
CHAPTER FOUR

Follow-up of Recommendations in the 1998 Annual Report

Since 1993 it has been our practice to make specific recommendations for corrective action by ministries and agencies and, two years after publication of the recommendations in our report, to follow up on the status of action taken. This chapter provides some background on the audits comprising the Value for Money Chapter of our *1998 Annual Report* as well as the current status of implementing the recommendations made. We are pleased that in many cases our recommendations have been either fully or substantially implemented. However, in several cases, progress has been slow or is ongoing. In cases where the recommendations have not been implemented, or are still in the process of implementation, a brief description of the current status of action taken by the ministries is provided.

Ministry of Community and Social Services: Business Transformation Project/ Common Purpose Procurement — 3.01

BACKGROUND

In 1995/96, the Ministry of Community and Social Services initiated the Business Transformation Project to develop new business processes and technologies that would support the transformation of the Family Benefit and General Welfare Assistance programs into the Ontario Works Program and Ontario Disability Support Program. The Business Transformation Project is to provide technologies for single-tier delivery of the new social assistance and employment initiatives and, in doing so, replace the interim computer systems of Caseworker Technology and Ontario Works Technology, as well as the outdated computer systems, the

Comprehensive Income Maintenance System (CIMS) and the Municipal Assistance Information Network (MAIN).

Under this initiative, the Ministry entered into a Common Purpose Procurement (CPP) agreement with Andersen Consulting on January 27, 1997, for the development and implementation of the business processes and technologies inherent in the new social assistance system that was to be put in place through the Business Transformation Project. The term of the agreement was for four years plus the possibility of a one-year extension, subject to mutual agreement, to be decided upon by the end of the second year of the agreement.

Our 1998 audit assessed whether the Ministry had:

- clearly established the appropriateness of the CPP process for its Business Transformation Project and had followed a reasonable and fair competitive selection process in awarding the agreement to Andersen Consulting; and
- demonstrated due regard for economy and efficiency in the contract terms agreed to and in the administration of the work performed to the end of our audit field work in February 1998.

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We concluded that the Ministry had not clearly established the appropriateness of the CPP process for the Business Transformation Project. We also noted that although the Ministry had followed the CPP principles in selecting Andersen Consulting as the successful vendor, in doing so, it could not demonstrate that it had selected the most cost-effective proposal or that the accepted proposal would result in value for money spent.

We also concluded that the Ministry had not demonstrated due regard for economy and efficiency in the contract terms agreed to or in the administration of the work performed to the end of our audit field work in February 1998.

As a result of our observations, we made a number of recommendations intended to help the Ministry in assessing the appropriateness of any future Common Purpose Procurement agreements as well as for improving the Ministry's administration of the current CPP agreement with Andersen Consulting.

Subsequent to our 1998 report, and in part because of its own concerns with respect to the Business Transformation Project, the Ministry retained a consulting firm to conduct an assessment of alternative ways to proceed with the remaining phases of the Business Transformation Project. The Ministry identified two options to be assessed:

- Option one: proceed with the existing CPP vendor under a modified agreement; and
- Option two: terminate the existing agreement and proceed with an open procurement process to secure a qualified service provider to perform the remaining work under a "fixed price—fee for service" agreement.

The consulting firm recommended that the Ministry select option one and enter into time-limited discussions with Andersen Consulting to arrive at a mutually satisfactory arrangement for successfully completing the remaining work.

In that regard, we also note that the Standing Committee on Public Accounts held hearings in December 1999 into the report on the Andersen Consulting agreement from the 1998 Provincial Auditor's Annual Report and an interim follow-up report issued at that time. As a result of these hearings, the Committee passed a motion that, among other things, recommended that:

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- the \$180-million cap should not be increased, and expenditures excluded from the cap should be minimized;
 - the Ministry should develop an auditable system of benchmarking to ensure that initiatives taken by the Ministry prior to the Business Transformation Project are not incorrectly attributed to Andersen Consulting;
 - Andersen Consulting's billing rates should be reduced; and
 - no further payments should be made to Andersen Consulting until the primary objective of implementing new technology is met and overall benefits exceed costs.

On April 19, 2000, the Ministry and Andersen Consulting signed an Amendment Agreement to the original Master Agreement for the Business Transformation Project. The changes that were made through the Amendment Agreement as they relate to each of our recommendations are detailed below.

We also note that at March 31, 2000, the project's cost pool totalled \$146.7 million (\$117.4 million Andersen Consulting, \$29.3 million Ministry) and the benefit pool totalled \$116.2 million, so the cost pool exceeded the benefit pool by \$30.5 million; payments to Andersen Consulting totalled \$95.6 million.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry has not entered into any other CPP agreements to date and therefore did not have an opportunity to implement our recommendations relating to any future CPP agreements. These included recommendations for:

- Choosing Common Purpose Procurement;
- Competitive Selection Process;
- Maximum Contract Payments; and
- Cost Pool—Interest Charges.

The Ministry has taken actions on many of our remaining recommendations through the current agreement renegotiation process with Andersen Consulting, as detailed below. However, notwithstanding the Ministry's commitment to implement these recommendations, as noted in our 1998 report, its ability to do so has been affected in many instances by the terms of the original agreement and the ability of Andersen Consulting and the Ministry to negotiate and accept changes thereto.

The Ministry substantially implemented our recommendations relating to the following areas:

- Cost Pool—Out-of-Pocket Expenses;
- Additional Consulting Assistance Acquired; and
- Quality Council (council disbanded)

The status of the remaining recommendations on the agreement between the Ministry and Andersen Consulting is as follows:

EXCLUDED COSTS

Recommendation

In order to more effectively estimate and control overall ministry payments for future Common Purpose Procurement projects, the Ministry should minimize the number of items excluded from maximum payment amounts. When items are excluded from maximum payment amounts, the items and the circumstances under which costs for them ought to be incurred should be clearly defined and estimated.

Current Status

Although the revised agreement did not alter the maximum fee cap of \$180 million payable to Andersen Consulting, it did expand on the circumstances under which payments may be made outside of the fee cap. In addition to the original costs to be excluded from the fee cap, as noted in our 1998 report, the revised agreement provides for the following additional costs to be excluded from the fee cap:

- **Out-of-Scope Costs:** These costs include work requested by the Ministry that is not included in the scope of the project as defined by the Service Delivery Model (detailed blue print) approved in December 1998. Such work is to be billed at Andersen Consulting rates as renegotiated in the Amendment Agreement.
- **Delay Costs:** Between January 1, 2000 and the completion of the Service Delivery Model pilot, delay costs will be charged to a delay pool at the rate of \$75,000 for each additional project work day required by Andersen Consulting to complete tasks identified in the critical path that result from a ministry-caused delay. For each such day after the completion of the pilot, the charge is \$37,500.

However, such costs are only to be paid if Andersen Consulting's total costs exceed the maximum fee cap as a result of these delays and in any case are not to exceed \$10 million. In addition, Andersen Consulting will not be entitled to any delay costs if the project is completed by the expiration of the Amendment Agreement on January 26, 2002.

- **Ministry Tasks Completed by Andersen Consulting:** In order to prevent a delay to the schedule, the Ministry may request Andersen Consulting to perform tasks that would otherwise be the responsibility of the Ministry. Such work is to be billed at Andersen Consulting's renegotiated rates.

The following table provides a summary of the Ministry's current estimated costs for each of the items excluded from the agreement fee cap as well as costs approved and incurred to March 31, 2000.

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Summary of Costs Incurred and Budgeted as of March 31, 2000 for Items Not Included Under the Maximum Contract Fee Cap

Costs Outside of the Maximum Contract Fee	Costs Charged as of March 31, 2000	Total Estimated Costs
Production Support, Help Desk, Application Maintenance	\$1.3 million	\$23 million
Hardware and Purchased Third-Party Software	\$0	n/d
Out-of-Scope Costs	\$275,000	\$5.7 million*
Delay Costs	\$0	n/d
Ministry Tasks Completed by Andersen Consulting	\$0	n/d

n/d = not yet determinable by the Business Transformation Project

** up to \$20 million requested and approved by MBS for the project*

Source: Ministry of Community and Social Services data

COST POOL

BENEFIT DISTRIBUTION—CHARGEABLE RATES

Recommendation

Future Common Purpose Procurement agreements should ensure that project savings are distributed equitably, based on the relative contributions of ministry and consulting staff, which will not necessarily correlate with the relative salary levels of ministry staff or the billing rates of consulting staff.

Current Status

As a result of the renegotiation process, the rates charged to the project for Andersen Consulting's staff time were reduced as of January 1, 2000 and fixed for the remainder of the agreement. The change in rates is a noteworthy improvement from the previous arrangement that had permitted Andersen Consulting to charge fees at the standard published billing rates, which could be unilaterally increased by Andersen Consulting from time to time. However, the reduced rates now charged are still significantly higher than the rates charged for ministry staff doing comparable work.

The table below compares the rates proposed by Andersen Consulting in response to the 1995 request for proposals, the rate charged at the time of our audit in December 1997 and the current renegotiated rates for both Andersen Consulting and ministry staff time.

Comparison of Andersen Consulting's 1995 Proposed Rates with Actual Rates at December 31, 1997 and January 1, 2000, and with Ministry Rates at January 1, 2000

	Andersen Consulting 1995 Proposed Rates Per Hour (\$)	Andersen Consulting Rates Charged at December 31, 1997, Per Hour (\$)	Andersen Consulting Rates Charged at January 1, 2000, Per Hour (\$)	Ministry Rates Charged at January 1, 2000, Per Hour (\$)
Partner/ Associate Partner/ ADM/ Project Director	300-400	530-575	400	75-315
Manager	200-300	335-472	330	50-180
Consultant	150-250	230-325	280	45-105
Analyst	70-140	105-250	115	35-40

Source: Ministry of Community and Social Services data

As a result of the continuing significant differences between the rates charged for Andersen Consulting and ministry staff time, our concern remains that under the renegotiated agreement Andersen Consulting is still receiving a disproportionate amount of the benefit pool in relation to its work effort.

INCOMPLETE MINISTRY COSTS

Recommendation

To ensure that the benefits of the Ministry's Business Transformation Project are fairly distributed, the Ministry should include all of its costs related to that project in the project cost pool.

Current Status

In response to our 1998 audit observations and recommendation, the Ministry added approximately \$180,000 in costs associated with Change Reporting systems changes that had been previously excluded from the cost pool.

However, the ministry staff costs that we identified in 1998 for manual file reviews conducted under the Change Reporting task order were not added to the cost pool, even though the related benefits were included in the benefit pool. Similarly, we found that the ministry staff costs for implementing the new Consolidated Verification Process task order were also not added to the cost pool, even though those benefits were also added to the benefit pool.

We also noted that in March 2000, a ministry review identified approximately 45 additional ministry staff members who potentially contributed to the Business Transformation Project but whose related time was not included in the cost pool. Although they were advised to report their hours spent on the project for inclusion in the cost pool, to July 2000 their costs had not been added to the cost pool. We understand that the Ministry subsequently completed a process that resulted in the salary costs of 31 staff members being added to the cost pool.

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It remains our view that the Ministry's contribution to the cost pool continues to be understated, with the result that fewer benefits are being allocated to the Ministry, and to the taxpayer, than should be the case until the \$180-million payment cap is reached.

BENEFIT POOL

Recommendation

The Ministry should ensure that if additional work is to be incorporated into the current or future Common Purpose Procurement projects, the benefits of that work as compared with the benefits of other alternatives are clearly established.

Current Status

Since the time of our original audit in 1998, the Ministry has approved task orders for three additional early opportunity initiatives: Tax Tables; Consolidated Verification Process; and Disability Determination. As of March 31, 2000, the benefits crystallized for each of the early opportunity initiatives and the related costs incurred are as detailed in the table below.

Total Benefits and Costs for Task Orders as at March 31, 2000

Task Orders	Benefits (\$ 000)	Andersen Consulting Costs (\$ 000)	Ministry Costs (\$ 000)
Early Opportunity Task Orders			
Change Reporting	30,569	1,656	265
Tax Tables	12,564	948	581
Consolidated Verification Process	67,121	14,888	4,064
Disability Determination	5,930	1,343	190
Total	116,184	18,835	5,100
All Other Task Orders	0	98,600	24,200
Total All Task Orders	116,184	117,435	29,300
Benefit Paid as of March 31, 2000		95,611	20,219

Source: Ministry of Community and Social Services data

The Ministry's Internal Audit Services conducted a review of the Consolidated Verification Process initiative and found that, contrary to our 1998 recommendation, the Ministry had not identified or assessed alternative ways of proceeding with this work. Instead, the Ministry made a business decision to proceed with this work under the agreement.

Given the disproportionate relationship between benefits crystallized and paid to Andersen Consulting and costs incurred, it remains our view that alternative ways of proceeding with this work should have been identified and assessed. In addition, we question the advisability of having paid Andersen Consulting over \$95 million to March 31, 2000 given that the project was significantly behind its original schedule. We also note that, unless otherwise agreed to, the

agreement did not require any payments to be made until such time as total benefits exceeded total costs, which had not occurred to that date. Since the Ministry had agreed to make these payments, it was not in a position to alter this payment arrangement as recommended by the Standing Committee on Public Accounts.

BENEFIT MEASUREMENT

Recommendation

To ensure that task order metrics fairly account for the relative contribution of savings by each partner in the Business Transformation Project, the Ministry should ensure that:

- *amounts included in the benefit pool are accurately determined; and*
- *financial savings attributable to ministry staff adhering to previously established policies and procedures are not included in the project's benefit pool.*

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Current Status

Case terminations occur for various reasons, including changes in economic conditions, changes in policies, as well as changes in administrative practices. As a result of these multiple effects, the number of cases terminated as a result of changes in administrative practices, such as the Consolidated Verification Process (CVP), cannot be determined with absolute certainty. Instead, the incremental effect of the CVP initiative, for example, was estimated and included in the benefit pool based on a statistical model designed to obtain a 99% confidence level that benefits were not overstated.

Our concern remains that much of the benefits so determined could and should have been achieved had ministry staff adhered to the existing policies and procedures for determining recipient eligibility and implemented recommendations made in previous Provincial Auditor reports on the social assistance systems. As such, it remains our view that these benefits are not clearly attributable to the changes inherent in the CVP initiative.

However, we understand that the inclusion of this initiative in the Business Transformation Project had already been agreed to by both parties, and therefore, the Ministry was not in a position to exclude this initiative and the resulting benefits from the Project.

CURRENT PROJECT STATUS

Recommendation

The Ministry should take the steps necessary to ensure that the work under the agreement with Andersen Consulting supports the delivery of the Ontario Works Program and the Ontario Disability Support Program with the revised business processes and technology solutions at the earliest opportunity.

Current Status

Originally planned for rollout completion by June 1999, the revised timetable for the Service Delivery Model is currently as follows:

- Design, Build and Test Phases: to conclude in January 2001

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- Pilot Testing: February 2001 to April 2001
 - Rollout: February 2001 to January 2002 (that is, completion two and a half years behind original plan)

Ministry of Community and Social Services:

Ontario Works Program — 3.02

BACKGROUND

First announced in June 1996, the Ontario Works Program has as its objective to provide financial assistance to participating individuals while they become self-sufficient and contributing members of their community by following the shortest route to a paid job.

The Ontario Works Program provides for employment assistance under the three following components:

- **Employment Support:** This component helps participants become job-ready and supports their shortest route to paid employment through job search assistance or participation in basic education or job-specific skills training.
- **Community Participation:** This component enables participants to contribute to the betterment of their community while receiving social assistance and to gain valuable work experience, employment-related skills and access to networks that will help them move into the paid workforce.
- **Employment Placement:** This component places job-ready participants into unsubsidized, competitive employment and may include supporting participants interested in self-employment.

At the time of our audit in March 1998, participation in the Ontario Works Program was mandatory for most recipients of the former General Welfare Assistance Program. During the 1997/98 fiscal year, approximately 251,000 recipients received General Welfare Assistance benefits totalling \$1.76 billion.

The Ontario Works Program is now delivered across the province through 47 municipal delivery agents (63 in 1998) representing large municipalities or groupings of smaller municipalities. Municipal delivery agents are accountable to the Ministry and report to one of the Ministry's nine regional offices. To facilitate the implementation of the Ontario Works Program, each municipal delivery agent was expected to complete a business plan for the first three years of the Program.

Our 1998 audit assessed whether the Ministry's administrative procedures for the Ontario Works Program were adequate to ensure that:

- transfer payments to municipal delivery agents were reasonable and satisfactorily controlled; and

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- services provided by municipal delivery agents were monitored and assessed to determine whether they were meeting the Ministry's expectations.

We concluded that transfer payments approved for municipal delivery agents were reasonably controlled in that they were directly related to the amount of services provided. We also concluded that the Ministry needed to improve its monitoring and assessment of services provided by municipal delivery agents to Ontario Works Program participants to determine whether they were meeting the Ministry's expectations. As a result, we made a number of recommendations for improvement.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry has substantially implemented our recommendations related to the following areas:

- Status of the Ontario Works Program;
- Program Registration and Participation Agreements;
- Program Monitoring; and
- Measuring Program Effectiveness.

With respect to our remaining recommendation, the status of action taken is as follows:

INFORMATION SYSTEMS

Recommendation

The Ministry should ensure that the available information systems are adequately meeting the needs of the Ontario Works Program and the municipal delivery agents.

Current Status

The Ministry has advised us that improvements are continually being made to the existing interim Ontario Works information system to address priority legislative changes and to meet the needs of the Program and its municipal delivery agents. Changes already made include the addition of new data elements that enhance reporting capabilities to reflect new Ministry initiatives as well as to assist in tracking program performance and funding.

The Ministry is currently in the process of implementing remote access to the Ontario Works information system for selected ministry program staff. The Ministry still intends to replace the interim Ontario Works information system with the new Service Delivery Model Technology System, which is targeted for implementation in 2002.

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Ministry of Education and Training: Acquisition and Management of Elementary and Secondary School Facilities — 3.03

BACKGROUND

In 1998, school boards operated over 5,100 schools, which represented a replacement cost of approximately \$26 billion. Under the then Ministry of Education and Training's student-focused funding model, school boards received over \$1.5 billion in pupil accommodation grants for the 1998/99 fiscal year (\$1.7 billion in 1999/2000). This amount was intended to cover the cost of cleaning, maintaining and renovating schools and of constructing or acquiring new schools.

In 1998, we assessed whether satisfactory systems and procedures had been established at the Ministry and selected school boards for the acquisition and management of school facilities, including compliance with related regulations and policies, and whether information systems provided adequate support for management control, decision making and performance reporting.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry had made significant progress in addressing our recommendations but required more time to complete the actions it intends to take to address all of our recommendations.

In early 2000, the Ministry implemented an Accountability Framework and Reporting Process for pupil accommodation grants that requires school boards to report annually to the Ministry, trustees and the public on: the condition of each school and its equipment; the nature and cost of each new school construction and renewal project; the operating expenditures for each school; the user survey results for each school regarding its cleanliness and comfort; and the board's long-term enrolment forecasts and its plans for meeting the accommodation needs of its students. Boards are expected to submit reports for the year ended August 31, 2000 by December 31, 2000.

In June 2000, the Ministry completed the development of a School Facilities Inventory System (SFIS) that contains detailed information about each board's properties and buildings and will eventually also contain school-specific information that will be obtained from each school board's annual report. The SFIS allows school boards to update their information electronically and to review the information submitted by other boards and compare it to their own.

These significant actions will provide the information that school boards and the Ministry need to ensure the effective management of school board properties. The Ministry now intends to allocate resources to implementing our other recommendations, several of which required the information that school boards will now be providing under the Accountability Framework. The status of each of our recommendations as at July 31, 2000 is discussed below.

USE OF EXISTING FACILITIES

Recommendation

To promote the efficient and economical use of school facilities, the Ministry should:

- *establish procedures to verify the existing capacity of schools;*
- *encourage and assist school boards to evaluate the feasibility of various approaches to increasing capacity and improving the utilization of facilities;*
- *provide further guidance to boards to help them identify and dispose of surplus schools more expeditiously; and*
- *require boards to justify decisions to build new schools rather than purchase available surplus schools from neighbouring boards.*

Current Status

In 1999, a team of ministry and seconded school board personnel reviewed and corrected the facility information that boards submitted for the SFIS and that the Ministry relies on to determine grant entitlements. The review was repeated in the first half of 2000 to validate updated information. Now that these steps have been taken, the Ministry intends to select a sample of schools across the province to verify the accuracy of the SFIS information, but it had not yet set a target date for completing this project.

The Ministry also intends to use school enrolment and capacity information to identify schools with high utilization rates and then determine the good practices that were employed to achieve these high utilization rates and share these findings with all boards.

School utilization rates will also be monitored in relation to the long-term accommodation plans submitted by school boards to determine how boards plan to address imbalances between enrolment and capacity in their schools. The Ministry will continue to provide guidance to boards, when requested, on the information they should prepare in connection with school closures and disposals but will not establish further requirements unless it identifies problems from its ongoing analysis of school plans and utilization data.

LONG-TERM PLANNING FOR ECONOMIC USE OF FACILITIES

Recommendation

To help ensure that pupil accommodation decisions represent the best long-term value, the Ministry should coordinate research on:

- *the relationship, if any, between school utilization rates and student achievement;*
- *the relative operating costs of permanent classrooms and portables; and*
- *the methods for preparing reliable long-term enrolment forecasts.*

Current Status

Once school condition and other accommodation information is captured, the Ministry intends to compare this information to the performance of students on tests administered by the Education

Quality and Accountability Office and determine what relationship, if any, exists between accommodation characteristics and student achievement.

The Accountability Framework requires boards to report information on facility operating costs on a per-school basis. The Ministry intends to begin its study of the operating costs of permanent classrooms and portables once this information is received.

The Ministry has developed workshops through which it shares information about its provincial forecasting methodologies and its board-level enrolment forecasts with school boards. The Ministry was still considering options on how to ensure that boards' long-term enrolment forecasts at the individual school level are reliable.

DEVELOPMENT PARTNERSHIPS

Recommendation

To help ensure that school boards take advantage of opportunities to reduce costs through development partnerships, the Ministry should:

- *require boards to summarize and report on their efforts to find partners for each new development and, where independent developments take place, to explain why a partnership is not feasible; and*
- *encourage other ministries to include conditions or incentives in their grant programs requiring recipients to enter into cooperative or development partnerships with school boards where feasible.*

Current Status

As the Ministry responded in 1998, it wants to assess how well the existing funding formula and reporting requirements work in encouraging school boards to enter into development partnerships before imposing additional reporting requirements.

The SFIS now provides the Ministry with information on schools that were built in partnership with others. Once school operating costs are also entered into the SFIS, the Ministry intends to identify and investigate the capital and operating cost savings achieved by shared facilities relative to the costs of stand-alone facilities. The Ministry will then share its findings with all boards.

LIFE-CYCLE COSTING

Recommendation

To assist boards to better manage pupil accommodation costs over the long term, the Ministry should:

- *help boards to evaluate systems that support a life-cycle approach to accommodation spending decisions and to share implementation and maintenance experiences with each other; and*
- *coordinate the collection and sharing of performance data for materials and equipment and provide guidance to boards regarding the preparation of business case analyses to support major purchase decisions.*

Current Status

Implementation of the first aspect of this recommendation was being addressed in conjunction with our recommendation for monitoring operating costs and results, the status of which is discussed below.

With respect to the second aspect of this recommendation, the Ministry intends to analyze information about school operating costs, conditions and user satisfaction, and, over time, identify schools that achieve high condition and user satisfaction ratings at a lower long-term cost than their peers. The Ministry intends to investigate the reasons for this better performance, including whether it is attributable to the use of certain building materials and equipment. The Ministry also intends to schedule workshops to enable board facility management officials to share information on their experience with different products.

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MONITORING OPERATING COSTS AND RESULTS

Recommendation

To ensure that boards acquire and implement the information systems needed to manage their facilities and costs and to report on results, the Ministry should:

- *provide guidance to boards regarding the information and analysis required for effective facility management and related results reporting;*
- *establish a mechanism for enabling boards, which have implemented systems to address facility management information needs, to share their experiences with other boards; and*
- *examine options to minimize the cost of the substantial investment in management information systems that boards must make.*

Current Status

The Ministry advised that it will implement this recommendation in cooperation with the Pupil Accommodation Review Committee. This Committee, composed of three ministry and 14 school board representatives, continues to advise the Ministry on pupil accommodation issues and to assist in designing and organizing related educational workshops for board personnel. The Committee conducted a survey in early 2000 of boards' experiences with various asset management information systems, some of which support life-cycle costing. The survey found that 38% of boards did not have any asset management systems and that only 6% had specialized systems to assist them in managing all seven of the critical functions identified by the Committee. In view of the substantial system needs identified by this survey, the Ministry was investigating options to minimize the cost to boards of implementing such systems, including bulk purchasing.

The Ministry, in conjunction with the Committee, also intends to provide boards with guidance and training on preparing business case analyses and collecting, analyzing, and reporting performance information about facilities management. The Ministry has acquired software that will enable it to provide boards with easy electronic access to training and workshop presentation materials when they are completed.

MAINTENANCE EXPENDITURES

Recommendation

To help ensure that school boards do not continue to defer needed maintenance, the Ministry should:

- *require the boards to conduct objective, reliable condition assessments of each school on a periodic basis and estimate the cost of needed repairs;*
- *require the boards to include such information in reports to the trustees and the Ministry; and*
- *monitor grant levels to assist boards to manage their assets prudently over the long term.*

Current Status

The Accountability Framework requires boards to assess and report on the condition of each of their schools and to report the results of user satisfaction surveys. Once this information is obtained, the Ministry intends to use it to calculate a condition index for each board. The Ministry intends to monitor trends in the index to assess whether each board's facilities management is effective and whether pupil accommodation grants are sufficient to fund a cost-effective maintenance and repair program.

DOCUMENTATION OF OBJECTIVES AND PROCEDURES

Recommendation

To assist school boards in maintaining service continuity and evaluating the efficiency, economy and effectiveness of operating procedures, the Ministry should:

- *encourage school boards to document their objectives and the procedures to achieve them; and*
- *support efforts to share ideas and conduct pilot projects that reduce costs and/or improve services.*

Current Status

The Ministry expects boards to establish objectives whose achievement can be monitored through the condition assessments and user satisfaction surveys.

The Ministry had identified and shared with school boards best practices for preventing mould in portables. It was considering how the approaches used to manage and share the lessons learned from the mould problem could be applied to other facility management issues.

THE ACCOUNTABILITY FRAMEWORK

Recommendation

To help ensure that the facilities management information produced by school boards is reliable and to assist trustees in meeting their responsibilities for setting policies, monitoring performance and taking corrective action, the Ministry should:

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- *establish a framework for independently verifying school board grant determination and performance information; and*
 - *provide trustees with best practices and training materials on governance that include their role in overseeing facility management activities.*

Current Status

The Ministry has arranged for school boards' external auditors to provide assurance on the reliability of enrolment information, which is a key determinant of school board funding entitlements. The Ministry intends to verify a sample of performance and operating data in connection with its test of the reliability of school capacity information.

Following the municipal elections in November, the Ministry intends to provide trustees with information on good governance practices and training materials to assist them in overseeing facility management activities.

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Ministry of Finance: Land Transfer Tax Program — 3.04

BACKGROUND

The *Land Transfer Tax Act* requires that purchasers pay a tax when an interest in ownership of land is transferred in Ontario. The tax is based on the value of consideration paid by the purchaser as sworn in an affidavit. Generally, the tax is paid when the land transfer is registered at one of the 55 land registry offices operated by the Ministry of Consumer and Commercial Relations under the terms of a Memorandum of Understanding entered into with the Ministry of Finance.

The rate of tax varies from 0.5% of the value of consideration below \$55,000 up to 1.5% on amounts exceeding \$250,000. For single family residences only, the rate of tax increases to 2% on amounts exceeding \$400,000. In addition, land transfer tax may be waived or refunded in whole or part for first-time home buyers who meet prescribed conditions.

For the 1997/98 fiscal year, the province collected \$544 million in land transfer tax from approximately 345,000 transfers in interest in land. For the same year, approximately 20,000 purchasers received refunds or exemptions having a total value of \$2.8 million and \$21.3 million respectively.

Our audit objective was to assess whether the Ministry had appropriate policies and procedures in place to ensure that the correct amount of land transfer tax was being collected, refunded or exempted in accordance with statutory requirements.

We concluded that both the Ministry and the land registry offices had adequate procedures in place to ensure that the appropriate amount of land transfer tax was collected and deposited to the Consolidated Revenue Fund, and refunded or exempted based on the values of consideration and other information declared by purchasers.

However, improvements were required to ensure that declared values of consideration and other information were reasonable and, therefore, ultimately to ensure that the appropriate amount of tax was declared and paid.

CURRENT STATUS OF RECOMMENDATIONS

We were pleased to note that the Ministry was in the process of, or had already substantially implemented, all of our recommendations. These recommendations related to the following matters:

- Assessing Information Provided—Training and Informational Materials;
- Enforcement Activities—Audit Work Performed, Audit Revenues, Penalties and Fines, and Objections and Appeals;
- Accounts Receivable; and
- Refunds and Exemptions.

Ministry of Health: Long-Term Care Community Based Services Activity — 3.05

BACKGROUND

The Long-Term Care Community Based Services Activity provides funding for homemaking and professional services for people at home who would otherwise need to go to, or stay longer in, hospitals or long-term care facilities. Funding is also provided to community support service agencies that assist frail elderly people and people with physical disabilities to live as independently as possible in their own homes.

In 1998, we assessed whether the Ministry had adequate procedures in place to measure and report on the effectiveness of the Activity; ensure compliance with applicable legislation and ministry policies; and ensure resources were used with due regard for economy and efficiency.

CURRENT STATUS OF RECOMMENDATIONS

Recommendations relating to the following sections of our 1998 report have been substantially implemented:

- Compliance—Timeliness of Reporting, and District Health Council Long-Term Care Plans

The current status of the remaining recommendations is as follows:

EFFECTIVENESS

COST-EFFECTIVENESS OF LONG-TERM CARE COMMUNITY SERVICES

Recommendation

To assist it in making improvements to long-term care community services, the Ministry should develop a system to measure and report:

- *the costs of long-term care community services provided to individuals; and*
- *the relevant performance indicators for Community Care Access Centres.*

Current Status

The Ministry informed us that:

- It remains committed to implementing a new information system for all Community Care Access Centres (CCACs). An Integrated Management System will be implemented over the next two or three years. This new system will provide information about services provided to each CCAC client. This information will be a fundamental component for analyzing costs and developing benchmarks.
- Case management standards are being developed for community programs. The Ontario Case Managers Association and the Ontario Community Support Association received a grant to develop the standards. Their report is due this summer.
- Through their Best Practices Project, the Ministry and CCACs are laying the foundation for further research in the areas of service standards and performance measures.

INSPECTIONS OF LONG-TERM CARE COMMUNITY SERVICE AGENCIES

Recommendation

To ensure that long-term care community service agencies are complying with provincial standards and providing quality services efficiently and effectively, the Ministry should:

- *develop appropriate inspection procedures and conduct periodic inspections of agencies; and*
- *investigate options to assess whether service agencies have successfully implemented quality management systems.*

Current Status

A tool for operational reviews of CCACs has been developed. The Ministry is also conducting a CCAC Program Review to determine the extent to which CCACs are meeting their mandate to ensure simplified access to long-term care community based services. The Review will focus on CCAC management and service delivery, as well as on the Ministry's program administration. The final report, which is expected in November 2000, will influence further refinements of the CCAC operational review tool.

4.00

COMPLAINT MONITORING

Recommendation

To ensure that action is taken to improve service, the Ministry should:

- *require Community Care Access Centres and other long-term care community service agencies to periodically submit statistical information on the number and types of complaints they have received and their resolutions; and*
- *develop a formal process to record the receipt and resolution of complaints.*

Current Status

In the summer of 1999, the complaints provisions of the *Long-Term Care Act* were implemented for CCACs. These provisions require CCACs to develop a process for reviewing complaints. Other long-term care community agencies will also be required to comply with these provisions.

The Ministry also indicated that:

- The tool developed for operational reviews of CCACs includes a section about complaints and appeals, including how CCACs monitor complaints to ensure that emerging issues are addressed.
- One component of the CCAC Program Review is directed at service delivery. Key questions will address the monitoring and evaluation mechanisms in place at CCACs to assess the processes and outcomes of delivery and the use of these mechanisms in resolving quality of care issues.

MANAGEMENT INFORMATION SYSTEMS

Recommendation

To help ensure the efficient and effective delivery of long-term care community services and to provide information to properly plan and manage service delivery, the Ministry should develop:

- *a plan with specific timeframes for implementing the Community Care Access Centre Information System Network; and*
- *procedures to verify that submitted data are complete and accurate.*

Current Status

In 1999, the CCAC Integrated Management System Council, with representation from CCACs and the Ministry, was put in place. The Council agreed to a common base technology infrastructure to be implemented in all CCACs. The Council will determine the appropriate course of action once business requirements for the new system have been defined and approved by both the Ministry and CCACs. It is anticipated that a modular system will be implemented in stages. Accomplishments to date include:

- The Base Technology Infrastructure, Phase I, is underway.
- Planning and scheduling for Phase II of the Base Technology Infrastructure are complete. Implementation is underway.

4.00

-
- The Business Process Analysis report is being finalized.
 - The Business Area Analysis—Business Requirements Sub-Project has been initiated. Recruitment of staff is underway.
 - The Common Assessment Tool Sub-Project has been initiated and related research is underway.
 - The Information and Referral Sub-Project has been initiated. Recruitment of staff is underway.

COMPLIANCE

SERVICE AGREEMENTS AND FINANCIAL REPORTING

Recommendation

To help ensure that service plans and budgets are equitable and appropriate for each long-term care community service agency, the Ministry should:

- *set timeframes for signing agreements and reviewing and approving budgets; and*
- *develop benchmarks for unit costs for each type of service.*

Current Status

The Ministry informed us that:

- Amendments to the service agreement (comprising a legal contract, a budget and a service plan) were drafted based on negotiations with CCACs. The legal contract has yet to be finalized by the Ministry. The Ministry anticipates that the final report of the CCAC Program Review will influence further adjustments to the legal contract.
- The Best Practices Project, a joint initiative of the Ministry and CCACs, has several components that will provide a foundation for the identification of best practices (for example, partnerships with the research community, updating of the care pathway inventory, identification and communication of clinical benchmarks).

VERIFICATION OF SERVICES

Recommendation

The Ministry should establish procedures to verify on a test basis that long-term care community services were received and properly authorized.

Current Status

The Ministry advised us that:

- In its template for operational reviews, the Ministry has included a review of CCACs' policies and procedures on monitoring and verifying authorized services.
- One component of the CCAC Program Review, which is underway, is directed at CCAC management. Key questions address the effectiveness of financial management practices and their consistency with the requirements of the *Long-Term Care Act*, the service agreement and ministry policies.

ELIGIBILITY

Recommendation

To better ensure that only eligible individuals receive long-term care community services, the Ministry should implement procedures to verify that service recipients have valid Ontario Health Insurance Plan numbers.

Current Status

The Ministry is currently assessing two options—on-line and dial-in verification—to verify Health Card number validity. The Ministry is also planning to give CCACs access to an interactive voice response system and look-up service hotline. Implementation is anticipated in the 2000/01 fiscal year.

ECONOMY AND EFFICIENCY

FUNDING FORMULA

Recommendation

To better ensure equitable funding and access to long-term care community services, the Ministry should:

- *establish a plan to eliminate inequities in funding and differences in service levels among districts;*
- *ensure that its funding formula takes into account service needs, ongoing demographic changes and changes in the health care system; and*
- *review the appropriateness of funding allocations between Community Care Access Centres and community support service agencies.*

Current Status

In April 1999, following a review of the Equity Funding Formula with key stakeholders, the Ministry made two adjustments to the existing formula. In June 2000, the Ministry convened the Long-Term Care Community Equity Funding Review Committee. Its objectives are to:

- continue the review of the equity funding formula initiated in 1998/99 by the Ministry;
- re-examine the long-term care community services equity funding formula and determine what additional adjustment factors and/or improvements should be considered in the equity funding formula; and
- review existing guidelines for allocating funds to programs within an area and recommend changes/improvements to the distribution of allocated government funds between services of Community Care Access Centres and those of other long-term care community service agencies.

ACQUISITION OF SERVICES BY COMMUNITY CARE ACCESS CENTRES

Recommendation

To help ensure that the request-for-proposal process used by Community Care Access Centres is meeting its objectives, the Ministry should:

- *develop and implement standardized methods that Community Care Access Centres can use to assess whether the quality of service requirements in their requests for proposals are being met;*
- *evaluate its implementation; and*
- *consider how often requests for proposals should be issued.*

Current Status

A committee involving CCACs, service providers and provincial stakeholder associations continues to meet to support the effective implementation of the request-for-proposal (RFP) policy. The committee has developed best practices, such as site visits as an evaluative tool, specialty RFP models (for example, pediatric, palliative) and the managing of volume distribution.

QUALIFICATIONS OF PERSONAL SUPPORT WORKERS

Recommendation

To better ensure that long-term care community service recipients are receiving quality services from properly trained and qualified workers, the Ministry should develop a formal plan along with specific timeframes for fully implementing the standards of the Personal Support Worker Training Program.

Current Status

Increased funding was allocated to service providers starting in April 1999 to upgrade workers to the new Personal Support Worker qualifications. A survey of service providers was conducted to determine the number of people trained. The Ministry has also made recommendations to modify the Personal Support Worker Training Program such that it would fund more basic training while still supporting the full certification program.

SCREENING OF PERSONAL SUPPORT WORKERS

Recommendation

To assist in safeguarding the interests and well-being of long-term care community service recipients, the Ministry should ensure long-term care service agencies appropriately screen workers providing care.

Current Status

A working group comprising consumers, community agencies and ministry staff has developed recommended practices for the screening of personal support workers at the time of hiring and the ongoing screening of these workers. In the fall of 2000, provincial liaison meetings with the Ontario Community Support Association and the Ontario Association of Community Care Access Centres will include discussions on the implementation of the recommended practices.

Ministry of Health:

Ontario Health Insurance Plan — 3.06

BACKGROUND

The Ontario Health Insurance Plan (OHIP), which was established under the *Health Insurance Act*, pays at specified rates for insured services provided to residents of Ontario by physicians and other health care providers, commercial laboratories, and diagnostic and therapeutic facilities. OHIP also pays for medical and hospital treatment provided to Ontario residents in other provinces and outside of Canada.

Our 1998 audit assessed whether system controls and related procedures were adequate to ensure the proper approval, processing and payment of health care provider and commercial laboratory claims, and whether the Ministry had adequate policies and procedures in place to:

- ensure that OHIP was managed with due regard for economy and efficiency and in accordance with applicable legislation; and
- measure and report on the effectiveness of the OHIP system.

CURRENT STATUS OF RECOMMENDATIONS

Recommendations relating to the following areas of our 1998 report have been substantially implemented:

- Claims Processing—Once-in-a-Lifetime Operations;
- Out-of-Country Claims—Prior Approval, and Claims Verification; and
- Investigation Unit.

The current status of the remaining recommendations is as follows:

REGISTERED PERSONS DATABASE

Recommendation

To better ensure that services are provided only to eligible individuals, the Ministry should complete the verification of persons registered prior to 1995.

Current Status

According to the Ministry, as of January 2000, there were approximately 12 million OHIP cards in circulation, including 3.7 million new cards issued under the more stringent rules implemented in 1994 and 1995. This includes about 270,000 residents re-registered under Primary Care Reform. This leaves approximately 8.3 million cards issued prior to 1995 for which eligibility is still to be verified.

The Ministry advised us that as the remaining Primary Care Network sites confirm their agreements, their enrollees will also be asked to reconfirm their eligibility for health coverage. Province-wide re-registration remains timed to align with government corporate initiatives such

as the introduction of a government “smart card” and the development of an appropriate registration service delivery network. The timeframes are still to be determined.

CLAIMS PROCESSING

MANUAL CLAIMS CORRECTIONS

Recommendation

To help obtain assurance that appropriate and consistent corrective action is taken on rejected claims:

- *information on individual rejected claims that have been approved by the claims assessors should be maintained for ready access by management;*
- *management should regularly review the use of bypass codes;*
- *any changes made in the On-line Claims Correction System (OCCS) to original claims data submitted by health care providers should be traceable; and*
- *the identity of the claims assessors responsible for any changes made in the OCCS should be determinable.*

Current Status

The Ministry now produces a report showing individual rejected claims and is planning to amend the report to include the identification of the claims assessor handling each claim.

Staff training to help ensure assessment codes are used properly and consistently was completed in April 1999. Regarding managerial review of the use of bypass codes, the Ministry stated it produces a monthly report, which is available on-line to service managers. However, the Ministry advised us that, since the report is detailed and lengthy, it is a laborious and time-consuming task which is carried out periodically by management. The program management has asked that the creation of a more user-friendly report, which would streamline the review process, be identified as a systems development priority. The amended report will be required to be reviewed monthly.

The Ministry stated that further analysis and systems changes are required to allow the tracing of changes to provider-submitted claims and that, since the Year 2000 system freeze has been lifted, these requirements will be addressed in its current claims project.

Systems enhancements that permit the identification of the claims assessor who makes a change to original claims data or approves a rejected claim are scheduled for implementation in the year 2000.

OUT-OF-COUNTRY CLAIMS

STALE-DATED CLAIMS

Recommendation

The Ministry should implement system controls and procedures to help ensure that claims are not paid unless they meet the Health Insurance Act’s requirement that service providers submit claims within six months of the date of service.

4.00

Current Status

The Ministry wishes to reduce the timeframe for claims submission to within four months from the date of service rather than six months. Upon senior management approval, which is expected shortly, a revised list of extenuating circumstances and relevant procedures for stale-dated claims will be forwarded to processing offices.

For out-of-country claims, the Ministry has changed its policy to allow claims submitted within 12 months of the service delivery.

Ministry staff indicated that legislation would be prepared to enact these changes.

MONITORING AND CONTROL UNIT

PHYSICIANS MONITORING SYSTEM

Recommendation

To better highlight questionable billing practices, the Ministry should ensure that screening tools are developed to replace the Physicians Monitoring System.

Current Status

Work is now underway to develop and implement claims analysis tools, such as a data-mining tool to screen, monitor and analyze provider OHIP claims. Implementation is expected within the next two years. As an interim solution, the Ministry has been using a temporary monitoring application developed by Queen's University.

VERIFICATION LETTERS SYSTEM

Recommendation

The Ministry should review the effectiveness of the Verification Letters System to ensure that it meets the objective of detecting abuse and deterring fraudulent claims. In order to enhance the possibility of obtaining better information for analysis purposes, the Ministry should also consider including in the verification letters a description of the services rendered in non-medical terms.

Current Status

The Ministry initiated a number of changes to increase the effectiveness of its Verification Letters System. This included doubling the number of letters sent to patients to verify that services had been provided and installing an automated tracking system to monitor the return of letters and a toll-free number to answer questions from letter recipients.

An overall review of the Verification Letters System and the development of a strategic plan have been initiated. The review was completed in January 2000. An integrated replacement system will be prioritized for development and will include better descriptions and improved flexibility to modify text.

REFERRALS TO THE MRC (MEDICAL REVIEW COMMITTEE)

Recommendation

To deter misuse of the system by health care providers and to expedite the recovery of inappropriate billings, the Ministry should:

- *exercise its full authority under the Health Insurance Act with respect to sanctions and assess the need for further sanctions on those health care providers who are found to be repeatedly abusing the system;*
- *hold orientation sessions and provide reference material to help reduce the incidence of incorrect billings resulting from the misinterpretation of service codes in the Schedule of Benefits;*
- *assess the referral process and work with the Medical Review Committee to improve the timeliness of its reviews;*
- *fill MRC vacancies to decrease the backlog of cases and to expedite the review of new referrals; and*
- *request the MRC to reinstate the practice of publishing its recommendations, thus helping to prevent inappropriate treatments and billings.*

Current Status

We were advised by the Ministry that actions taken since our audit included the following:

- A new regulation under the *Health Insurance Act* introduced financial sanctions where the MRC finds that claims were submitted inappropriately. This regulation included a one-time settlement opportunity for physicians that were before the MRC. It is anticipated that this may reduce the MRC backlog by as many as 100 cases.
- Policy development is under way regarding the publication of MRC information as authorized under the *Health Insurance Act*.
- A Physician Starter Kit was developed to train physicians in the use of the Schedule of Benefits for Physicians. In 1999, the Kit was introduced as a pilot to a selected group of graduating residents in family medicine. In the year 2000, the program will be expanded to all graduating residents and to all newly OHIP-registered physicians coming from out of the province.
- MRC vacancies were filled.
- A joint review of the MRC process by the Ministry and the College of Physicians and Surgeons of Ontario is being incorporated into a one-year project reviewing all monitoring and control processes.

PARAMETERS OF PRACTICE

Recommendation

To improve patient care and help ensure that provincial funding for health care is utilized economically and effectively, the Ministry should facilitate the development of additional parameters of practice in the health care professions.

The Ministry should pursue sharing information with the College of Physicians and Surgeons of Ontario. The use of any information should be clearly defined and within legislated limitations.

Current Status

Quality assurance regulations have been passed for all 21 regulatory colleges. The Health Professions Regulatory Advisory Council is undertaking an assessment of the colleges' quality assurance programs and will advise the Minister in a final report to be issued in the year 2000.

Under the new four-year Ontario Medical Association (OMA)/ministry agreement, effective April 1, 2000, the joint OMA/Ministry Guideline Advisory Committee will continue to develop and recommend appropriate strategies for the implementation and monitoring of practice and referral guidelines and will continue to make recommendations for assisting in the implementation of prescribing guidelines.

Ministry of Municipal Affairs and Housing and Ontario Housing Corporation: Rent Supplement Programs — 3.07

BACKGROUND

In 1997, the provincial and federal governments provided rent subsidies of over \$131 million to permit eligible households to obtain affordable accommodation in the private sector and in certain federally supported non-profit and cooperative housing projects. Rent supplement units in private sector properties were administered by the Ontario Housing Corporation (OHC) and its 54 local housing authorities. Rent supplement units in the federally supported non-profit and cooperative housing projects were administered by the Ministry of Municipal Affairs and Housing.

In 1998 we assessed whether the Ministry and OHC had satisfactory systems and procedures in place to manage rent supplement programs economically, efficiently and in compliance with requirements, including procedures to measure and report on program results.

CURRENT STATUS OF RECOMMENDATIONS

The OHC and the Ministry have made significant progress in addressing our recommendations. Recommendations in the following areas have been substantially implemented:

- Program Accountability and Results Reporting;
- Eligibility and Rent Determination—Programs Administered by Local Housing Authorities;

-
- Negotiations and Agreements with Landlords—Negotiations of Guaranteed Rent and Properties with High Subsidies; and
 - Compliance with Legal and Maintenance Requirements.

For some of the above actions more time was required to achieve the desired improvements. For example, a number of policy and administrative improvements are contained in a new rent supplement administration manual that was released to field staff in July 2000. Also, new rent supplement agreements with landlords that improve the ability of local housing authorities to ensure that guaranteed rents do not exceed market rents are being implemented as the old agreements expire or when additional units are obtained.

Our other recommendations and the status of the actions taken to address them is as follows:

4.00

ELIGIBILITY AND RENT DETERMINATION

PROGRAMS ADMINISTERED BY REGIONAL OFFICES

Recommendation

To better ensure that the non-profit and cooperative housing groups comply with their rent supplement agreements, the Ministry should:

- *ensure that the results of reviews conducted by Canada Mortgage and Housing Corporation and comments reported to such housing groups by external auditors are communicated to regional offices on a timely basis;*
- *develop a risk-based strategy that incorporates the information not currently obtained from external auditors and Canada Mortgage and Housing Corporation to plan and conduct compliance reviews for all rent supplement programs; and*
- *explore options for corrective actions when groups fail to comply with important requirements of their agreements.*

Current Status

Under the new Social Housing Agreement signed with the federal government in November 1999, all non-profit housing groups became the responsibility of the province to both fund and administer. Cooperative housing groups to which rent subsidies were paid by the Ministry are now funded and administered entirely by Canada Mortgage and Housing Corporation. The Ministry has taken recent steps to better coordinate administrative processes with those of Canada Mortgage and Housing Corporation and to facilitate the transfer of responsibilities.

Options for corrective actions when groups fail to comply with important requirements of their agreements will be addressed as part of program reform currently underway and the social housing devolution legislation expected in 2000.

COORDINATION WITH THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Recommendation

To better ensure that households are not being over-subsidized, the Ontario Housing Corporation should establish information-sharing arrangements with the Ministry of Community and Social Services.

Local housing authorities should use the information to determine whether individuals who have been investigated and have had their social assistance terminated or reduced are also ineligible for rent subsidy or paying less rent than required.

Current Status

Progress in addressing this recommendation has been slow as an information-sharing agreement between the Ministry of Community and Social Services and Ministry of Municipal Affairs and Housing was not signed and submitted to the Information and Privacy Commissioner for review until February 2000. On March 29, 2000, the Information and Privacy Commissioner requested the Ministry to clarify certain aspects of the agreement. The Ministry has responded with clarification on the items noted and was awaiting formal confirmation from the Commissioner that the agreement complies with the *Freedom of Information and Protection of Privacy Act*.

Ministry of Natural Resources: Financial Controls Review — 3.08

BACKGROUND

The mandate of the Ministry of Natural Resources is to achieve the sustainable development of the province's natural resources, including the development of the economies and communities that depend on these resources. The Ministry's goals are to ensure the long-term health of ecosystems by conserving soil, aquatic, forest and wildlife resources. It is also responsible for the protection of people and property from the threat of forest fires, floods and soil erosion.

To accomplish these goals, the Ministry spent \$521 million during the 1997/98 fiscal year, and collected \$448 million in revenue. Expenditures consisted of \$252 million for staff salaries and benefits and \$269 million for other expenditures, which included primarily the purchase of supplies, services and equipment.

In 1998 we assessed the adequacy of the Ministry's financial controls, systems and procedures for ensuring that expenditures were properly authorized, processed and recorded and that revenues were properly billed, collected and recorded.

We found that the Ministry's financial controls, systems and procedures required significant strengthening to ensure that expenditures were properly authorized, processed and recorded. In addition, financial controls over water power fees required strengthening, but the controls over the billing, collection and recording of other revenues were adequate.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry substantially implemented recommendations relating to the following areas:

- Accountable Advance Account—Account Reconciliations, Segregation of Duties, Cheque Signing Controls, and Employee Advances;
- Payroll Expenditures;
- Other Expenditures—General Expenditure Controls, Procurement Practices, and Travel Expenses and Purchase Cards; and
- Revenue—General Revenue Controls, and Forestry Trust Funds.

The current status of the remaining recommendation is as follows:

4.00

REVENUE

WATER POWER REVENUE

Recommendation

In order to ensure the receipt of all the water power fees it is entitled to, the Ministry should:

- *establish procedures to bill and collect in accordance with legislation and the legal agreements; and*
- *periodically verify, at power company sites, that the information submitted is accurate.*

Current Status

The Ministry has compiled a complete water power site list to ensure that all revenues are billed and collected. In addition, the Ministry is in the process of establishing a financial audit function to verify information submitted by the power companies. It plans to have the procedure in place in the fall of 2000.

Ministry of Natural Resources: Fish and Wildlife Program — 3.09

BACKGROUND

The mandate of the Ministry of Natural Resources is to achieve the sustainable development of the province's natural resources, including the development of the economies and communities that depend on these resources. The goal of the Fish and Wildlife Program is to maintain and, where possible, enhance the social, cultural, economic and environmental benefits derived from the province's fish and wildlife resources. For the 1997/98 fiscal year, total funding for the Fish and Wildlife Program was \$72 million.

Our 1998 audit assessed whether adequate systems, policies and procedures were in place to measure and report on the effectiveness of the Program and to identify areas where corrective actions were required; to ensure compliance with legislation and ministry policies; and to ensure that resources were managed with due regard for economy and efficiency.

We found that the Ministry did not have adequate procedures in place to provide the information necessary for measuring and reporting on the Program's effectiveness in sustaining fish and wildlife resources or to identify areas where corrective actions were required. The Ministry also needed to improve its resource management and enforcement practices to ensure compliance with legislation and ministry policies and to ensure that resources were managed economically and efficiently.

Since our 1998 audit, the *Game and Fish Act* was replaced by the *Fish and Wildlife Conservation Act*, which became effective January 1, 1999.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry has taken some action on all the recommendations we made in 1998 and has substantially implemented recommendations related to the following areas:

- Wildlife Management—Wildlife Harvest Management;
- Fisheries Management—Fish Stocking Methods;
- Compliance with Legislative and Ministry Policies—Enforcement Activity, Compliance Activity and Violation Reporting System, and The Fish Inspection Act; and
- Due Regard for Economy and Efficiency—Administrative Time, and Fish and Wildlife Special Purpose Account.

With respect to our other recommendations, the status of action taken is as follows:

MEASURING AND REPORTING ON EFFECTIVENESS

Recommendation

To ensure that the program is effective in meeting its stated objectives and to identify areas where corrective actions are required, the Ministry should develop sound performance measures that are linked to the overall objectives, perform the necessary assessments and periodically report on the program's achievement in sustaining fish and wildlife resources.

Current Status

The Ministry has identified key results for the program along with the desired outcomes and the associated measures. However, the Ministry is continuing to develop measurements and improve its information gathering to enable it to assess and report quantitatively on the sustainability of fish and wildlife resources and on the social and economic benefits derived from the use of these resources. For moose, deer, bear and fur bearing animals, the Ministry is currently investigating methods for timely reporting of actual harvests compared with sustainable harvest limits for wildlife management units. In the fisheries area, a number of activities have been put in place to enhance the Ministry's ability to provide regular status reports on the sustainability of the resources.

WILDLIFE MANAGEMENT

WILDLIFE MANAGEMENT POLICIES

Recommendation

To ensure that wildlife populations are maintained at sustainable levels, the Ministry should:

- *develop and implement the necessary wildlife management policies;*
- *update the desired population levels or status for each management unit; and*
- *set harvest targets based on reliable and current animal population and status information.*

4.00

Current Status

The Ministry has carried out some work for each of the three big game species (moose, deer and bear) in an attempt to maintain populations at sustainable levels. With respect to moose, the Ministry is conducting aerial population surveys on a more regular basis as part of a provincial plan to enhance the assessment of desired population levels. During the 2000/01 fiscal year, the Ministry will revise provincial population target levels based on a review of current population levels and consultations with the Ministry science and operational staff, the Fish and Wildlife Advisory Board, the Big Game Management Advisory Committee and the Ontario Moose Bear Allocation Advisory Committee.

In 1998, the Ministry began a deer hunt review to identify areas where the deer population can support an increased harvest on a sustainable basis. This review was intended to facilitate the development of a deer management policy. Public consultations will be initiated during the 2000/01 fiscal year to obtain additional input for a provincial deer policy.

The Ministry feels that the current bear management policy is adequate to ensure that populations are maintained at sustainable levels. Improvements are being made to gather current bear population status and harvest information. For example, starting with the 2000 bear hunt, postcard surveys will be included with the resident hunting licence to improve survey coverage. In addition, the Ministry is currently reviewing the provincial bear program, which may identify a need for further development of policies and procedures.

WILDLIFE POPULATION ASSESSMENTS

Recommendation

To properly manage wildlife and help ensure that the sustainability goal is achieved, the Ministry needs to:

- *carry out population assessments more frequently to accurately determine the populations of the various wildlife species;*
- *analyze the survey information and report the results on a more timely basis; and*
- *require district offices to use the results for decision-making purposes and the effective management of area wildlife resources.*

Current Status

The Ministry has substantially implemented the recommendation regarding more frequent assessments of moose and deer populations. For bear, the Ministry has maintained the annual assessment using the provincial bear population index network and has improved harvest monitoring. The Ministry has committed to improving the timing of harvest surveys and analysis.

In an effort to help process population assessments, perform more timely analysis and set harvest quotas, the Ministry continues to develop a Big Game Management Information System. Along with population target workshops for staff, the Ministry's intent is that this system will help generate reliable information to manage big game species on a sustainable basis.

FISHERIES MANAGEMENT

RECREATIONAL FISHERIES MANAGEMENT

Recommendation

In order to make better-informed decisions regarding the management of fish populations, the Ministry should undertake cyclical assessments of a representative sample of provincial lakes.

Current Status

The Ministry has initiated a broad scale review of inventory, monitoring and assessment activities for all programs including recreational fisheries. In addition, the Ministry is in the development stage of designing a monitoring program for provincially significant fish species, such as lake trout and walleye. This program is to include a random selection of a representative sample of provincial lakes that will be monitored to evaluate the health of fish populations.

FISH STOCKING PROGRAM

Recommendation

To help ensure that the fish stocking program is rehabilitating natural populations and encouraging economic spin-offs, the Ministry should perform regular assessments to determine whether the lakes and species currently being stocked meet the objectives for rehabilitation, introduction and put-grow-take stocking.

Also, to help protect the natural fish stocks and to continue to provide a sustainable population, the Ministry should revise its fish stocking policy to reflect current scientific research.

Current Status

The Ministry carries out sampling programs on the Great Lakes to evaluate whether fish rehabilitation objectives are being met. However, assessment of rehabilitation and put-grow-take stocking is not fully implemented on inland lakes. Beginning in the 2001/02 fiscal year, the Ministry plans to initiate efforts to develop provincial standards for the assessment of stocked fish in inland lakes.

In addition, for the fish stocking policy, the Ministry has developed interim guidelines for use at the local level and is currently developing more comprehensive guidelines for fish stocking in Ontario. Guidelines will be based on the best science currently available and will be implemented in the 2001/02 fiscal year.

COMPLIANCE WITH LEGISLATION AND MINISTRY POLICIES HUNTING AND FISHING LICENCE SUSPENSIONS

Recommendation

In order to properly track suspended individuals and to make the suspension system more effective, the Ministry should:

- *enhance the system to help conservation officers on patrol identify suspended individuals;*
- *ensure that conservation officers input all the required information into the Compliance Activity and Violation Reporting System; and*
- *implement procedures to prevent suspended individuals from obtaining a licence.*

Current Status

While the Ministry has enhanced the system, new methods and technologies are being explored to put “live” licence suspension information into the hands of officers on patrol. In addition, the processes and policies for the handling of licences that have been suspended are currently being reviewed and rewritten.

With regard to ensuring that conservation officers input all the required information into the Compliance Activity and Violation Reporting System, the Ministry has linked the timely input of data to employee performance targets and implemented a tracking system to monitor performance and has a draft policy in the approval stages that would require data to be input within a specific timeframe.

To prevent suspended individuals from obtaining a licence, the Ministry is investigating appropriate procedures to allow Ministry Outdoor Card Information System (OCIS) licence issuers to check the suspension status of individuals seeking to purchase a licence. The Ministry remains open to exploring methods that could extend suspension status checks to outside licence issuers while remaining in compliance with the *Freedom of Information and Protection of Privacy Act*.

4.00

Ministry of Natural Resources: Science and Information Resources Division — 3.10

BACKGROUND

The mandate of the Ministry of Natural Resources is to achieve the sustainable development of the province's natural resources, including the development of the economies and communities that depend on these resources. The Science and Information Resources Division of the Ministry provides leadership in the development and application of scientific knowledge, information management and information technology, primarily in the two program areas of fish and wildlife, and forest management. For the 1997/98 fiscal year, the Division employed approximately 500 staff, and its expenditures totaled \$63.5 million.

Our 1998 audit assessed whether program resources were properly managed with due regard for economy and efficiency and whether satisfactory procedures were in place to measure and report on the effectiveness of the Division's activities.

We found that the Science and Information Resources Division did not ensure that certain program resources were adequately managed with due regard for economy and efficiency, and satisfactory procedures were not in place to measure and report on the effectiveness of the Division's activities. Specifically, the Ministry needed to implement standardized scientific research and development life cycle processes. With regard to information resources and technology, we found that the Ministry's administrative procedures required significant improvement to ensure compliance with mandatory government policies and the Ministry's own procedures. As a result, we made a number of recommendations for improvement.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry has taken some action on all of the recommendations we made in 1998 and has fully or substantially implemented recommendations related to the following areas:

- Information Systems Management—Identification of Information Needs, Project Planning and Selection, and Consulting Services; and
- Information Technology Management—Computer Needs Analysis, Lease Agreements, Management Board Secretariat Approval, Management of Information Technology Leases, and Management of Information Technology Assets.

With respect to our other recommendations, the status of action taken is as follows:

SCIENCE DEVELOPMENT ACTIVITIES

SETTING DIRECTION AND SCIENCE PRIORITIES

Recommendation

To ensure that scientific research contributes to the effective management and sustainable development of the province's natural resources, the Ministry should:

- *implement the processes outlined in the October 1996 Strategic Plan for Science and Technology;*
- *develop clear research priorities in consultation with the program areas; and*
- *establish clear relationships with program areas that hold the Science Development and Transfer Branch accountable for the delivery of research results that meet their users' needs.*

Current Status

The Ministry is in the process of implementing a Forest Science Strategy that focuses on matching the needs of the Ministry's Forest Management Program to its forest science and technology activities. The objective is to serve sustainable forest management goals and legislative responsibilities.

Many of the processes outlined in the Branch's 1996 strategy plan are being addressed through the implementation of the Forest Science Strategy, including the establishment of science priorities, management of human and financial resources, quality assurance and reporting. Research priorities will be established in consultation with program areas, and performance measurement tools are to be put in place. This process is being implemented during the 2000/01 fiscal year for the Forest Management Program. Subsequently, the process will be implemented for the Fish and Wildlife Program.

PROJECT SELECTION

Recommendation

To ensure the selection of those science projects that best achieve the Ministry's objective of the sustainable development of the province's natural resources, the Science Development and Transfer Branch should:

- *implement standard project proposal requirements which include program area input, the expected time to complete the project with critical interim milestones, the estimates of the full cost of the project, the anticipated results and the likelihood of success;*
- *develop clear criteria for the selection and approval of projects for funding;*
- *annually evaluate each project to determine if funding should be continued, modified or terminated; and*
- *document the rationale for selecting new proposals and the decisions regarding ongoing projects.*

Current Status

The Ministry is implementing science working groups that are developing strategic priorities. In making decisions, science staff will have to demonstrate how project proposals relate to these strategic priorities. To help evaluate and prioritize projects, the Ministry is implementing a decision process that requires the use of a standard project proposal template. The template will be tied into the annual work planning cycle and include a statement of clear criteria for project selection, as well as documentation for project evaluation and decision making. In addition, the Ministry has developed a system to track in-year and multi-year project milestones and funding commitments.

The new decision process to evaluate projects will be implemented in the 2000/01 fiscal year for forest science projects. In the 2001/02 fiscal year, fish and wildlife projects will also be subject to the new decision process.

RESEARCH MONITORING AND REPORTING

Recommendation

To ensure that all projects are progressing as expected and continue to be relevant to the program needs, the Ministry should:

- *develop standardized monitoring procedures which include the tracking of critical reassessment milestones;*
- *ensure that the annual science project summaries contain sufficient detail to assess progress to date and the likelihood of achieving the expected results; and*
- *implement post-project evaluation procedures to determine if completed science projects benefited the program areas.*

Current Status

The Ministry's implementation of the decision process described under the Project Selection recommendation is intended to address these concerns. These procedures are to include in-year financial tracking of costs, while the annual funding reviews will track and report results of projects over their life cycles. In addition, the Ministry intends to evaluate the impact of completed science projects on the program areas and the Ministry.

RESEARCH FUNDING

Recommendation

To ensure a balance between annual or short-term funding and the requirements of long-term research projects, the Ministry should consider a funding model that includes the full life cycle of projects and addresses fluctuations in funding requirements.

Current Status

The Ministry intends to be tracking funding over the projects' life cycles using its new decision process model, which will select, monitor and evaluate science projects. The model will take into account both in-year and multi-year funding requirements.

INFORMATION SYSTEMS MANAGEMENT

PROJECT MONITORING

Recommendation

To ensure the successful completion of information technology projects on time and on budget, the Ministry should develop a formal monitoring process to track project costs and require status reports that include progress toward the milestones, related deliverables and benefits stated in the project plan.

Current Status

The Ministry has developed new policies, standards, processes and documentation requirements for managing projects. As part of this initiative, the process and standards for monitoring and reporting on projects costs and milestones have been developed. The Ministry intends to start using the formal monitoring process during the 2000/01 fiscal year.

4.00

Ministry of the Solicitor General and Correctional Services: Office of the Fire Marshal — 3.11

BACKGROUND

The primary function of the Office of the Fire Marshal (OFM) is to minimize the loss of life and property from fire by helping municipalities and fire departments improve their fire protection and prevention services. The *Fire Protection and Prevention Act*, which came into force in October 1997, provides the Fire Marshal with the authority to monitor, review and advise municipalities respecting their provision of fire protection services and to make recommendations to municipal councils for improving the efficiency and effectiveness of those services. For the 1997/98 fiscal year, program expenditures were \$23 million, of which 70% was for staffing. The OFM had approximately 220 staff as of March 31, 1998.

On the basis of our audit, we concluded that current effectiveness measures were not sufficiently comprehensive to assess the effectiveness of municipal fire services or OFM programs.

We also concluded that, on an overall basis, the OFM had satisfactory systems and procedures in place to promote compliance with fire safety legislation and efficient and effective municipal fire services. However, improvements were required to deal with violations of the *Ontario Fire Code* and *Hotel Fire Safety Act* that were identified in over 40% of fire safety inspections.

Since June 1998, the program has been administered by the Ministry of the Solicitor General.

CURRENT STATUS OF RECOMMENDATIONS

Although the OFM has taken actions to implement our recommendations, these actions were still in progress. Action taken and planned for by the OFM based on our 1998 recommendations is as follows:

MEASURING AND REPORTING ON PROGRAM EFFECTIVENESS

Recommendation

In order to generate accurate and appropriate information for decision making and to minimize the loss of life and property from fire, the Ministry should improve the measurement and reporting of the effectiveness of the Office of the Fire Marshal's and municipalities' programs and efforts.

In addition, the Ministry should develop effectiveness measures for the oversight of municipal fire services recently mandated to the Fire Marshal by the Fire Protection and Prevention Act.

Current Status

In September 1999, the Ontario Fire Marshal initiated a long-term program called the Shaping Fire Safe Communities Program (SFSCP). The SFSCP replaces previous programs that were in development and consists of two major components:

- A comprehensive survey will be used to determine the extent and scope of the fire protection delivery system in each municipality. Implementation of the survey is expected to begin during the fall of 2000. The information collected will form the basis of a comprehensive database.
- A how-to kit, expected to be released in May 2001, will give municipalities and fire departments the tools they need for making informed choices about fire protection based on local needs and circumstances and for achieving the minimum mandatory requirements under the *Fire Prevention and Protection Act*.

Using information gathered from the SFSCP, the OFM intends to develop benchmarks and performance measures for use by municipalities and fire departments. The OFM will also be developing performance measures for their oversight role.

COMPLIANCE WITH FIRE SAFETY LEGISLATION

PROPERTY OWNER COMPLIANCE WITH FIRE SAFETY LEGISLATION

Recommendation

To improve compliance with fire safety legislation by property owners, the Office of the Fire Marshal should examine, in conjunction with other stakeholders, existing and new options for enforcement of the Ontario Fire Code and for education of property owners regarding their responsibility for fire safety.

4.00

Current Status

To improve the quality of inspections conducted by the OFM, supervisors are now required to conduct random audits of properties to assess inspectors' performances. Any deficiencies noted require the supervisor to institute corrective measures. As well, since July 1998, ticketing has been in place under the *Provincial Offences Act* for smoke alarm violations. In addition, in June 2000, the OFM issued guidelines to the municipal fire services that focus on the mandatory provisions of the Act, including requirements for inspection and enforcement.

The OFM has developed a number of educational and training packages for facility owners, prosecutors and the municipal fire services that are aimed at raising the level of compliance. In addition, as part of the how-to kit under the SFSCP, the fire service is expected to identify strategies to include community partnerships and sponsorships in fire safety programs.

INFORMATION ON INSPECTION ACTIVITIES

Recommendation

In order to generate accurate and appropriate information for decision making to minimize the loss of life and property from fire, the Office of the Fire Marshal should improve the quality of its information on fire safety inspections. It should then use the information obtained to help ensure that:

- *higher risk properties are maintained at an acceptable fire safety standard;*
- *common fire safety deficiencies are identified to better focus preventive efforts; and*
- *best practices are identified and shared with other municipalities.*

Current Status

For its inspection program the OFM has acquired new software, which will be utilized to identify common violations and compliance rates on first inspections and re-inspections. This will allow the supervisors to develop strategies to improve compliance. The OFM plans to share the identification and correction process for common violations with municipal fire services.

The survey that is being developed as part of the SFSCP will assist in gathering information on risk assessment strategies, inspection targeting and public fire safety education needs. The how-to kit will include features that support the sharing of best practices among fire departments.

INSPECTIONS CONDUCTED BY THE OFM

Recommendation

In order to eliminate inefficiencies and to ensure that responsibilities under the Fire Protection and Prevention Act are clearly delineated, the Office of the Fire Marshal should expedite the transfer of responsibility for its remaining inspection activities to municipalities.

Current Status

As part of the OFM's ministry business planning activities, direction was sought and received to begin the mandatory transfer to municipalities of all hotels it currently inspects commencing fiscal 2000/01. A plan has been developed to complete this transfer within 18 months of

implementation. To ensure that a high standard is maintained for hotel inspections, the OFM has provided training to municipal fire services. The OFM's municipal fire service monitoring process will be used to ensure that hotel inspections are continued after the transfer.

Where a high level of inspection skills and abilities exists within a municipality, other facilities will be transferred, including homes for the aged and nursing homes. The OFM has initiated assessments of municipalities' fire services that have accepted responsibility for inspecting nursing homes. Results so far have been favourable.

MONITORING OF MUNICIPAL FIRE SERVICES

MASTER FIRE PLANS

Recommendation

The Office of the Fire Marshal should more actively encourage and promote the need for municipalities, in conjunction with their fire departments, to periodically prepare master fire plans and should review those plans to help ensure that they provide timely and relevant information for assessing the adequacy of municipal fire services and fire prevention activities. These reviews could also be used to help determine the existence of any serious threats to public safety as well as situations requiring corrective actions.

Current Status

Under the SFSCP, if the risk assessment and evaluation indicates that there are significant gaps in the fire protection delivery system, the Fire Protection Advisors will work closely with the municipality to develop an action master plan to bring the delivery system up to an appropriate level.

Three master fire-planning courses for smaller communities have been delivered, and two other courses to be delivered in the field are already planned for 2000/01. In addition, the OFM issued a guideline on master fire planning on March 31, 2000. The proposed monitoring survey and scanning by staff will identify the number of communities involved in master fire planning.

ANNUAL SURVEY

Recommendation

The Office of the Fire Marshal should remind municipalities and their fire departments of their duty under the Fire Protection and Prevention Act to provide timely information on the fire protection and prevention services in their communities, or, alternatively, the Ministry should consider a regulation to more specifically mandate responses to the Office of the Fire Marshal's annual survey.

Current Status

No further surveys have been conducted since our 1998 audit. The surveys about to be conducted under the SFSCP to gather core data on the fire service and the monitoring project will have more direct involvement by field staff. This will not only increase the response rate but also provide more accurate and complete information. The legislated requirements for municipalities under the Act, including reporting requirements, will form part of the how-to kit.

FIRE DEPARTMENT REPORTING PRACTICES

Recommendation

To facilitate the monitoring of municipal fire services by the Office of the Fire Marshal, municipal councils and fire chiefs, the Fire Marshal should take measures to assist local fire departments to improve their performance measuring, benchmarking capabilities and reporting practices.

Current Status

As part of the SFSCP, benchmarking, performance measures and best practices will be introduced to the fire service. Training at the Ontario Fire College for chief officers also includes a session on performance measures.

The OFM field staff have also been trained on the concepts of performance measurement and benchmarking. Staff are now involved in benchmarking initiatives by the Ministry of Municipal Affairs and Housing and the municipal regional chief administrative officers. In addition, the OFM is conducting research on the performance measurement and reporting practices of other organizations.

4.00

IDENTIFYING FIRE SAFETY CONCERNS

FIRE INVESTIGATIONS

An internal review conducted by the OFM in October 1997 determined that several investigators had significant backlogs of uncompleted investigations. Efforts were underway during our 1998 audit to eliminate the backlog and introduce new reporting procedures to better monitor progress on investigations.

Current Status

New reporting procedures were put in place to better monitor progress on investigations. However, the OFM has not made adequate progress to reduce its backlog of uncompleted investigations. As of August 2000, over 550 investigations were overdue for updating by investigators, and final reports were overdue for over 150 investigations.

As a result of our follow-up, senior management has implemented additional controls and reporting requirements to ensure that the number of uncompleted investigations are reduced over the next few months and then maintained at more appropriate levels.

FIRE LOSS REPORTING

Recommendation

To ensure that fire loss reporting is timely, relevant and efficient, the Office of the Fire Marshal should:

- *work toward having only one comprehensive database for fire loss reporting by fire departments and Office of the Fire Marshal fire investigations;*
- *introduce measures to ensure that fire departments submit fire loss reports in a timely manner, preferably using an electronic reporting format;*

-
- *ensure that fire departments and Office of the Fire Marshal investigators report the extent to which intoxication by alcohol and drugs was a circumstance contributing to fires.*

The Office of the Fire Marshal should also consider whether awareness programs to address intoxication as a fire safety issue are warranted.

Current Status

The necessary hardware and software programs have been purchased to allow for integrating the two current databases. Initially, municipal fire loss data will be converted to the new system. This work is being planned for the 2000/01 fiscal year.

A new program that checks electronic fire loss data received from municipal fire departments has been developed and is currently in use. New methods of filing electronic data, such as via the Web, are also being researched.

The fire service training programs now focus more on reaching and teaching high-risk and hard-to-reach groups in the community, such as those individuals intoxicated by drugs and alcohol. In addition, public service announcements and public educational programs now carry messages regarding drinking and smoking and/or drinking and cooking. The educational messages usually focus on those who live with the drinkers.

Ministry of the Solicitor General and Correctional Services: Ontario Provincial Police — 3.12

BACKGROUND

Under the *Police Services Act*, the Ontario Provincial Police is responsible for policing areas of Ontario that do not have their own police agencies. The OPP is also responsible for patrolling traffic on certain highways, maintaining specialized investigative and enforcement capabilities to assist municipal police agencies, and enforcing liquor and other laws as the Solicitor General may direct in serving provincial interests.

In 1998 we assessed whether the Ministry had adequate procedures and systems in place with regard to the OPP to:

- measure and report on the effectiveness of mandated community-oriented policing and traffic management services in the promotion of public safety; and
- ensure that policing services were delivered with due regard for economy and efficiency.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry has substantially implemented recommendations relating to the following areas:

- Effectiveness Measures—Traffic Management—Effectiveness Assessment, and Traffic Management—Detachment Traffic Management Plans; and
- Human Resources Management—Report Writing—(Exploring New Technologies for Officer Data Entry).

With respect to our other recommendations, the status of the actions taken is as follows:

EFFECTIVENESS MEASURES

COMMUNITY POLICING

Recommendation

In order to be more effective in serving the community through community policing activities, the Ontario Provincial Police should:

- *fully implement the process developed for identifying and prioritizing policing services to meet community service expectations;*
- *identify and disseminate best practices in community policing among detachments; and*
- *measure the effectiveness of community policing activities against established criteria.*

The Ontario Provincial Police should also periodically evaluate the progress of community policing implementation, taking corrective action where necessary to ensure that implemented initiatives are effective in helping communities achieve the objectives of reducing crime and victimization.

Current Status

The OPP has developed a Service Delivery Process and an evaluation tool kit to aid in identifying and establishing effective community policing activities. A manual that provides guidance on how to customize policing has been developed and provided to all detachments for identifying and prioritizing policing services to meet individual community needs and expectations.

Best practices in community policing are now being gathered and shared among detachments through a resource centre library. This will be further enhanced through the internal search capabilities of a newly developed computer application called CPNet, which is expected to be operational in 2001.

Community satisfaction surveys called “Policing For Results” have been conducted in local detachments and responses are being evaluated. The completed evaluation will be used to establish a baseline against which the OPP can measure its improvement efforts in the future.

4.00

HUMAN RESOURCES MANAGEMENT

STAFF DEPLOYMENT

Recommendation

The Ontario Provincial Police should review current staff scheduling practices and revise them as necessary to ensure that officer hours worked are efficiently matched to the service requirements of the communities involved.

Current Status

The OPP is finalizing an agreement with the Ontario Provincial Police Association for the implementation of a shift-scheduling manual. The manual was developed jointly with the union to ensure officer hours are efficiently matched to service requirements.

OVERTIME MANAGEMENT

Recommendation

To promote the appropriate use of overtime, the Ontario Provincial Police should establish better management controls to ensure that overtime hours are:

- *worked only on the basis of clearly identified and justifiable need; and*
- *monitored so that, if necessary, appropriate corrective action can be taken.*

Current Status

According to the OPP, review of overtime claim statements is now the responsibility of each region. The head office monitors overtime expenditure through its budget reviews.

The OPP informed us that it has recently introduced a salary management system that will be able to better project overtime expenditures by tracking payments and accrued liabilities. In addition, it has newly created a Finance Committee to monitor and review overtime usage and to ensure that overtime is managed responsibly.

DIFFERENTIAL RESPONSE UNITS

Recommendation

In order to realize the potential savings from the differential response units (DRU), the Ontario Provincial Police should determine and implement the mechanisms necessary to ensure that the differential response unit program is fully utilized.

Current Status

All the regions within the OPP reviewed their respective DRU programs with staff involved in the differential response units. The differential response units are used by the OPP to identify those calls for service for which dispatching an officer to the scene would not provide any additional benefit and to address those calls over the telephone. The DRU programs enable the regions to provide a more efficient deployment of police officers. However, the review indicated that the OPP was not able to fully utilize the DRU in certain areas due to community resistance.

PROVINCIAL REVENUES FROM MUNICIPAL POLICING SERVICES

Recommendation

To ensure that the costs of providing its services to municipalities are appropriately recovered, the Ontario Provincial Police should:

- *ensure that its system is adjusted to collect more detailed information to identify costs for recovery; and*
- *work with the Ministry to establish adequate systems and procedures to more effectively bill and collect costs associated with municipal policing activities.*

4.00

Current Status

A modified daily activity report form was implemented in January 1999 to enable the OPP to capture and track more detailed information that reflects the actual activities of its officers. In particular, this form reports actual hours spent by officers on individual activities so that the costs involved in delivering municipal or provincial policing activities can be separately identified for costing purposes.

For more timely costing and billing to municipalities, a Web-based electronic version of the form is currently being piloted and implementation is expected in the later part of 2000.