

Chapter 1

Follow-Up Reports on Value-for-Money Audits

Summary

It is our practice to make specific recommendations in our value-for-money audit reports and ask the ministries, agencies of the Crown and organizations in the broader public sector we have audited to provide a written response to each recommendation, which we include in our final reports. Two years after we publish the recommendations and related responses, we follow up on the status of actions taken. The auditees are responsible for implementing the recommendations made by our Office; our role is to independently express a conclusion on the progress that the audited entity made in implementing the actions contained in each recommendation.

In each of the follow-up reports in this chapter, we provide background on the original value-for-money audits and special reports reported on in our *2021 Annual Report* and assess and report on the implementation status of actions that have been taken to address our recommendations since that time. In this chapter, we also assess and report on the implementation status of recommendations and actions from three value-for-money audits included in our *2020 Annual Report*: Conserving the Natural Environment with Protected Areas; Reducing Greenhouse Gas Emissions from Energy Use in Buildings; and Setting Indicators and Targets, and Monitoring Ontario's Environment.

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 Standards on Quality Management. 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, agencies of the Crown or broader public sector entities, a review of their status reports, and a review of selected supporting documentation. The procedures performed in this work vary in nature and timing from an assurance engagement that obtains a reasonable level of assurance, such as an audit, and do not extend as far. As this work 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 56.7% of our recommended actions (70% in our *2022 Annual Report*), including 34.5% that have been fully implemented (42% in our *2022 Annual Report*).

Figure 1: Overall Status of Implementation of Recommendations from Our 2021 Annual Report and Three Audits* from Our 2020 Annual Report

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
1.01 The Public Accounts of the Province of Ontario	7	11	4	3	2	2	0
1.02 Assisted Living Services	24	53	13	7	33	0	0
1.03 Cardiac Disease and Stroke Treatment	15	39	9	0	23	7	0
1.04 COVID-19 Economic Response and Supports for Businesses	8	12	7	1	2	1	1
1.05 COVID-19 Personal Protective Equipment Supply	8	16	11	4	0	1	0
1.06 Financial Reporting of School Boards in Ontario	17	26	19	5	2	0	0
1.07 Homelessness	12	30	11	7	12	0	0
1.08 Inspection and Maintenance of the Province's Bridges and Culverts	10	22	11	9	0	1	1
1.09 Ontario Cannabis Retail Corporation	16	63	50	8	2	0	3
1.10 Land-Use Planning in the Greater Golden Horseshoe	12	24	2	0	22	0	0
1.11 Ontario Clean Water Agency	21	47	7	18	17	5	0
1.12 Ontario Motor Vehicle Industry Council	30	70	39	7	22	0	2
1.13 Ontario's Provincial Comptrollership Framework	13	25	12	6	2	5	0
1.14 Ontario Provincial Police	15	34	6	26	2	0	0
1.15 Ontario Securities Commission	26	57	25	20	12	0	0
1.16 Outpatient Surgeries	13	31	9	16	6	0	0
1.17 Private Career Colleges Oversight	22	52	18	8	24	2	0
1.18 Public Colleges Oversight	26	53	19.34	12.41	17	3.25	1
1.19 5G Network Technology and Related Pre-commercial 5G Program	10	23	7	6	3	0	7
1.20 Internet Gaming in Ontario	3	5	0	0	2	2	1
1.21 Hazardous Spills	13	29	2	10	17	0	0
1.22 Non-Hazardous Waste Reduction and Diversion in the Industrial, Commercial and Institutional Sector	17	38	4	5	29	0	0
1.23 Protecting and Recovering Species at Risk	21	52	4	9	17	22	0
1.24 Reporting on Ontario's Environment	14	21	6	2	0	12	1
1.25 Conserving the Natural Environment with Protected Areas*	17	36	5	6	14	11	0
1.26 Reducing Greenhouse Gas Emissions from Energy Use in Buildings*	19	31	10	3	14	4	0
1.27 Setting Indicators and Targets, and Monitoring Ontario's Environment*	15	27	8.98	7.30	7.32	3.33	0
Total	424	927.00	319.32	205.71	303.32	81.58	17.00
%	—	100	34.5	22.2	32.7	8.8	1.8

* These reports were included in our Office's 2020 Annual Report.

The ministries and agencies of the Crown that have made the most progress toward fully implementing our recommended actions from 2021 include the Ministry of Finance and the Ontario Cannabis Retail Corporation on our audit of the Ontario Cannabis Retail Corporation; the Ministry of Education on our audit of the Financial Reporting of School Boards in Ontario; and the Ministry of Health, Ministry of Public and Business Service Delivery, and the Ministry of Labour, Immigration, Training and Skills Development on our audit of COVID-19 Personal Protective Equipment Supply.

However, little or no progress has been made on 32.7% of our recommended actions (26% in our 2022 *Annual Report*). For example, the Ministry of Municipal Affairs and Housing made little or no progress on implementing 22 (or 92%) of recommended actions in our audit of Land-Use Planning in the Greater Golden Horseshoe. The Ministry of the Environment, Conservation and Parks made little or no progress on implementing 29 (or 76%) of recommended actions in our audit of Non-Hazardous Waste Reduction and Diversion in the Industrial, Commercial and Institutional Sector. The Ministry of Health and Ontario Health has also made little or no progress on implementing 33 (or 62%) of recommended actions in our audit of Assisted Living Services. Lastly, the Ministry of the Environment, Conservation and Parks has made little or no progress on implementing 17 (or 59%) of recommended actions in our audit of Hazardous Spills. Notable recommendations with little or no progress include:

- The Ministry of Municipal Affairs and Housing, to establish and publicly communicate a formal application and review process for the use of Minister's Zoning Orders (MZOs) so that MZOs are not used as a way to circumvent the normal planning process in order to speed up development projects.
- The Ministry of Health and Ontario Health, to identify aspects of assisted living buildings that require oversight, and work with other partners, such as public health units, to conduct regular, risk-based inspections.

- Ontario Health, to update its agreements with assisted living agencies to include monthly minimum service hour targets for various care levels and monitor reported service hours against the revised targets.
- The Ministry of the Environment, Conservation and Parks, to expand the application of its environmental penalties to enable it to penalize all spills to hold polluters accountable and encourage preventing spills that have potential impacts on human health and the environment.
- The Ministry of the Environment, Conservation and Parks, to develop a concrete plan for an organic waste landfill phase-out with firm dates for implementation.
- The Ministry of Colleges and Universities, to work with public colleges to develop a formal and comprehensive strategy for international students, including options to diversify revenue streams to reduce the sector's high reliance on these students.

Additionally, 8.8% (or 81.58) of our recommended actions will not be implemented. This is a significant increase from last year (3.1%). We continue to recommend their implementation. A further 1.8% (or 17) of our recommended actions are no longer applicable.

Follow-Up Reports on Special Reports

This year, we assessed the implementation status of recommendations contained in the two remaining chapters of our Special Report on COVID-19 Preparedness and Management, published in 2021. These reports assessed Ontario's management of health-related expenditures during the pandemic and the Province's pandemic response in long-term care settings, and were conducted with the co-operation of the Ministry of Health, the Ministry of Long-Term Care, the Ministry for Seniors and Accessibility, the Ministry of the Solicitor General, the Secretary of the Cabinet, and the Treasury Board Secretariat.

In 2019, we published our *Special Audit of the Tarion Warranty Corporation*. We released the first follow-up audit of this special report in our 2021 *Annual Report*.

Figure 2: Overall Status of Implementation of Recommendations from Our Special Reports

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
2.01 COVID-19 Preparedness and Management, Chapter 4: Special Report on Management of Health-Related COVID 19 Expenditures	12	18	9.9	0.6	0.5	0	7
2.02 COVID-19 Preparedness and Management, Chapter 5: Special Report on Pandemic Readiness and Response in Long-Term Care	16	55	27	23	2	3	0
2.03 Tarion Warranty Corporation*	10	18	10	3	5	0	0
Total	38	91.0	46.9	26.6	7.5	3.0	7.0
%	—	100	51.5	29.2	8.2	3.3	7.7

* This special report was issued by our Office in 2019; the number of recommendations and actions in the figure include only those recommended actions that were not documented as fully implemented in our 2021 follow-up report.

Given the significance of the audit to home buyers, this year we conducted a second follow-up audit to assess the implementation status of recommended actions that were not documented as fully implemented in our 2021 follow-up report.

As noted in **Figure 2**, progress has been made toward implementing 80.7% of recommended actions in these special reports, including 51.5% that have been fully implemented. However, little or no progress was made on 8.2% of our recommended actions. Notable recommendations with little or no progress include:

- The Ministry of Health, to establish a suitable time or milestone to reinstate the normal three-month waiting period for new Ontario Health Insurance Plan (OHIP) recipients and for people returning to the province after an extended absence as this wait period was waived temporarily during the pandemic.
- The Ministry of Long-Term Care, to require its inspectors to assess annually whether long-term care homes have reasonable staffing plans in place and are operating in accordance with those

plans, as we found that long-term care staffing levels were insufficient to help residents with activities of daily living.

- The Ministry of Long-Term Care, to require its inspectors to annually assess whether long-term care home operators are confirming that personal support workers (PSWs) working in their homes are properly trained on current standards, given that PSWs comprise more than half of long-term care home staff and are responsible for the direct day-to-day care of residents.
- The Tarion Warranty Corporation and the Ministry of Public and Business Service Delivery, to impose restrictions on the exemption for licensing and registration for individuals who build homes for their personal use, as we found that this exemption is abused and does not deter illegal home building and selling in Ontario.

Additionally, 7.7% (or 7) of the recommended action items are no longer applicable and a further 3.3% (or 3) of recommended action items will not be implemented.