



News Release

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Auditor General's 2018 Annual Report Notes Public Spending Did Not Consistently Bring Anticipated Benefits

(TORONTO) The *2018 Annual Report* of the Auditor General of Ontario was made public today after it was tabled in the Legislative Assembly.

The Report, presented in two volumes, contains results of value-for-money audits of provincial spending in health care, infrastructure, education, public safety, government operations and social services.

“A central finding in almost all of our audits this year was that spending of public monies did not consistently result in the cost-effective achievement of anticipated program benefits, or the proactive addressing of program risks,” Auditor General Bonnie Lysyk said at the release of her Report.

“We also found that, contrary to what most people would expect, the government did not always take all steps necessary to ensure that programs are providing financial assistance only to eligible people; that payments to suppliers are for cost-effective services or work; and that the necessary steps are taken to recover monies when overpayments were made.”

Volume 1 of the Report contains 15 value-for-money audits. The findings of these audits include:

- The Technical Standards and Safety Authority (TSSA) has a mandate to promote and enforce public safety in the handling and storage of fuels, boilers and pressure vessels, upholstered and stuffed articles, and elevators, amusement rides and ski lifts. However, the TSSA is not operating in accordance with its mandate and is ineffective in protecting the public in nearly all of the areas for which it is responsible.
- Ontario Works provided financial and employment assistance to 250,000 unemployed or underemployed Ontarians in 2017/18 and their dependents at a cost of \$3 billion. It helped only 10% to 13% of clients find work in each of the last five years, and the average length of time that clients received benefits rose from 19 months in 2008/09 to almost three years in 2017/18.
- Waterfront Toronto was created in 2002 to “oversee all aspects of revitalization of Toronto’s waterfront.” However, in the ensuing 16 years, it directly developed only 5% of the total publicly owned waterfront developable land, and provided assistance to other organizations to develop another 151 acres.
- The selection of two new GO Train stations among 12 that Metrolinx decided to build in 2016 was influenced by the then Minister of Transportation and the City of Toronto. Metrolinx overrode its own evaluation process that recommended that the two stations not be built for another decade.
- Metrolinx construction of light rail transit (LRT) projects faced cost overruns and completion delays because of changes to the projects requested by both municipal and provincial governments. Overall planning of projects has also been complicated by shifting municipal and provincial priorities.
- The Assistive Devices Program paid \$514 million in 2017/18 to supply basic assistive devices (for example, mobility equipment and hearing aids) to about 400,000 people. We found that while the Program enhanced service delivery since our last audit in 2009, efforts to improve oversight by identifying ineligible claims remain inadequate. Also, efforts to ensure that vendors are only being paid reasonable prices for devices remain inadequate.

- Legal Aid Ontario helps low-income Ontarians through a variety of services, including community legal clinics. The clinics report that about 44% of their workload involves applications to and appeals with a provincial program, the Ontario Disability Support Program (ODSP). Reducing ODSP cases could save up to \$21 million a year.
- The Office of the Public Guardian and Trustee is mandated to protect the rights and property of people who lack the mental capacity to do this themselves. However, we noted a number of weaknesses in its internal procedures that hinder its ability to properly fulfill its role on behalf of its 12,000 clients.
- Ontario’s publicly funded school boards spent \$227 million on IT Systems and Technology in 2017/18, but the Ministry of Education had no broad strategy for curriculum delivery or use of IT by students. This contributed to variations across the province in student-to-computer ratios and in the age of equipment and software.
- Health Quality Ontario (HQP) has a mandate to help improve health care by offering evidence-based recommendations on which medical services and devices to publicly fund and by developing clinical care standards. However, its recommendations to health-care providers are optional, so Ontarians may not be receiving the full benefit of its work. It has spent over \$240 million over the last seven years.
- The Ontario Student Assistance Program (OSAP) provides financial aid to students in post-secondary studies. In the 2017/18 academic year, it was changed to provide more non-refundable grants than loans, and to extend eligibility to older students. In the first year of this program, while enrollments rose only about 2%, the number of people receiving aid rose 25%.
- Ministries make extensive use of external consultants, especially in IT, without knowing if it would be more cost-effective in some cases to hire permanent or term employees to do the work. Ontario spent \$360 million on external consultants in 2017/18.
- Ontarians travelling outside the province without private medical insurance often get as little as five cents on the dollar from the Province for medical costs they incur. At the same time, Ontario hospitals may be subsidizing out-of-province patients by providing services for more than they can bill back to other provinces and territories.
- The \$12.8-billion refurbishment of the Darlington Nuclear Generating Station is being diligently monitored by OPG in order to remain on track to meet its time and cost estimates, although work remains. There are also several significant risks associated with work not yet done, including potential shortages of skilled trades.
- Ontario has the lowest wait times for magnetic resonance imaging (MRI) and computed tomography (CT) scans of the six provinces that measure them. However, while most Ontario patients assessed as emergency or urgent cases got scans within provincial target times, lower-priority cases waited longer than Ontario’s own target.

Volume 1 also has chapters on the following:

- The public accounts of the Province. This chapter outlines the details behind the issuance of an “unqualified” or “clean” opinion on the consolidated financial statements of the Province for 2017/18. This follows two previous “qualified” opinions that arose from the Province’s incorrect accounting for certain pension plans it co-sponsors with employees, and for non-standard accounting associated with the Fair Hydro Plan.
- The Auditor General’s review of government advertising. Government spending on advertising in 2017/18 was \$62.6 million, the highest since 2006/07. As in past years, the 2015 changes to our Office’s authority under the *Government Advertising Act, 2004*, have resulted in publicly funded advertisements that sometimes confer a partisan advantage on the government.

Volume 2 Government ministries and agencies made progress toward implementing 66% of the actions contained in those recommendations. As well, by 2018, the cumulative rate for full implementation of recommended actions from 2012 to 2015 was 59%, up from 50% in the previous year.

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Read the [2018 Annual Report](http://www.auditor.on.ca) at www.auditor.on.ca

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The Office of the Auditor General is an independent Office of the Legislative Assembly that conducts value-for-money and financial audits of the provincial government, its ministries and agencies. We also audit organizations in the broader public sector that receive provincial funding. Our vision is to deliver exceptional value and assurance to members of the Legislative Assembly, the Standing Committee on Public Accounts, and all Ontarians through high-quality work that promotes accountability, value for money and effective governance in the Ontario public sector.