Chapter 1

Summaries of Value-for-Money Audits

3.01 Acute-Care Hospital Patient Safety and Drug Administration

Patient safety refers to reducing the risk of unintentional patient harm through policies and procedures that hospitals design, implement and follow. Patient safety incidents—such as hospital-acquired infections and medication errors—can be caused by poorly designed systems and processes and unsafe human acts in the delivery of hospital care.

In this report, we focused on patient safety in acute-care hospitals, where patients primarily receive active short-term treatment. Under the *Public Hospitals Act, 1990*, hospitals are required to investigate patient safety incidents and to take steps to prevent similar incidents from occurring in the future. However, current laws and practices in Ontario make it difficult for hospitals to address concerns with the safety of care provided by some nurses and doctors.

Hospital data collected by the Canadian Institute for Health Information shows that each year, among the more than 1 million patient discharges from Ontario acute-care hospitals, approximately 67,000 patients were harmed during their hospital stays. Between 2014/15 and 2017/18, nearly six of every 100 patients experienced harm while in hospital.

While the majority of patients in Ontario receive safe care in hospital, and the acute-care hospitals we visited are committed to patient safety, our audit found that more can be done to improve patient safety.

Among our significant findings:

- Current practices in Ontario put confidentiality about nurses' poor performance ahead of patient safety. Non-disclosure arrangements negotiated by unions with hospitals can result in potential new employers not being made aware of nurses' poor past performance.
- Nurses that acute-care hospitals have found lack competence and who have been terminated or banned continue to pose a risk to patient safety. (Agency nurses who are found incompetent may be banned by hospitals). We reviewed a sample of nurses who were terminated or banned for lack of competence in the past seven years from nine hospitals that we visited. After their first termination or banning, 15 of the nurses subsequently worked at another hospital or for another agency. We noted that four of them were either subsequently terminated or banned again for lack of competence.
- Patient safety culture at different hospitals varies significantly, from excellent to poor and failing. We obtained the most recent staff survey results from all 123 acute-care hospitals in Ontario, completed between 2014 and 2019, and found that as many as nine in 10 staff at some hospitals graded their hospital as "very good" or "excellent" with respect to patient safety. However, at other hospitals, as many as one in three staff graded their hospital as "poor" or "failing."

- Patient safety "never-events" have occurred at most of the acute-care hospitals we visited. Health Quality Ontario and the Canadian Patient Safety Institute have identified 15 patient safety "never-events"—preventable incidents that could cause serious patient harm or death. We found that since 2015, 10 out of the 15 never-events have occurred a total of 214 times over the last four years in six of the 13 hospitals that we audited.
- Acute-care hospitals do not always follow best practices for medication administration. From 2012 to 2018, hospitals in Ontario reported to the Canadian Institute for Health Information 154 critical patient safety incidents involving administration of medications. Thirty-nine of these incidents resulted in a patient's death. We found that three of the hospitals we visited did not comply with best practices for the administration of high-risk medications.

3.02 Addictions Treatment Programs

The Ministry of Health (Ministry) is the primary funder and overseer of addictions services in Ontario. In 2018/19, about $212 million was spent by about 200 addictions treatment service providers to treat over 76,700 clients, largely through three main types of programs: non-residential, residential and withdrawal management or detox.

Between 2014/15 and 2018/19, spending on addictions treatment programs grew almost 25% from $170 million to $212 million. Since August 2017, an additional $134 million was spent on the Ministry's Opioid Strategy. Despite this increased spending, we found that wait times for addictions treatment, repeat emergency department visits for substance-use conditions, as well as opioid-related emergency department visits, hospitalizations and deaths continue to increase.

As Ontario has committed to investing $3.8 billion over 10 years (from 2017/18 to 2026/27) for mental health and addictions services, it is important that going forward, funding for addictions services is allocated appropriately to meet the needs of Ontarians.

Our significant observations include:

- Longer wait times for addictions treatment leads to people being hospitalized or dying before receiving treatment. Between 2014/15 and 2018/19, wait times for all addictions treatment programs increased. Service providers informed us that they were aware of their clients dropping off wait lists for treatment programs because they were hospitalized or incarcerated, had attempted suicide or even died while waiting for treatment.
- Insufficient community-based addictions services causes more people to seek treatment from emergency departments. Between 2014/15 and 2018/19, visits to emergency departments for substance-use conditions increased by almost 40% and repeat unscheduled visits to emergency departments within 30 days for substance-use conditions increased almost 50%.
- The Ministry funds addictions treatment service providers without evaluating the effectiveness of their programs. The Ministry only requires that service providers submit information on their spending and service activity, but has not collected any information on their performance to assess their programs' effectiveness.
- The Ministry requires service providers to follow standards that only apply to withdrawal management programs but not to non-residential and residential programs. This results in significant differences among service providers for the same types of programs.
- The impact of emerging issues, including cannabis legalization and vaping, need further monitoring to identify whether additional addictions prevention and treatment services are necessary. In September 2019, three incidents of

vaping-related severe lung disease were under review in Ontario.

Another set of significant findings relates to the Ministry's Opioid Strategy (Strategy), which was launched in August 2017.

- Despite spending about $134 million on the Strategy, between 2016 and 2018, opioid-related deaths rose 70%, opioid-related emergency department visits more than doubled and opioid-related hospitalizations grew over 10%.
- Most of the Strategy's funding for treating opioid addictions is not allocated to the regions with the highest need. Of the over $58 million the Ministry allocated to Local Health Integration Networks (LHINs) for opioid addictions treatment, only one-third was allocated based on factors that reflect regional needs such as population size, opioid-related deaths, emergency department visits and hospitalizations. The remainder was equally distributed among the LHINs.
- Ontario does not provide all health-care providers who can prescribe opioids with access to a provincial system containing the history of opioid prescriptions dispensed to patients. Therefore, prescribers may have to rely on information self-disclosed by their patients. This can lead to inappropriate or excessive opioid prescriptions because prescribers are unable to verify whether their patients have already received opioids prescribed and dispensed by others.
- Information on unusual or suspicious instances where opioids were dispensed—such as high dosages or when the licence of the prescribing physician or dentist is inactive—is not proactively shared with regulatory colleges on a regular basis for investigation.
- The Ministry has neither determined whether the number or capacity of Consumption Treatment Services sites align with regional needs nor ensured each site operates consistently.

3.03 Chronic Kidney Disease Management

The prevalence of chronic kidney disease is on the rise in Ontario, leading to a higher need for dialysis treatment and a greater demand for kidney transplants. Over the last decade, the number of Ontarians with end-stage renal (kidney) disease has grown over 37% from about 14,800 people to about 20,300 people.

The Ontario Renal Network (Renal Network), a division of Cancer Care Ontario (CCO), is responsible for advising the Ministry of Health (Ministry) on chronic kidney disease management, determining funding to each of the 27 Regional Renal Programs in Ontario, and leading the organization of chronic kidney disease services (excluding transplants, which fall under the responsibility of the Ministry, Trillium Gift of Life Network (Trillium Network) and six adult kidney transplant centres).

In 2018/19, the Renal Network's expenditures on chronic kidney disease services was approximately $662 million, and the Ministry provided approximately $20 million to transplant centres for funding about 700 kidney transplants.

The Ontario government plans to integrate multiple provincial agencies, including the Renal Network within CCO and the Trillium Network, into a single agency called Ontario Health, so it is important that going forward, renal services are better co-ordinated to meet the needs of Ontarians.

The following are some of our significant findings.

- In 2017/18, over 40% (or about 8,700) of patients in Ontario who met the Renal Network's referral criteria were not referred by their primary-care providers to a nephrologist (a physician specializing in kidney care) even though these patients' lab test results indicated that they would benefit from a nephrology visit.
- Before starting dialysis, patients should receive at least 12 months of multidisciplinary care in Multi-Care Kidney Clinics, which

help patients manage chronic kidney disease and educate patients on the treatment options available. However, of the approximately 3,350 patients who started dialysis in 2018/19, about 25% received less than 12 months of care in a clinic while 33% did not receive any clinic care prior to starting dialysis.

- Capacity for in-centre dialysis in a hospital or clinic does not align with regional needs. Twenty-seven Regional Renal Programs have a total of 94 in-centre dialysis locations across Ontario with a capacity to serve about 10,200 patients. While the occupancy rate of all locations is about 80% on average, it ranges from 26% to 128% depending on location.
- Promoting the use of home dialysis has been part of the Renal Network's strategic direction since 2012, but the home dialysis usage rate still has not met the Renal Network's target. The rate varies significantly (16% to 41%) among the 27 Regional Renal Programs, and only six met the current target of 28%.
- Wait list and wait times for deceased-donor kidney transplants remain long. In each of the last five years, approximately 1,200 patients on average were waiting for a deceased-donor kidney transplant and the average wait time was approximately four years. Patients have to undergo dialysis as well as continuous testing and evaluation to stay on the wait list, creating mental and physical burdens on patients and resulting in significant costs to the health-care system.
- Apart from the 27 Regional Renal Programs funded and overseen by the Renal Network, the Ministry also funds and oversees seven Independent Health Facilities that provide dialysis. With no complete oversight of and information on dialysis across the province, it is difficult for the Renal Network to effectively plan and measure renal care in Ontario.
- While the Trillium Network and the Renal Network established a data-sharing agreement in September 2017 to capture patients' complete transplant journeys, inaccurate and incomplete transplant data have caused difficulty in measuring and reporting transplant activities.
- The Renal Network has not reviewed its funding amounts for most chronic kidney disease services since implementing them between 2012/13 and 2014/15, even though they were meant to be a starting point. Through our review of expenditures of the five Regional Renal Programs we visited, we found possible surpluses of $37 million over the last five years.
- Base funding for kidney transplants is unchanged since 1988 and does not align with the actual cost. The current funding rate per kidney transplant is approximately $25,000. However, the average cost reported for a deceased-donor kidney transplant, including pre-transplant and pre-operative care provided by transplant centres, was $40,000, ranging from about $32,000 at one centre to $57,000 at another.

3.04 Commercial Vehicle Safety and Enforcement

The Ministry of Transportation (Ministry) has estimated that Ontario's truck traffic increased 10% from 2009 to 2018. Truck traffic is daily truck volumes on Ontario roads, including trucks not registered in Ontario. Collisions involving commercial vehicles have a higher risk of injury and death due to the size of the vehicles involved.

Although Ontario compares favourably to Canada as a whole and the United States for overall road safety, Ontario had a higher fatality and injury rate then Canada as a whole and the United States in the majority of years between 2008 and 2017 when evaluating only commercial vehicles.

According to the Ministry, the direct social cost of large truck collisions in Ontario from 2011 to 2015 (the most recent data available) was $2 billion. This

includes costs related to property damage, health care, police, courts, fire and ambulance services, tow trucks and traffic delays.

From 2014/15 to 2018/19, the Ministry spent over $200 million on commercial vehicle enforcement.

Some of our significant findings include the following:

- The number of roadside inspections of commercial vehicles the Ministry conducted decreased from over 113,000 in 2014 to fewer than 89,000 in 2018. If the Ministry had continued to conduct as many inspections between 2015 and 2018 as it did in 2014, it could have removed as many as 10,000 additional unsafe commercial vehicles or drivers from Ontario's roads.
- Although the Ministry introduced a framework in 2015 to increase the consistency of the decisions its enforcement officers make, we found significant differences across the province in the rate at which officers lay charges and remove unsafe vehicles from the road. For example, in 2018, one district laid charges in over 30% of roadside inspections, while another laid charges in fewer than 8% despite finding violations in over 40% of inspections.
- The majority of carriers (operators of commercial vehicles) have not had a vehicle inspection in the past two years, including carriers with poor collision histories. The Ministry had not inspected any of the commercial vehicles of 56% of Ontario's 60,000 carriers in the last two years. This included many carriers at the highest risk of future collision.
- Most roadside inspections are performed on provincial highways, allowing "local haulers" to avoid inspection. Over 90% of roadside inspections are conducted by Ministry enforcement officers, usually at truck inspection stations on provincial highways. This indicates that drivers and carriers could purposely avoid roadside inspection by driving on municipal roads.
- All drivers must complete Mandatory Entry-Level Training before they can apply for a Class A licence, required to drive a tractor-trailer, but the Ministry has not extended this requirement to other licence classes. We found that drivers of large trucks that do not require a Class A licence—for example, a dump truck—were involved in more collisions and injuries per registered truck than drivers of tractor-trailers.
- The Ministry approves colleges, government organizations, safety organizations and private businesses, including carriers, to train and test drivers for commercial drivers' licences under the Driver Certification Program. We analyzed carriers that test their own drivers and found that drivers who took their road test with carriers between 2014/15 and 2018/19 had a pass rate of 95% compared with just 69% at DriveTest centres. We found that 25% of the 106 carriers testing their own drivers under the program ranked among the worst 1% of all carriers for at-fault collision performance.
- In Ontario, commercial vehicle drivers are not subject to mandatory drug and alcohol testing either before or during their employment. In addition, Ontario drivers who hold a prescription for medical marijuana may operate a commercial vehicle with marijuana present in their system as long as they are not legally impaired, unlike those who use it recreationally.
- Many Motor Vehicle Inspection Station garages are ordering excessive quantities of inspection certificates without investigation by the Ministry. Excessive ordering creates the risk that garages could be distributing or selling inspection certificates they order but do not need, or are issuing certificates without actually inspecting vehicles.

3.05 Food and Nutrition in Long-Term-Care Homes

More than 77,000 adults live in Ontario's 626 long-term-care homes. The Ministry of Long-Term Care (Ministry) funds the homes to provide residents with 24-hour nursing care and help with daily living activities in a protective and supportive environment.

At the time of our audit, the average age of residents in Ontario's long-term-care homes was 83. However, compared with 2009, the current cohort of residents are more cognitively impaired and require more assistance with daily living, including eating and drinking. It was estimated that in 2016, there were 228,000 long-term-care home residents living with dementia. This number was expected to grow to over 430,000 by 2038. Providing food and nutrition services to residents will become more challenging for long-term-care homes with the expected increase in the prevalence of dementia.

The Ministry inspects long-term-care homes on aspects related to food, such as dining room observation, menu planning and evaluating nutritional and hydration risks to residents. As well, Ontario's 35 public health units, which are co-funded by the Ministry of Health and municipalities, inspect the homes for food-safety concerns such as food temperature control, food-area sanitation, pest control and food-preparation practices.

Our audit found that the long-term-care homes were not consistently providing residents with sufficient and high-quality food and nutrition care.

Our more significant audit findings include:

- Residents typically wait an average of 43 minutes to receive breakfast, compared to 29 minutes during lunch and 24 minutes during dinner, because personal support workers have other responsibilities in the morning to help residents get ready for the day. As well, over a two-week period in February 2019, one in eight, or 13% of meals served at the long-term-care homes we visited did not have a full complement of staff reporting to work on those days.
- Long-term-care staff do not consistently follow the residents' plans of care, increasing the risk that residents may be eating the wrong food. Plans of care define the level of care residents require for various aspects of their living activities, including eating. Between January 2017 and May 2019, the Ministry noted 56 homes that failed to follow a resident's plan of care, with 29% of these homes having repeated non-compliance issues in the same area.
- Menus do not have the nutrients for residents, recommended by the Dietary Reference Intakes. While we found that homes' menus had sufficient protein, they contained too much sugar, ranging from 40% to 93% over recommended amounts; too much sodium, ranging from 32% to 59% over; and not enough fibre, ranging from 19% to 34% under recommended amounts.
- In three of the five long-term-care homes we visited, some food used to make meals was past its best-before date. Two of these homes served that food to residents; one of the food items was three months beyond the best-before date. Food past its best-before date may still be safe, but can lose some of its freshness, flavour and nutritional value, and undergo a change in texture.
- Only 19% of residents were observed to have washed their hands to prevent and control infections. We also observed that 76% of staff practised proper hand hygiene directly before or after the meal. According to the Ministry of Health, long-term-care homes could prevent 20% of infections through adherence to an infection prevention and control program that includes proper hand hygiene.
- The Ministry does not require long-term-care homes to report on performance indicators related to food and nutrition. Such indicators could include the percentage of residents at high nutritional risk, ratio of staff to residents who need help eating and satisfaction of residents, and families with respect to food and dining.

3.06 Food Safety Inspection Programs

Foodborne illnesses in Ontario account for 41,000 visits to hospital emergency rooms and 137,000 visits to physicians' offices each year. Contaminated food kills about 70 people in the province annually and sends another 6,600 to hospital.

Contamination of food can happen at any point in the food-supply chain, from the farm to transport to preparation and packaging.

In Ontario, prevention of foodborne illness is the responsibility of all three levels of government, which license and inspect food producers and food premises as follows:

- Meat, produce, fish and dairy produced, processed and consumed only in Ontario are generally the responsibility of the Ontario Ministry of Agriculture, Food and Rural Affairs (Ministry of Agriculture).
- Food premises are inspected by 35 Public Health Units in municipalities across Ontario funded by the Ontario Ministry of Health, and by the municipalities in which they are based.
- Food imported into Ontario from other provinces or countries, or produced in Ontario for export outside the province, is inspected by the federal Canadian Food Inspection Agency (CFIA).

Forty-five percent of agriculture food products sold in Ontario are produced or processed within the province; the remaining is imported from other provinces and countries, which means it is licensed and inspected by the federal CFIA.

The Ministry of Agriculture spent about $39.5 million in the 2018/19 fiscal year on food-safety licensing, inspections and other related services, while the Ministry of Health and municipalities spent about $63.1 million the same year to fund Public Health Units. Total average annual spending by the two ministries and municipalities over the last five years on food safety was about $105.7 million.

Some of our most significant findings include the following:

- Ninety-eight percent of slaughterhouse meat tested negative for harmful drug residue, but in the 2% of cases of positive drug-residue test results, there was no follow-up with the farmers who raised the animals to prevent repeat occurrences.
- The *Cosmetic Pesticides Ban Act* lists 131 pesticides that cannot be used for cosmetic groundskeeping, in parks and yards for example, because of potential health and environmental concerns. However, their use is allowed in agriculture for operational and economic reasons. Between 2014 and 2018, the Ministry of Agriculture tested about 1,200 Ontario-grown produce samples and found residues of 14 banned pesticides that exceeded Health Canada limits a total of 76 times.
- Fish processors who sell only in Ontario do not require a licence to operate. The Ministry of Agriculture, therefore, may not be able to close them because there is no licence to revoke if inspectors identify serious food-safety deficiencies.
- Businesses operating solely within Ontario can market their products as "organic" even if they are not certified to the Canadian Organic Standards. In comparison, Quebec, Manitoba, Alberta, British Columbia, New Brunswick and Nova Scotia all have laws requiring that organic food be certified to the Canadian Organic Standards, even when it is sold only within their borders. We also noted that routine sample testing of produce for pesticides residue is not required for the CFIA organic certification process.
- The degree of public disclosure of inspection results for food premises, along with the inspection grading systems used by the 35 Public Health Units, varied across the province and led to inconsistent information provided to the public across Ontario.

- Based on our review of inspection reports from 2016 to 2018 at five Public Health Units, we found that for those foodborne-illness complaints that required food premises inspections, Public Health Units consistently did not inspect 20% of food premises within two days of receiving the complaint. The Public Health Units we visited informed us that a two-day timeline is considered a best practice.
- While not all special events require inspections, we found that only about 12% of all special events in 2018 within the jurisdictions of the five Public Health Units we visited were inspected. According to the US Centers for Disease Control and Prevention, special events can be high risk because the usual safety features of a kitchen may not be available at outdoor events.

3.07 Health and Safety in the Workplace

The Occupational Health and Safety Program is responsible for administering the *Occupational Health and Safety Act* (Act) in Ontario. The Program, which is part of the Ministry of Labour, Training and Skills Development (Ministry), spent about $200 million in 2018/19 for prevention and enforcement activities. Almost half of this funding goes to six external health and safety associations to consult with and train businesses and workers on how to maintain a safe workplace. The Ministry recovers its costs to administer the Act from the Workplace Safety and Insurance Board (WSIB), which derives its revenue primarily from premiums paid by employers to insure their workers.

In 2018, 85 people in Ontario died at work and an additional 62,000 were absent from work because of a work-related injury. In addition, another 143 people died from an occupational disease. Between 2014 and 2018, the number of employers, supervisors or workers prosecuted and convicted for violating the Act totalled 1,382, or about 276 annually. Financial penalties imposed totalled $62.1 million.

Compared to other Canadian jurisdictions, Ontario had consistently one of the lowest worker lost-time injury rates over the 10-year period from 2008 to 2017. In fact, it has had the lowest rate of any province since 2009. As well, with regards to fatalities from workplace injuries or occupational diseases, we calculated that Ontario had the second-lowest fatality rate in Canada on average from 2013 to 2017. However, Ontario should not become complacent when it comes to occupational health and safety. Injury rates for workers who lost time from work as a result of a workplace injury began to decrease from 2009, but have increased since 2016. Further, the number of injuries in the industrial and health-care sectors has increased over the last five years by 21% and 29%, respectively.

Some of our significant audit findings include:

- The Ministry's enforcement efforts are not preventing many employers from continuing the same unsafe practices. We reviewed companies inspected at least three times during the past six fiscal years and found that many of these companies have been issued orders for violations and contraventions relating to the same type of hazard in multiple years. For example, in the construction sector, 65% of companies we reviewed had repeatedly been issued orders relating to fall protection hazards.
- The Ministry's information system contains only 28% of all businesses in Ontario, leaving many workplaces uninspected. The Ministry does not maintain an inventory of all businesses that are subject to inspection under the *Occupational Health and Safety Act*. This is because there is no requirement for businesses to register with or notify the Ministry when they start operating or close down. Instead, the inventory is updated only when the Ministry's contact centre receives a complaint or an incident report, or if an inspector

happens to notice a new, unrecorded workplace in their area of inspection.

- The Ministry does not identify workplaces for inspection where workers are more likely to get injured, often leaving companies with the highest injury rates uninspected. Although the Ministry uses WSIB injury data and its own compliance data to identify high-risk or workplace/worker characteristics for developing enforcement strategies, it does not use this data to identify, rank and select specific higher-risk workplaces for inspection.
- The Ministry provides health and safety associations with about $90 million in funding per year, but does not know how effective the associations have been at helping to prevent occupational injury or disease. The Ministry assesses the associations' performance solely on outputs (for example, number of training hours provided) rather than the effectiveness of their prevention efforts (for example, changes in the rates of injuries and fatalities in businesses that received their training services).
- The Ministry does not require health and safety associations to account for or repay surplus funding owed to the government. Under the transfer-payment agreements with the Ministry, the associations are not allowed to retain any portion of unused funding at year's end. In addition to government funding, all five training associations also generate revenue from private sources. None of the associations, however, track what portion of expenses relate to activities funded by the government, and the Ministry does not require them to do so. We estimated the Ministry's share of the associations' total recoverable surplus to be approximately $13.7 million. In January 2019, the Ministry reduced fourth-quarter payments by $2.9 million to the associations and in April 2019, announced a $12-million reduction to their funding. Associations were permitted to use their accumulated surpluses to offset this.

3.08 Office of the Chief Coroner and Ontario Forensic Pathology Service

The Office of the Chief Coroner and Ontario Forensic Pathology Service (Office) operates within the Ministry of the Solicitor General. The Office conducts investigations and inquests to ensure that no death is overlooked, concealed or ignored, and establishes death review committees that have specialized expertise in certain types of deaths to support death investigations. Recommendations made through these processes help improve public safety and prevent death in similar circumstances.

Since 2009, the Office has been led by both a Chief Coroner, responsible for death investigations and the work of coroners and inquests, and a Chief Forensic Pathologist, responsible for the work of forensic pathologists and pathologists who perform autopsies. The Office's total expenditures for both coroner and pathology services in 2018/19 were about $47 million. In 2018, the Office conducted about 17,000 death investigations. In almost half of these cases, an autopsy was performed.

Coroners perform death investigations for types of deaths defined by the Coroners Act (Act)—mostly those that are sudden and unexpected. Coroners in Ontario are physicians, or medical doctors, who usually have a medical practice in addition to their fee-for-service work as coroners. Currently, about 70% of the about 350 licensed physicians who work as coroners have a background in family medicine.

Our significant findings include:

- Coroners perform death investigations with little supervision and many deficiencies have gone undetected. Coroners have performed death investigations on their former patients, billed for more than 24 hours of coroner and physician services in one day, and conducted death investigations while under practice restrictions by the College of Physicians and Surgeons of Ontario (College).
- The Office's policy requires autopsy reports of criminally suspicious cases to be peer-reviewed by a centrally assigned reviewer on

a rotation list. However, some forensic pathologists do not follow this process and instead choose their reviewer.

- The only structured training required for a physician to work as a coroner is a five-day course, with neither a check to ensure course completion nor a competency examination. Refresher training is only required after the initial course if quality issues are identified. However, the Office's quality assurance unit identified significant errors in 18% of 2017 coroner reports. The reports were incorrect, incomplete, or did not meet the standards of the Office—even after the regional supervising coroners had reviewed them.
- The Office does not have a documented policy for suspension or removal of coroner appointments for those under practice restrictions by the College. We found that 16 coroners had performed death investigations while under practice restrictions by the College. One of these coroners was restricted by the College from prescribing narcotics in 2012 but had investigated 19 cases since then where the death was as a result of drug toxicity.
- Bodies that need autopsies are often stored with other bodies in the hospital morgue. In 2019, one hospital-based regional forensic pathology unit conducted an autopsy on the wrong body. Due to limited capacity, regional units have stored bodies in hospital hallways and other rooms.
- Deaths are not always reported to the Office as required by law. In 2018, about 2,000 deaths, including those that resulted from pregnancy, fractures, dislocations or other trauma, were under-reported to the Office and so were not investigated.
- The Office does not require its coroners to provide it with documented reasons when they conclude a death investigation is not needed. While the Office does not track how frequently coroners do not provide reasons, our audit found that in about 56% of the cases we sampled, the coroner did not do so.
- The Death Investigation Oversight Council is not effectively fulfilling its legislative mandate to oversee the Office due to its limited authority. The Council is the primary oversight for the Office's activities, but its recommendations are non-binding. As well, it was not informed of key decisions such as the closure of a hospital-based regional forensic pathology unit.

3.09 Ontario Disability Support Program

The Ontario Disability Support Program (ODSP) is a social assistance program under the Ministry of Children, Community and Social Services (Ministry). The program provides income support for Ontarians with disabilities who are in financial need. An employment-support program is also available to ODSP recipients to help them prepare for, obtain, or maintain a job so that they can live as independently as possible. In 2018/19, the Ministry provided ODSP income support to more than 510,000 individuals comprising recipients and their qualifying family members.

Since our last audit of ODSP in 2009, the cost of the program has increased by approximately 75% from $3.1 billion to approximately $5.4 billion in 2018/19. A significant contributing factor to the program's rising cost is the increase in the number of individuals and families receiving ODSP. Since 2008/09, the average monthly number of ODSP cases—a single individual or a family unit—has increased by 50%. However, despite this significant increase to the caseload and program cost, we found that the Ministry has not investigated or studied the key reasons for caseload growth to identify whether corrective action in its delivery and administration of the program is needed.

Our significant findings include the following:

- Over 40% of ODSP applicants are confirmed to be disabled after a cursory review of their

application, representing a 56% increase from the time of our last audit. The Ministry determined these applicants to be disabled and to qualify for ODSP through its triage process, which is an expedited process intended to be a cursory review of a completed application to determine whether the medical evidence clearly identifies an applicant is disabled.

- The Ministry had no process to assess the appropriateness of disability approval decisions. We found that in almost 20% of the approved applications we reviewed, it was not clear from the application and the adjudicator's rationale how the applicant met the definition of a person with a disability.
- The Ministry rarely sets medical reviews to confirm recipients are still eligible for ODSP. Across all stages of adjudication, the number of approved disability applications that were approved as disabled-for-life increased from 51% at the time of our last audit to 80% in 2018/19. In over 40% of the cases we reviewed, it was not clear how the adjudicator made the decision that no medical review was required.
- The Social Benefits Tribunal continues to overturn about 60% of the Ministry's not-disabled decisions appealed to the Tribunal. The rate of overturned Ministry decisions at the Tribunal varied from as low as 28% for one member to 93% in the case of another member, but there is no internal decision review at the Tribunal for quality or consistency.
- Caseworkers often do not complete mandatory verification checks with third parties such as the Canada Revenue Agency and Equifax Canada Inc. to confirm that applicants are financially eligible for ODSP.
- Ineligible recipients likely remain on ODSP because caseworkers rarely assess recipients' ongoing eligibility, which can lead to overpayments.
- Between April 2015 and March 2019, the Ministry carried out only about 8,300 eligibility verifications instead of the over 508,000 it should have performed according to its directives to identify overpayments and remove ineligible recipients from the program. Based on the level of overpayments identified in the cases it completed in 2017/18 that we sampled, we calculated the Ministry might have identified a further $375 million in overpayments and terminated a further 11,700 cases, leading to annual savings of approximately $165 million.
- Approximately 42,000 fraud allegations have not been investigated on time, and caseworkers are not trained to investigate fraud to ensure only eligible recipients are receiving income support.
- Since the time of our last audit in 2009, the Ministry has overpaid recipients nearly $1.1 billion and written off approximately $400 million in overpayments.
- Employment outcomes for individuals on ODSP are not improving. Fewer than 2% of disabled adults are referred to the Ministry's employment supports, and about 75% of dependent family members who are not disabled are not participating in mandatory Ontario Works employment assistance activities, reducing the likelihood of these individuals obtaining employment and reducing their family's dependence on ODSP.

3.10 Ontario Financing Authority

In 1993, following the 1990 recession, the provincial government created the Ontario Financing Authority (OFA) to manage the province's debt, borrowing and investing. The OFA reports to the Ministry of Finance (Ministry). Its responsibilities also include managing the province's liquid reserves, which represent borrowed funds held as cash and short-term investments. As well, the OFA provides financial advice to the government and manages the operations of the Ontario Electricity Financial Corporation. In addition, public-sector bodies, such

as hospitals, universities and agencies, can do their borrowing through the OFA.

Since 1993/94, the average annual increase in net debt—the difference between the province's total financial liabilities and assets—was $10.3 billion. By 2018/19, net debt had risen to $338 billion from $81 billion in 1993/94.

The OFA was effective in its investing operations and assessing short-term risks. However, the OFA has not sufficiently analyzed long-term debt sustainability—that is, the province's future ability to repay debt. The Ministry, in turn, has not established long-term targets in conjunction with the government to inform debt and expenditure decision-making by using an analysis of debt sustainability that considers the impact of and recovery steps needed to respond to potential economic shocks.

The lack of long-term debt sustainability planning could prolong the effects of a future economic shock.

We found that the OFA incurred significant costs that it did not formally assess to demonstrate that the province obtained value for them. The OFA should assess the potential for future significant savings, in the areas highlighted below:

- As of March 31, 2019, public government bodies had borrowed $7.7 billion outside the OFA, resulting in $258 million in additional interest costs because the public bodies borrowed directly, rather than through the OFA, which can get lower interest rates. The public bodies acquired this debt at a higher cost, primarily because they did not know they could borrow through the OFA, or the OFA would not provide their desired repayment terms.
- The OFA spent $508.9 million on commissions to groups of banks, called syndicates, between 2014/15 and 2018/19 to issue its domestic debt. The OFA has not formally assessed whether to expand its use of debt auctions, which do not carry any significant costs to the province and are commonly used by public borrowers of its size.
- The OFA issued debt in foreign markets over the last five years that cost the province $47.2 million more in interest costs than if the debt had been issued in Canada. We found no evidence that the OFA assessed whether these increased costs were needed for the province to manage the risk associated with issuing debt.
- Excess liquid reserves cost up to $761 million in additional interest payments over the last five years because the province earns less interest on the reserves than it pays on funds borrowed to maintain the reserves. The OFA has never had to use the liquid reserves, which were $32.6 billion on average in fiscal 2018/19, because it always has been able to borrow to meet short-term needs even during the 2008 financial crisis. While maintaining sufficient liquid reserves is important for reducing the province's risk of not meeting its short-term needs, the OFA has not conducted a cost/benefit analysis to determine the optimal amount of liquid reserve to hold so that these needs are met without excess costs.
- Between 2007/08 and 2018/19, the OFA charged the public government bodies that have borrowed through it administrative costs that are also funded by the Ministry of Finance. As of October 2019, a $32.2-million surplus was being held in a bank account and has not been invested to earn interest at a higher rate or used to reduce the province's debt.
- Compliance with the province's implementation of an accounting standard could result in $54 million of additional annual interest costs to avoid financial statement volatility. An anticipated change in a key accounting standard in 2021/22 will result in fluctuations appearing in the annual financial statement debt if the OFA's current approach to managing fluctuations appearing in the annual financial statement currencies and the Canadian dollar is used, but not if a more

expensive approach is used. The OFA told us it was considering using the more expensive approach to better align the debt in the financial statements with the provincial budget.

3.11 Oversight of Time-Limited Discretionary Grants

The province provides about $3.9 billion annually in time-limited grants to third parties to pay for activities that are intended to benefit the public and help achieve public policy objectives. These grants are discretionary, meaning the province is not required to provide funding for these activities to meet statutory obligations. The ministries are responsible for determining the level of funding for their specific grant programs in their annual budgets, based on their objectives and priorities. The Treasury Board Secretariat is responsible for reviewing the final allocation of these grants for each ministry based on government priorities, political direction and the economic climate.

The following are our significant findings:

- The government reports all grant payments together in the Public Accounts and the Estimates of the Province of Ontario, without differentiating between those for time-limited activities (funded through discretionary grants) and those for the delivery of government services (for example, to hospitals for health care or to school boards for education). Without being able to identify which grant payments are for time-limited projects and which are for ongoing programs, Members of Provincial Parliament do not have the necessary information on which to base funding allocation decisions in times of fiscal constraint or changing government priorities.
- Public disclosure of government grants is not always consistent or transparent. For grant recipients that are paid directly by ministries, their names and amounts received are disclosed in the province's public accounts. However, we identified eight organizations that received $402 million in grant funding from the province in 2018/19 and then disbursed those funds to other parties which were not disclosed in the public accounts. While some of these flow-through organizations listed the grant recipients and amounts awarded to them on their own websites, disclosure of grant recipient information was inconsistent and difficult to find.
- Some grant recipients that did not meet evaluation criteria received funding under ministerial discretion. From 2016/17 to 2018/19, all applicants to the Ministry of Heritage, Sport, and Tourism and Culture Industries' (Ministry) Celebrate Ontario grant program that achieved the minimum required score were approved for grant funding. However, the grant program also provided almost $6 million in funding through ministerial discretion to 132 applicants that had not achieved the minimum required evaluation score. The explanation justifying these approvals was that these applications fell under a certain priority category, but there was no other documented justification on file explaining why the Minister chose to fund a certain applicant over another in the same category that had a higher score. The Ministry did not request an exemption from Treasury Board as required by the Transfer Payment Accountability Directive for the grants that were awarded under ministerial discretion.
- Most grant programs do not consider an applicant's need for funding during the selection process. Only two of the 15 grant programs we reviewed considered the need for grant funding as part of the selection process. We noted that the Ontario Scale-Up Vouchers Program, whose objective is to accelerate the growth of start-up technology companies, provided $7.65 million in 2018/19 to businesses that already had a significant amount of resources available to them. Prior to receiving support from the program, 27 recipients combined had raised $491 million in capital.

- Ministries rely mostly on self-reported information to assess whether the recipients used grant funding as intended. In our review of 15 grant programs, we selected a sample of recipients and noted some recipients had claimed ineligible expenditures. For example, under the Ontario 150—Partnerships program, the Ministry provided $75,000 in funding to an organization to promote women's engagement in politics and to host an event at Queen's Park. However, the organization claimed the majority of the expenditures for consulting work performed by its executive director at a rate of $675 per day, even though regular staff salaries were not eligible for funding under this program.
- Ministries do not verify the performance results reported by recipients for reasonableness. One recipient we spoke with informed us that they simply guessed at the number of attendees and the amount spent by visitors at their event. The Ministry had deemed some performance results unreliable but did not follow up with recipients and did not take this into consideration in future grant funding decisions.

3.12 Provincial Support to Sustain the Horse Racing Industry

The province has been supporting the horse racing industry through various initiatives since 1996. Ontario's 15 racetracks currently rely on annual government funding of close to $120 million to subsidize the horse racing industry in the province. In addition, 11 of these racetracks receive about $140 million in annual lease revenues from the Ontario Lottery and Gaming Corporation (OLG) to host slot machines and cover the cost of valet parking and food services. Current government agreements do not require that these annual lease revenues be used to support horse racing operations.

Horse racing as a gaming operation has been in decline in Ontario since the legalization of lotteries in 1969. Over the last 10 years, from 2008/09 to 2018/19, Ontarians' wagering on Ontario races and races outside the province has decreased by 44% and 15% respectively. Wagering by other Canadians on Ontario races has also decreased by 48%.

In 2018/19, gross wagering on horse racing in Ontario totalled $1.6 billion, including bets on Ontario races placed from outside Ontario and bets placed inside the province on races held elsewhere. Of the $1.6 billion total, Ontario racetracks paid out 87.3% to winning bettors and kept 12.7% or $203 million in gross commissions, before taxes and operating costs. However, these wagering commissions have not been sufficient for the industry to cover racetrack operating costs and purses, the prize money paid to horse owners.

Although the horse racing industry receives a significant amount of public funding, it lacks transparency and public accountability. Of the 15 racetracks, only one posts its financial statements on its website. There is no public reporting of gross wagers collected, wagering commissions by racetrack, how the provincial tax reduction on wagering is shared between the various racetracks and horse people, purses paid by racetracks, revenue and expenses related to a racing operation separate from other operations, and key statistics such as the current number of people working in the industry.

Our audit found these significant concerns:

- The goal of the five-year, $500-million Horse Racing Partnership Funding Program that ran from 2014/15 to 2018/19 was to support racetracks in becoming more self-sustaining. However, the industry is not significantly closer to that goal than it was in 2013. In each of the five years, provincial funding consistently covered about 60% of purses paid to winning horse owners. Without government support, including lease revenue from hosting slot machines, all racetracks combined would have an operating shortfall of $170 million.

- With the introduction of the new 19-year funding agreement on April 1, 2019, the objective of government funding changed from transitioning the industry to become self-sustaining, to sustaining the industry for a long period of time. The agreement currently provides about $120 million to the industry annually. Annual provincial funding is expected to drop to $63.4 million by 2026/27, primarily due to a reduction in purse funding to the Woodbine Entertainment Group, since the Woodbine and Mohawk racetracks are expanding gaming operations and are expected to earn additional casino lease revenue.
- The new long-term funding agreement does not include any clauses that would allow the province to terminate the agreement without cause. Furthermore, annual funding under the agreement is not reduced if a racetrack closes. Instead, the money will be redistributed among the remaining racetracks.
- Ontario has more racetracks than comparable jurisdictions, without sufficient wagering income to support them. Ontario currently has 15 racetracks. When compared to racetracks in the United States, Ontario serves fewer people per racetrack than the states of California, Florida, New York, Pennsylvania and Ohio. Ontario has nine more racetracks than Pennsylvania, and six more than Florida, which has a 46% higher population than Ontario.
- The Woodbine Entertainment Group (Woodbine) has a significant role in the latest long-term funding agreement with OLG. Woodbine holds two of 11 seats on the Ontario Racing Board, which is responsible for administering the new funding agreement, setting race days and distributing funding to racetracks. Ontario Racing Management, which supports operations for Ontario Racing's Board, is a wholly owned subsidiary of Woodbine. Also, the agreement includes language that effectively cancels the agreement if Woodbine's role is changed or eliminated.

3.13 Technology Systems (IT) and Cybersecurity at Ontario Lottery and Gaming Corporation

The Ontario Lottery and Gaming Corporation (OLG) is responsible for conducting and managing the following four lines of business: province-wide lottery games (lottery), PlayOLG.ca Internet gaming (iGaming), Charitable gaming centres (cGaming), and 26 casinos (casinos) currently operating in Ontario.

OLG develops and maintains the IT systems for its lottery games. However, IT systems for iGaming, cGaming and casinos are owned by IT vendors and used by OLG in accordance with licensing agreements. OLG oversees the operations of iGaming and cGaming and also oversees the casinos, but organizations under contract to OLG (that is, casino operators) manage the casinos' day-to-day operations.

Although OLG also administers the Ontario government's funding program for horse racing, the IT systems specifically used for the horse-racing industry are operated by private-sector operators.

OLG is regulated by the Alcohol and Gaming Commission of Ontario, which has set the minimum age for gambling at 19, and tests the design of OLG's games for the games' integrity and to ensure that players receive a fair payout.

OLG contributed about 45% of the total $5.47 billion in non-tax revenue generated in 2018/19 by provincial government business enterprises, such as the Liquor Control Board of Ontario, Ontario Power Generation Incorporated, Hydro One Limited and the Ontario Cannabis Retail Corporation.

In the past five years, OLG paid $651 million to 68 IT vendors that provide critical IT services to support its business operations. Any interruption to OLG's lines of business has the potential to reduce the province's revenue and impact OLG's gaming customers' experience.

The following are some of our significant findings:

- OLG needs to strengthen its oversight of IT vendors so that they deliver services and safeguard customer information more effectively and in accordance with the performance expectations in their contracts.
- OLG does not thoroughly review IT vendors' performance upon contract renewal to assess whether the vendor met OLG's performance expectations under its previous contract.
- Although OLG conducts regular vulnerability assessments, OLG has not regularly performed security tests, such as penetration testing for its lottery and iGaming lines of business, to further identify potential vulnerabilities.
- Personal information of OLG customers is encrypted to prevent external access to it; however, seven OLG employees have access to the information in an unencrypted form, which increases the risk of customers' personal information being read for inappropriate purposes. In addition, we found that two casinos do not comply with OLG information security standards and do not encrypt OLG customer data within their IT systems.
- There are opportunities to strengthen cybersecurity practices in the IT systems used in casinos, lottery and iGaming. For example, although OLG contracts with an external IT vendor to assess the technical controls behind the random number generator for its lottery system and evaluate the software formula to confirm that the system is able to generate suitable random numbers, we noted that OLG does not review the software source code for cybersecurity weaknesses using industry best practices.
- OLG has not developed and tested a comprehensive disaster recovery strategy for its entire IT system environment. Although there are disaster recovery strategies developed and tested for IT systems for each individual line of business, we noted that OLG does not have a comprehensive strategy that incorporates all IT systems cohesively, even after it had a significant event occur that should have triggered OLG to prepare one.
- OLG has initiated major IT projects across its various lines of its business. OLG implemented 33 IT projects within budget; however, the remaining 11 were over budget in the last five years ($91 million sampled over a total of $232 million spent), and had delays and cost overruns of over $10 million.