

Follow-Up on Reports Issued by the Standing Committee on Public Accounts

Summary

The Standing Committee on Public Accounts (Committee) holds hearings throughout the year when the Legislature is in session on chapters in our Annual Reports or our special reports, and presents its observations and recommendations in its own reports that it tables in the Legislative Assembly. The ministries, agencies of the Crown and organizations in the broader public sector are responsible for implementing the recommendations made by the Committee; our role is to independently express a conclusion on the progress that the audited entity made in implementing the actions contained in those recommendations.

This year we followed up on the status of the implementation of the Committee's recommendations from eight Committee reports tabled between February 2019 and February 2020. Our objective is to provide the Committee with information on the actions being taken by audited entities to provide the requested information and address the recommendations that the Committee made in its reports to the Legislature.

We conduct our follow-up work and report on the results in accordance with the applicable Canadian Standards on Assurance Engagements—Direct Engagements issued by the Auditing and

Assurance Standards Board of the Chartered Professional Accountants of Canada. Our Office complies with the Canadian Standard on Quality Control. We comply with the independence and other ethical requirements of the Code of Professional Conduct issued by Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our follow-up work consists primarily of inquiries and discussions with the government, the relevant ministries or broader-public-sector entities, a review of their status reports, and a review of selected supporting documentation. In a few cases, internal auditors also assist us with this work. The procedures performed in this work vary in nature and timing from an audit and do not extend as far. As this is not an audit, we cannot provide a high level of assurance that the corrective actions described have been implemented effectively. The actions taken or planned may be more fully examined and reported on in future audits. Status reports will factor into our decisions on whether future audits should be conducted in these same areas.

As noted in **Figure 1**, progress has been made toward implementing 62% of the Committee's 166 recommended actions, including just over 40 or 24% of them that have been fully implemented. The Ministry of Health has made progress on 100%

of the recommended actions in the Committee's report on Public Health: Chronic Disease Prevention, and Ontario Power Generation has made progress on 100% of the recommended actions in the Committee's report on Darlington.

However, there has been little or no progress on 34% of the Committee's recommended actions. In particular, we found that the Ministry of Children, Community and Social Services has made little or no progress on implementing 29 of the 35 or 83% of the recommended actions in the Committee's report on Ontario Works. For instance, the Ministry has not yet implemented a process to evaluate the Ontario Works social assistance program, including collecting data on the amount of time recipients spend on social assistance, and monitoring the performance of service managers. The Ministry of Children, Community and Social Services has also made little or no progress on implementing 17 of the 24 or 71% of the recommended actions in the Committee's report on Settlement and Integration Services for Newcomers. This includes recommended actions on ensuring that newcomers are able to access appropriate settlement and integration services when and where they are needed, and identifying barriers to newcomer participation in such programs.

A further five or 3% of the Committee's recommended actions will not be implemented, and one recommendation is no longer applicable.

One of the recommended actions that will not be implemented is from the report on Cancer Treatment. The Ministry of Health informed us that it would not implement the Committee's recommended action of developing criteria for cancer drugs to automatically qualify for the Exceptional Access Program (EAP) because it has found the case-by-case evaluation process of the EAP, as opposed to an automatic qualification process, to be a consistent and fair way to optimize sustainability for the health-care system.

Another recommended action that will not be implemented is from the report on Ontario Works. The Ministry of Children, Community and Social

Services informed us that it did not have plans to establish agreements with other provinces to identify Ontario Works recipients who have been out of the province for extended periods. The Ministry indicated that there are no mechanisms to identify or register individuals who travel within Canada that could enable it to obtain this information.

The Ministry also informed us that the Committee's recommendation that it conduct annual surveys of service managers to obtain their perspective on the obstacles they face in helping Ontario Works clients to find sustainable employment is no longer applicable. According to the Ministry, under the province's plan to transform employment services, announced in February 2019, the responsibility for providing employment supports and services would gradually transition from Ontario Works service managers to Employment Ontario service managers, selected by the Ministry of Labour, Training and Skills Development.

Three other recommendations that will not be implemented are all from the report on Public Accounts of the province. The Treasury Board Secretariat (Secretariat) indicated that it will not implement the Committee's recommended action to allow our Office to reject the proposed selection of external auditing firms hired to perform financial statement audits on agencies and Crown corporations that are consolidated into the province's financial statements, and external auditing firms that provide accounting advice to government ministries, agencies and Crown corporations. The Secretariat noted that it is in the best interests of agencies and Crown corporations and the Office to keep channels of communication open on significant accounting and auditing issues.

The Secretariat also indicated that it will not amend the *Auditor General Act* to give the Office the authority and discretion to be the appointed financial statement auditor of agencies, organizations and Crown corporations consolidated into the province's financial statements, citing that the Office is currently able to directly conduct financial

statement audits for entities that are consolidated into the public accounts, if there is a need.

Last, the province does not plan to implement the Committee's recommendation to amend Ontario Regulation 395/11 in the *Financial Administration Act* to convey in law that the financial statements for the province of Ontario will be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) in letter and spirit.

More specific details are presented in the section that follows **Figure 1**.

Figure 1: Overall Status of Implementation of Recommendations from the Standing Committee on Public Accounts

Prepared by the Office of the Auditor General of Ontario

Report Section	# of Recs	# of Actions Recommended	Status of Actions Recommended				
			Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
3.01 Cancer Treatment Tabled October 2019	21	40	19	16.5	3.5	1	0
3.02 Darlington Tabled December 2019	6	6	0	6	0	0	0
3.03 Ontario Works Tabled December 2019	14	35	1	3	29	1	1
3.04 Public Accounts of the Province Tabled February 2020	6	7	3	1	0	3	0
3.05 Public Health: Chronic Disease Prevention Tabled November 2019	17	22	8	14	0	0	0
3.06 Real Estate Services Tabled October 2019	18	31	9	16	6	0	0
3.07 Review of Government Advertising Tabled December 2019	1	1	0	0	1	0	0
3.08 Settlement and Integration Services for Newcomers Tabled February 2019	11	24	0.5	6.5	17	0	0
Total	94	166	40.5	63.0	56.5	5.0	1.0
%	—	100	24.4	38.0	34.0	3.0	0.6