



Bonnie Lysyk
Auditor General of Ontario

Reflections

Robert F. Kennedy once said that “the purpose of life is to contribute in some way to making things better.” Our contribution as the Office of the Auditor General of Ontario to making things better is made through our work and discussions with those we audit, and ultimately through the implementation of the recommendations contained in our reports.

This year’s annual report is a tribute to our staff and those we audit, who worked together during the COVID-19 pandemic to identify improvements and enhancements that can be made to public-sector programs and services that, if implemented, can benefit all Ontarians.

This year’s Annual Report includes 13 value-for-money audits, a study on Business Case Development in the Ontario public sector and a report on our audit of the Public Accounts.

It also contains a volume containing our two-year follow-up work on audits that were issued in 2018 and our continuous follow-up work on the value-for-money audits completed in the five-year period of 2013 to 2017. This volume also includes our follow-up work on the recommendations issued by the Standing Committee on Public Accounts. A reflection on that work introduces the follow-up volume.

COVID-19 Spurs Some Overdue Changes

In many of the audits we have conducted over the years, we have seen that implementation of needed

changes can be very slow even though legislation, policies and plans are in place to drive the change. In fact, during our work on this year’s audits, we saw that the COVID-19 pandemic created the impetus to take long overdue actions in some programs to improve the delivery of services to Ontarians. A couple of examples are:

- During the initial stages of our audit of **Virtual Care: Use of Communication Technologies for Patient Care**, prior to COVID-19, we noted that while the communication technologies necessary to deliver virtual care (such as telephone, video and email) have been around for decades, and the Telemedicine Network has been around for almost 15 years, progress on expanding virtual care in Ontario has been rudimentary and slow. However, the onset of COVID-19 highlighted the importance and value of the use of communication technologies for patient care, and the Ministry of Health took some good first steps, albeit potentially temporary, to expand their availability to Ontarians during the pandemic. More work needs to be done to deliver expanded communication technologies in the future, with a focus on patient needs and with a view to integrating virtual health care with the rest of Ontario’s health-care system.
- In this year’s audit of **Curriculum Development, Implementation and Delivery** and

in this year's follow-up of our 2018 audit of **School Boards—IT Systems and Technology in the Classroom**, we noted that the availability and use of IT in student learning and teacher instruction varied across Ontario. As a result, moving to remote learning was initially difficult when schools were closed, and the Ministry of Education did not set expectations for the frequency or duration of teacher-led, real-time virtual instruction. Encouragingly, as time has passed, we noted that additional steps have been taken to improve on the availability of real-time online instruction. Going forward, more needs to be done to ensure curriculum is effectively delivered online.

COVID-19 Highlights Further Areas of Risk to Address

All too often, known potential risks or issues are not addressed until something totally unexpected happens. At that point, a flurry of discussions, study and activity takes place, some degree of change occurs, and then there is a return to a more static state until the next unexpected event happens. Sometimes, this leaves identified risks not fully addressed. For example, the COVID-19 pandemic has shed a brighter light on the risks in long-term-care homes—risks that have been known and have been pointed out by many people, in many reports, including our prior audit reports, over many years. In this year's audit reports, we provide examples where there are risks that need to be better addressed or mitigated and continually monitored. Three such examples are:

- Ontarians have had a largely reliable and secure supply of blood for many years. However, the impact of COVID-19 has led to a growing concern about the risk of an insufficient supply of blood plasma—the main component required to manufacture immunoglobulins, a blood product that many Ontarians rely on for sometimes life-

saving treatments. During our audit of **Blood Management and Safety**, we found that Canadian Blood Services, as the provider of blood and blood products for all of Canada except Quebec, relies heavily on US suppliers for high-demand blood products such as immunoglobulins. This reliance presents a risk should the supply chain be interrupted, as it was for personal protective equipment this year. Both the Ministry of Health and Canadian Blood Services acknowledged this high-reliance supply risk in 2013, but more needs to be done to mitigate it.

- During our audit of **Indigenous Affairs** in Ontario, we noted that only 17% of households on First Nations reserves have access to the Internet. Lack of access restricts Indigenous communities' ability to participate in eCommerce and access virtual health services and online learning. COVID-19 highlighted this continuing issue of the lack of broadband access for Indigenous communities in Ontario, limiting progress in health, education, social and economic outcomes.
- The **Retirement Home Regulatory Authority** (RHRA) was established in 2011 to oversee retirement homes under the *Retirement Homes Act, 2010*, and to promote and enforce consumer protection and safety. In our audit of the RHRA, we found a gap in the regulatory oversight of approximately 4,200 alternate-level-of-care patients, some of whom are currently in retirement home beds subsidized by the Ministry of Health (under its short-term transitional care program) waiting for placement in other settings such as long-term-care homes. Specifically, these people are not subject to oversight by the RHRA nor the Ministry of Long-Term Care. The risk exists that these people are not afforded the safety, care and protection they would have received by the Ministry of Long-Term Care had they been placed in long-term-care homes. As well, our audit

found that residential profiles are changing: thousands of beds in retirement homes are being occupied by individuals who have more extensive health-care needs than the more active and independent seniors that many retirement homes were designed for. This presents a need for the Ministry for Seniors and Accessibility, the RHRA and the Ministry of Long-Term Care to assess this situation and the risks to residents.

Delegated Authorities Need to Strengthen Consumer Protection, Regulation and Safety

This year, we performed a number of audits of delegated authorities in Ontario: the Bereavement Authority of Ontario, the Electrical Safety Authority, the Condominium Authority of Ontario, the Condominium Management Regulatory Authority of Ontario and the RHRA (as discussed above). Each of them has important consumer protection and safety responsibilities, and they need to do more to protect and educate the consumers who purchase cremation and funeral services, hire electricians, purchase and reside in condominiums, and make decisions to reside and obtain services in retirement homes.

COVID-19 necessitated more interaction between the delegated authorities and the ministries responsible for them. The Ministry of Seniors and Accessibility has the responsibility to oversee the work of the RHRA, and the Ministry of Government and Consumer Services has oversight responsibilities for the other four delegated authorities.

Regarding the **Bereavement Authority of Ontario**, consumers need more disclosure on pricing and services so that they are not taken advantage of in their time of mourning the death of a loved one. A stronger regulatory approach is also needed to, for example, proactively inspect funeral homes and other operators, conduct timely follow-up on the licensing issues of many cemetery operators, and confirm whether consumer monies put in care and maintenance funds are properly

accounted for to be used for the upkeep of these cemeteries in perpetuity.

Our audit on **Condominium Oversight in Ontario** highlighted a need for more consumer information on what to know when purchasing a condominium, and on how condominium fees are set and managed. The mandates given to the Condominium Authority and the Condominium Authority Tribunal are limited and do not sufficiently protect condo owners against many of the common issues that they may encounter in their daily condo living. As well, the Condominium Management Regulatory Authority does not effectively address complaints, inspect condo managers and management companies proactively, or identify unlicensed individuals and companies providing management services.

The state of electrical safety in Ontario has improved over the last 10 years. However, in our audit of the **Electrical Safety Authority (ESA)**, we noted that online advertising for illegal electrical services is widespread. None of the 20 online-advertised “for-hire electricians” whom we contacted were licensed by the ESA, and all were willing to perform electrical installations without involving the ESA. Nine of the additional 20 ESA-licensed electrical contractors whom we contacted also offered to do electrical installations for less money if the ESA was not notified. As well, uncertified electrical products are widely available for sale online. The ESA does not have an active surveillance program to monitor online buying and selling of uncertified products that have not been safety tested.

The Regulator of Alcohol, Gaming, Horse Racing and Cannabis Lacks Public Transparency and Needs to Improve Its Regulatory Activities

We audited the **Alcohol and Gaming Commission of Ontario (AGCO)**, an agency responsible for regulating about 78,500 licensees and registrants across four sectors: alcohol, gaming, horse racing and cannabis retail stores. In addition to needing

to improve its oversight activities of the sectors it regulates, the AGCO, as an employer of over 600 staff, needs to be more financially transparent by producing annual audited financial statements for its own operations.

Better Information Can Contribute to More Informed Decision-Making

Good information is critical if good decisions are to be made. Our review titled **Business Case Development in the Public Sector** found that improvements have been made in the last few years to better define and support decision-making by government; however, opportunities still exist to improve the business cases ministries submit to the Treasury Board Secretariat and the depth of analysis provided. As well, additional and timely report-backs to the Board on the status of significant programs and projects can further strengthen informed decision-making.

We noted many instances in our audits this year where additional information would benefit decision-makers. For example:

- In our audit of **Museums and Galleries**, (comprising the Art Gallery of Ontario [AGO], the Royal Ontario Museum [ROM], and the McMichael Canadian Art Collection [McMichael]), we highlighted that these important organizations have more work to do in establishing their collection objectives, verifying the authenticity of the objects they acquire, valuing their collection to confirm the adequacy of insurance coverage and regularly conducting inventory checks on their collections. The Ministry of Heritage, Sport, Tourism and Culture Industries provided \$52 million in funding for 2019/20 to the AGO, the ROM and McMichael. Museums and art galleries play an important role in society by collecting and preserving objects and artwork of cultural and historical importance, and presenting these to the public for the purposes of education, research and enjoyment.
- Metrolinx monitors the punctuality, or on-time performance, of the trains and buses it oversees. Our audit of **Metrolinx Operations and Governance** concluded that the on-time performance of Metrolinx's GO trains for the five years ended March 31, 2020, was between 92% and 95% of trains arriving within five minutes of their scheduled arrival time. For the same time period, performance for GO buses was consistently about 95% of buses arriving within 15 minutes of their scheduled time. These percentages are comparable to those of transit agencies in the United States and the United Kingdom. Delays and cancellations of trains can mostly be attributed to Metrolinx's third-party service providers. With more information on bus delays and cancellations, Metrolinx can likely further improve its bus service performance.
- Our audit of **Curriculum Development, Implementation and Delivery** noted that the Ministry of Education, school boards and schools need formal processes to provide them with the assurance that all curricula are being taught effectively across the entire school system.
- Our audit of **Indigenous Affairs** highlighted that a more comprehensive co-ordination mandate is needed for the Ministry of Indigenous Affairs. The Ministry was not aware of all provincial programs and services for Indigenous peoples in Ontario, being able to identify only 30 of the 140 programs our audit identified. It also does not collect adequate information to confirm that the province is meeting its duty to consult Indigenous peoples. Comprehensive information on Indigenous programs and services and related issues is needed to assist the province in its efforts to improve social and economic outcomes for Indigenous peoples.
- Our audit on **Supportive Services for Adults with Developmental Disabilities** found that the funding of developmental supportive

services programs by the Ministry of Community and Social Services increased by 49% in the last five years, from \$578.7 million in 2015/16 to \$859.4 million in 2019/20. However, due to a budgeted cap on total program spending, not all people receive all the supports they are eligible for. Therefore, it is all the more important that the Ministry improve its monitoring and continually evaluate the delivery of supportive services by service agencies to confirm that the agencies are effectively delivering their committed services and are producing positive outcomes for people with developmental disabilities. Our Office has recommended this since 1997.

Timeliness of Action Is Important to Achieve Positive Outcomes for Ontarians

As noted above, decisions are best made when they are informed using relevant information. Equally important is that once those decisions are made, timely actions are taken to implement them. A few examples from our audits this year where more timely action is needed are:

- In our audit of **Information Technology (IT) Systems and Cybersecurity at Metrolinx**, we noted the following:
 - Metrolinx has a Service Guarantee Program. PRESTO customers are entitled to receive a fare refund under this program when experiencing train delays of 15 minutes or more or cancellations that are within Metrolinx's control. Metrolinx has the technology and the data to automatically refund customers who qualify for this program but has not yet implemented it. Only customers who have applied for refunds have received them. Of the 4,500 train delays and cancellations over the last five years that were caused by IT incidents, only 23% of eligible customers applied for the refund, receiving a total of \$450,000. The remaining 77% did not apply,

resulting in Metrolinx retaining \$2.2 million from eligible refunds.

- Metrolinx has tested its PRESTO system for cybersecurity risk but needs to do more to protect its other IT systems to prevent security breaches.
- We noted in our audit of **Indigenous Affairs** that the Ministry of Indigenous Affairs has not established expected timelines, milestones or cost estimates for the settlement of land claims once research and assessment are completed. It also does not track and report on its progress in settling land claims.
- Our audit of **Curriculum Development, Implementation and Delivery** confirmed the need for curricula to be updated on a timelier basis given that we are living in a world of quickly changing technology and cultural diversity; about half of current curricula was last updated 10 to 14 years ago. The Ministry recognizes this and has begun taking steps to address this issue. A key to the successful implementation of any changes and updates will be to provide school boards and teachers with sufficient preparatory time (including resource support) prior to the subject matter having to be taught to students.

In closing, an additional thread of commonality in our audits was the continuing need for ministries and agencies to learn from the past when making current decisions, bearing in mind that these types of decisions can be more informed by the collection, monitoring and use of reliable and timely information. Several important thinkers over the years have stressed the importance of this: as Winston Churchill put it, “Those that fail to learn from history are doomed to repeat it.”

Acknowledgements

I want to thank the members of the all-party Standing Committee on Public Accounts for their support and dedicated service to Ontarians. I also want to

thank my team of professionals for their continued excellent work especially during the COVID-19 pandemic. This report is a testament to their dedication and passion for providing recommendations in the spirit of contributing to ongoing improvements in the delivery of programs and services for Ontarians.

On behalf of our Office, I want to acknowledge and express our sincere thank-you and best wishes to Wendy Cumbo, Audit Director, Value for Money, who will be retiring this month after over 24 years of service to the Office and the Legislature. Wendy was integral to the establishment of our continuous audit recommendation follow-up process a few years ago.

As well, on behalf of our Office, I want to acknowledge the over 30 years of service of Mariana Green, our Web and Production Officer. Mariana has tirelessly worked as the graphics and layout artist for our reports and for a multitude of other communications materials used by our Office. Her skills have enhanced our ability to communicate our messages through charts and graphics in our audit reports, including in this Annual Report. Mariana will be retiring in the spring of 2021.

I'd also like to thank the members of our Panel of Advisors for sharing their knowledge, insight and time, and for providing excellent advice and guidance throughout the past year. In addition, I'd like to thank the many subject matter experts who shared their knowledge with us during our audits.

Finally, I know my staff would join me in expressing appreciation to the many people in the public and broader public sectors who were involved in our work. We thank them for their assistance and co-operation in the completion of this year's audits, and we thank the external accounting firms that provided us with assistance during the past year and whose relationships with us we value.

The year 2020 will forever be remembered for the COVID-19 pandemic. It has presented challenges for everyone, including our Office, where a lot of our work typically has involved visiting and auditing locations throughout Ontario. The challenges of COVID-19 will likely continue well into 2021. Nevertheless, my team and I will continue to conduct our work as diligently as possible to serve the Legislative Assembly and, through it, the citizens of Ontario.

Sincerely,



Bonnie Lysyk, MBA, FCPA, FCA
Auditor General of Ontario

Our Team

It takes a massive effort by many people to perform the research, audit, writing and administrative support work required to produce an Annual Report of this scope and substance. The following is a list of the people at our Office who worked to produce our *2020 Annual Report*, our *2020 Annual Report of Environmental Value-for-Money Audits and the Operation of the Environmental Bill of Rights*, issued on November 18, 2020, and our *COVID-19 Preparedness and Management Special Report*, issued on November 25, 2020.

Amerski, Bartosz	Ganesan, Krishni	Metza, Elisa	Smofsky, Alexandra
Balachandra, Paranika	Gatto, Alicia	Monteiro, Jeffrey	Spivak, Ronen
Balakrishnan, Arujunan	Gibbons, Morghain	Munroe, Roger	Stavropoulos, Nick
Balakrishnan, Nikkatan	Gill, Rashmeet	Muradzada, Zahid	Su, Michael
Batty, Kathryn	Gosse, Scott	Olatunde, Oladunmomi	Szablowski, Victoria
Bell, Laura	Gotsis, Vanna	Palardy, Nancy	Tan, Jade
Blair, Jeremy	Green, Mariana	Park, Sylvia	Tepelenas, Ellen
Bove, Tino	Grkovic, Jelena	Parmar, Gurinder	Thavarajah, Mayuresan
Bowman, Stacey	Gupta, Nandan	Patel, Anushri	Thomas, Zachary
Bychkova, Karina	Gurgul, Emilia	Patel, Mamta	Tilner, Rachel
Cao, Jimmy	Herberg, Naomi	Pedias, Christine	Tsikritsis, Emanuel
Carello, Teresa	Hill, Peggy	Pellerin, Louise	Tso, Cynthia
Catarino, David	Juseviciene, Vilma	Purina, Anna	Ulisse, Dora
Chadha, Kartik	Kassel, Michelle	Randoja, Tiina	Valiante, Marcia
Chagani, Gus	Kazemi, Shahir	Rao, Jayashree	Vanderheyden, Adam
Chan, Ariane	Kennedy, Richard	Reuben, Adam	Volodina, Alla
Chan, Jerome	Khan, Afreen	Rogers, Fraser	Wanchuk, Brian
Chan, Sandy	Klein, Susan	Sage, Larissa	Wang, Jing
Chatzidimos, Tom	Krishnamurthy, Chris	Sahota, Alisha	Wang, Leah
Chauvin, Jeffrey	Lehman-Allison, Ann	Sardar, Danyal	Whitton, Felix
Cheung, Brandon	Leung, Benjamin	Sarkar, Christine	Wilkinson, Christopher
Cleary, Julian	Lew, Taylor	Schulz, Tyler	Wisco, Archibald
Compeau, Erin	Liu, Tony	Segota, Romeo	Wong, Jessica
Cumbo, Wendy	Lozinsky, Arie	Shah, Parth	Wong, Nancy
Dasan, Sean	Luk, Jason	Shaikh, Sumayya	Wu, Christine
DeMarco, Jerry V.	MacDonald, Cindy	Sharma, Mahima	Xu, Shawn
Dimitrov, Dimitar	Malik, Mohak	Shaw, Carolyn	Yarmolinsky, Michael
Du, Daniel	Mani, Karthick	Sheikh, Khalid	Yim, Joyce
Dufour, Jesse	Martino, Mary	Shilton, Georgegiana	Yip, Gigi
Exaltacion, Katrina	Marume, Kundai	Sidhu, Pasha	Yoon, Esther
Fitzmaurice, Thomas	Mathew, Paul	Sin, Vivian	Yosipovich, Rebecca
Fletcher, Kandy	May, Kristy	Sisopha, Jennifer	Young, Denise
Fung, Montana	McLeod, Meghan	Smith, Heather	Zhang, Catherine
Ganatra, Neil	Merklinger, Bradley		