same time as the WSIB was reporting average annual deficits of more than \$900 million.
 - Benefit and health-care costs have risen steadily over the last 10 years as a result of workers staying on benefits longer and receiving increases in those benefits as a result of legislative changes.
 - The WSIB's 15-year average rate of return on its investments from 1994 to 2008 was 6.6%. Given that future benefit costs are expected to rise at 7% annually, investments must earn more than 7% before any reduction of the unfunded liability can be realized solely from investment returns.