



News Release

For Immediate Release

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Key Issues of Value for Money and Service Delivery Highlighted in Auditor General's 2014 Annual Report

(TORONTO) Ontario government programs that we examined didn't always provide value for money or deliver services as effectively as the public has the right to expect, Auditor General Bonnie Lysyk said following the release today of her *2014 Annual Report*.

"Both of these two issues were at the heart of the 12 value-for-money audit reports we prepared this year," she said after tabling the 600-page Annual Report, her second since becoming Auditor General in 2013.

In some areas, taxpayers did not get value for money from the large amounts of public money spent. In other cases, services were not delivered as effectively as Ontarians have a right to expect."

Among the findings in this year's Annual Report:

- Although nearly \$2 billion was spent to install new "smart" electricity meters across the province, the government's stated objectives of reducing power demand at peak times and eliminating the need for new sources of power are not being met.
- The Alternative Financing and Procurement (AFP) approach used by Infrastructure Ontario assumed that the public sector would not have been able to successfully deliver 74 infrastructure projects on time and on budget. Specifically, Infrastructure Ontario's AFP approach assumes that the risks of cost overruns and delays are about five times higher when the public sector manages infrastructure projects. The AFP approach assumed that it would be reasonable for taxpayers to incur an estimated \$8 billion more (including \$6.5 billion in higher financing costs) to have this work done by the private sector on time and on budget.
- The Provincial Nominee Program lacks effective controls to mitigate the risk that people who are not qualified for the immigration program are nonetheless being admitted, and provincial officials didn't always report attempted immigration fraud to federal authorities or law enforcement.
- Infrastructure Ontario's Loans Program made a higher-risk loan of \$216 million to a subsidiary of the MaRS Discovery District, a not-for-profit organization, but the ultimate costs and benefits of this loan are unclear.
- The Financial Services Commission of Ontario needs to better address the growing level of underfunding in defined-benefit pension plans in Ontario to better protect the 2.8 million members of these plans.
- The Ministry of Community Safety and Correctional Services needs to improve its supervision of, and rehabilitation programs for, adult offenders serving their sentences in the community to reduce the risk to the public and lower the reoffend rate.
- The Ministry of Education needs to do significantly more to reduce the incidence of serious occurrences at licensed daycares by strengthening inspection processes and related enforcement actions.

- The province has not inspected 45% of residences for people with developmental disabilities since at least 2010, creating risks. Wait lists are high, and provincial funding to homes is based on an out-dated funding model rather than the needs of individuals.
- Fourteen years after a Commission of Inquiry that followed the Walkerton drinking-water tragedy recommended adoption of source-water protection plans, Ontario still does not have many of the plans in place, nor timelines for implementing the policies recommended in the plans.
- The Ministry of Health and Long-Term Care lacks good information to monitor whether its Immunization Program operates in a cost-effective manner. For example, the Ministry does not track information on the total costs of delivering the program; nor does it have a reliable system for tracking immunization records.
- The Ontario Energy Board needs to do more to verify the information submitted by gas utilities in their applications for rate increases. The Board should more fully assess the different approaches gas utilities use to recover their costs because this has a direct impact on the rates charged to consumers.
- There is no co-ordinated system for Palliative Care services in Ontario. The Ministry of Health and Long-Term Care needs to gather more information on the services available across the province, as well as about the costs of services, patients' needs and what mix of services would best serve those needs in a cost-effective way.

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For more information and to view the full report, please visit www.auditor.on.ca