

Summary of Follow-Up Reports on **2022 Annual Report Performance Audits and Special Report**

It is our practice to make specific recommendations in our performance audit reports and ask auditees to provide a written response to each recommendation, which is included in our report. The auditees are responsible for implementing the recommendations made by our Office. Two years after we publish the report, we follow up on the status of their actions taken. Our role is to independently express a conclusion on the progress that the auditee has made in implementing the actions contained in each recommendation.

In each of the follow-up reports published this year, we assess and report on the implementation status of actions taken to address our recommendations since they were included in our *2022 Annual Report* and our *2022 Special Report on Laurentian University*.






We conduct our follow-up work and report on the results in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—*Direct Engagements*. Our Office complies with the Canadian Standard on Quality Management 1 and, as a result, maintains a comprehensive system of quality management that includes documented policies and procedures with respect to compliance with rules of professional conduct, professional standards and applicable legal and regulatory requirements. We comply with the independence and other ethical requirements of the Code of Professional Conduct issued by the 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 auditees, an analysis of their status reports, and a review of selected supporting documentation. The procedures performed in this work vary in nature and timing from a reasonable assurance engagement, 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 62.8% of our recommended actions compared to 56.6% reported in our *2023 Annual Report*, including 40% that have been fully implemented compared to 34.5% in our *2023 Annual Report*.

Figure 1: Overall Status of Implementation of Recommendations from Our 2022 Annual and Special Reports

Prepared by the Office of the Auditor General of Ontario

Report	# of Recs	# of Actions Recommended	Fully Implemented 	In the Process of Being Implemented 	Little or No Progress 	Will Not Be Implemented 	No Longer Applicable 
The Public Accounts of the Province of Ontario ¹	8	12	4	2.5	2	3.5	0
Climate Change Adaptation: Reducing Urban Flood Risk ¹	16	25	3	5.5	6	9.5	1
Conserving the Niagara Escarpment	23	46	9	8	16	13	0
COVID-19 Contracts and Procurement	12	26	12	4	2	1	7
COVID-19 Vaccination Program ¹	11	33	8.7	12.5	6	3.8	2
Financial Management in Ontario Universities ¹	21	57	23.6	5.3	24.8	3.3	0
Financial Services Regulatory Authority: Regulation of Private Passenger Automobile Insurance, Credit Unions and Pension Plans	18	60	27	12	19	2	0
Highway Planning and Management	12	33	10	10	13	0	0
Liquor Control Board of Ontario: Information Technology Procurement ¹	10	26	17.5	4	1	3.5	0
Management of Hazards and Emergencies in the Environment	30	70	9	18	35	6	2
Management of Invasive Species	12	37	21	4	3	9	0
Office of the Corporate Chief Information Officer	14	43	16	24	3	0	0
Ontario Energy Board: Electricity Oversight and Consumer Protection	12	26	10	9	7	0	0
Ontario Lottery and Gaming Corporation: Casinos, Lotteries and Internet Gaming	25	53	17	20	3	7	6
Ontario Power Generation: Management and Maintenance of Hydroelectric Generating Stations	12	24	16	5	1	2	0
Real Estate Council of Ontario	25	63	50	1	12	0	0
Total	261	634	253.8	144.8	153.8	63.6	18.0
%	—	100	40.0	22.8	24.3	10.0	2.8
Special Report on Laurentian University	74	79	36	26	14	1	2
Total	74	79	36	26	14	1	2
%	—	100	46	33	18	1	2

1. Some audits contain multiple auditees for each recommended action, so implementation may be expressed as a fraction.

The auditees that have made the most progress toward fully implementing our recommended actions from 2022 include the Real Estate Council of Ontario and the Ministry of Public and Business Service Delivery and Procurement on our audit of the Real Estate Council of Ontario; the Liquor Control Board of Ontario (LCBO) on our audit of LCBO Information Technology Procurement; and the Ontario Power Generation (OPG) on our audit of OPG's Management and Maintenance of Hydroelectric Generating Stations.

Little or no progress has been made on 24.3% of our recommended actions compared to 32.7% in our *2023 Annual Report*. For example, the Ministry of Natural Resources, the Ministry of Mines and Emergency Management Ontario have made little or no progress on implementing 35 (or 50%) of recommended actions in our audit of Management of Hazards and Emergencies in the Environment. The Ministry of Colleges and Universities, Algoma University, Nipissing University, Ontario Tech University and the University of Windsor made little or no progress on implementing 24.8 (or 44%) of recommended actions in our audit of Financial Management in Ontario Universities. The Ministry of Transportation has also made little or no progress on implementing 13 (or 40%) of recommended actions in our audit of Highway Planning and Management. The Ministry of Natural Resources, and the Niagara Escarpment Commission have made little or no progress on implementing 16 (or 35%) of recommended actions in our audit of Conserving the Niagara Escarpment. Notable recommendations from these reports with little or no progress include cases where we recommended that:

- » The Ministry of Natural Resources determine and update the Facility Condition Index, and the Total Failure Index and Hazard Potential Classification score for each dam owned by the Province;
- » The Ministry of Natural Resources track whether required response times for forest fires are met, so that fires are responded to under the maximum target times;
- » The Ministry of Colleges and Universities complete an assessment of the cost of instruction and operations of universities and, to develop a strategic plan and accompanying implementation timeline to support the financial and operational sustainability of the post-secondary sector;
- » Algoma University, Nipissing University, Ontario Tech University and the University of Windsor reduce or restructure program offerings based on the results of program profitability analyses and academic need;
- » The Ministry of Transportation estimate and publicly communicate the cost and timeframe to achieve the goals of each regional transportation plan;

- » The Ministry of Transportation request official written Ministerial direction when the provincial government's objectives do not align with the recommendations of the Ministry's subject-matter experts, when selecting highway expansion projects; and
- » The Niagara Escarpment Commission develop a long-term strategic plan for conserving the Niagara Escarpment in collaboration with the Ministry of Natural Resources.

Additionally, 10% (or 63.6) of our recommended actions will not be implemented; however, we continue to recommend the implementation of these actions. The number is a small increase from last year (8.8%), but a significant increase from 2022 (3.1%).

This year we also assessed the implementation status of recommendations contained in our Special Report on Laurentian University, published in 2022. This report focused on the University's operational and financial processes, and the surrounding circumstances and decisions that led to its financial deterioration and *Companies' Creditors Arrangement Act* filing. Further, we assessed whether the Ministry of Colleges and Universities had effective oversight procedures in place to monitor the financial viability of Laurentian, and, more generally, universities in Ontario. The engagement was conducted with Laurentian University, the Ministry of Colleges and Universities, and the Office of the Integrity Commissioner of Ontario.

Progress has been made toward implementing 62 (79%) of recommended actions in this special report, including 36 (46%) that have been fully implemented. However, little or no progress was made on 14 (18%) of our recommended actions.

Two (or 2%) of the recommended action items are no longer applicable and one (1%) will not be implemented.